

## SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is made as of and with effect from March 30, 2015

BETWEEN:

**FUNDAMENTAL APPLICATIONS CORP.**, a company that is incorporated under the *Business Corporations Act* (British Columbia) with an office at 242 - 515 West Pender Street, Vancouver, BC V6B 6H5

(the "**Purchaser**")

AND:

**FORO TECHNOLOGIES INC.**, a company incorporated under the laws of British Columbia, with a head office at 605 – 1905 Robson Street, Vancouver, BC V6G 1E6

(**"Foro"**)

AND:

**THE SHAREHOLDERS OF FORO**, as listed in Schedule A

(the "**Shareholders**")

WHEREAS:

- A. The Purchaser is a publicly listed company on the Exchange; and
- B. The boards of directors of the Purchaser and Foro have determined that it is in the best interests of the companies and their respective shareholders to enter into this Agreement and consummate the acquisition of Foro by the Purchaser by way of a cash payment and share exchange (the "**Acquisition**"), which Agreement formalizes and replaces, in their entirety, all such recent discussions and negotiations, including the Letter of Intent signed between the Purchaser and Foro on January 16, 2015 (the "**LOI**"), in connection with the proposed purchase by the Purchaser of all of the issued and outstanding shares of Foro.

NOW THEREFORE, THIS AGREEMENT witnesses that in consideration of the mutual covenants and agreements herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### **Article 1** **Definitions and Interpretation**

#### **1.1 Definitions.**

For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) "**Acquisition**" means the acquisition by the Purchaser of 100% of the issued and outstanding share capital of Foro;
- (b) "**Affiliate**" has the meaning specified in the BCBCA;
- (c) "**Agreement**" means this share exchange agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;
- (d) "**Ali Saheli**" means the individual having the designation as the Chief Executive Officer and sole director of Foro;
- (e) "**BCBCA**" means the *Business Corporations Act* (British Columbia);
- (f) "**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Canada;
- (g) "**Claims**" means any suit, action, dispute, civil or criminal litigation, claim, arbitration or legal, administrative or other proceeding or governmental investigation, including appeals and applications for review;
- (h) "**Closing**" means the completion of the Acquisition;
- (i) "**Closing Date**" means the date of Closing as set out in Article 12 hereto;
- (j) "**Consideration Shares**" has the meaning ascribed thereto in Section 2.2;
- (k) "**Disclosure Exceptions**" means the exceptions to the representations and warranties of each Party, as stated in Article 3, Article 4 and Article 5;
- (l) "**Escrow Agreement**" means the escrow agreement for the Escrow Shares, in the form attached hereto as Schedule C;
- (m) "**Escrow Agent**" means Bacchus Law Corporation;
- (n) "**Escrow Shares**" has the meaning ascribed thereto in Section 2.2;
- (o) "**Exchange**" means the Canadian Securities Exchange;
- (p) "**Foro**" means Foro Technologies Inc., a company incorporated under the laws of British Columbia;
- (q) "**Foro Assets**" means the property and assets of Foro as a going concern, of every kind and description and wheresoever situated;
- (r) "**Foro Information**" has the meaning ascribed thereto in Section 9.1(c);
- (s) "**Foro Services Agreement**" has the meaning ascribed thereto in Section 2.7;
- (t) "**Foro Shares**" means the common shares in the capital of Foro;
- (u) "**Governmental Entity**" means any government, parliament, legislature, regulatory authority, governmental department, agency, commission, board,

tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation or nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof;

- (v) "**Governmental Order**" means any order, writ, ruling, judgment, injunction, decree, stipulation, determination, award, directive or citation entered into by or with any Governmental Entity;
- (w) "**Indemnified Party**" has the meaning ascribed thereto in Section 10.1;
- (x) "**Indemnifying Party**" has the meaning ascribed thereto in Section 10.1;
- (y) "**Initial Consideration Shares**" has the meaning ascribed thereto in Section 2.2;
- (z) "**Intellectual Property**" means all (i) trademarks, service marks, trade names and other indications of origin including all goodwill associated with all of the foregoing, and all applications, registrations and renewals in connection with all of the foregoing, in any jurisdiction; (ii) inventions, discoveries and ideas (whether patentable or unpatentable and whether or not reduced to practice), and all patents, applications for patents; (iii) trade secrets, know-how, confidential information, and other proprietary rights and information; (iv) copyrights and works of authorship, whether copyrightable or not, and all applications, registrations and renewals in connection therewith, in any jurisdiction; (v) Internet domain names; (vi) computer technology, equipment, devices, systems, hardware, software and databases; and (vii) other similar intellectual property or proprietary rights;
- (aa) "**Laws**" means all statutes, codes, ordinance, regulations, statutory rules, published policies, published guidelines and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term "applicable" with respect to such Laws, and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities (all references herein to a specific statute being deemed to include all applicable rules, regulations, rulings, orders and forms made or promulgated under such statute and the published policies and published guidelines of the Governmental Entity administering such statute) and shall include the published rules and policies of the Exchange;
- (bb) "**Lenders**" has the meaning ascribed thereto in Section 2.8;
- (cc) "**Lender Shares**" has the meaning ascribed thereto in Section 2.8(c);
- (dd) "**Lien**" means any mortgage, charge, 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;

- (ee) **"Material Adverse Effect"** means, when used in connection with the Purchaser or Foro, as applicable, any event, condition or change which individually or in the aggregate constitutes, or could reasonably be expected to have, a material adverse effect on their respective business assets, liabilities, condition (financial or otherwise) or results of operations taken as a whole on a consolidated basis; provided, however, that the determination of whether a material adverse effect has occurred shall be made ignoring any event, change, fact or effect resulting from: (i) any change in generally accepted accounting principles in Canada as in effect from time to time, consistently applied or Laws or interpretation thereof; (ii) any generally applicable change or development in economic, regulatory, business or financial market conditions; (iii) any acts of terrorism or war; (iv) the execution or announcement of this Agreement; (v) in respect of the Purchaser, any breach of this Agreement by Foro or the Shareholders; and (vi) in respect of Foro, any breach of this Agreement by the Purchaser;
- (ff) **"Material Contracts"** means all contracts or other obligations or rights, including all amendments, modifications and supplements thereto, to which a Party is a party or by which any of their respective properties or assets are bound that are material to the business, properties or assets of a Party, taken as a whole;
- (gg) **"material fact"** has the meaning ascribed thereto in the Securities Act;
- (hh) **"Milestone 1"** has the meaning ascribed thereto in Section 2.5(a)(i);
- (ii) **"Milestone 1 Date"** has the meaning ascribed thereto in Section 2.5(a)(i);
- (jj) **"Milestone 1 Escrow Shares"** has the meaning ascribed thereto in Section 2.5(a)(i);
- (kk) **"Milestone 2"** has the meaning ascribed thereto in Section 2.5(a)(ii);
- (ll) **"Milestone 2 Date"** has the meaning ascribed thereto in Section 2.5(a)(ii);
- (mm) **"Milestone 2 Escrow Shares"** has the meaning ascribed thereto in Section 2.5(a)(ii);
- (nn) **"Notes"** has the meaning ascribed thereto in Section 2.8;
- (oo) **"Party"** means a party to this Agreement and **"Parties"** means all parties to this Agreement;
- (pp) **"Pay-Out"** has the meaning ascribed thereto in Section 2.8;
- (qq) **"Permitted Liens"** means Liens for current Taxes or other governmental charges not yet due and payable or delinquent, the amount or validity of which is being contested in good faith by appropriate proceedings or which may thereafter be paid without penalty or such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not material (alone or in the aggregate) in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of any property subject thereto or affected thereby;

- (rr) "**Person**" means and includes an individual, firm, sole proprietorship, partnership, joint venture, venture capital or hedge fund, association, unincorporated association, unincorporated syndicate, unincorporated organization, estate, group, trust, body corporate (including a limited liability company and an unlimited liability company), a trustee, executor, administrator or other legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (ss) "**Purchase Cash**" has the meaning ascribed thereto in Section 2.2;
- (tt) "**Purchaser**" means Fundamental Applications Corp., a Reporting Issuer incorporated pursuant to the Laws of British Columbia and whose common shares are listed for trading on the Exchange;
- (uu) "**Purchaser Assets**" means the property and assets of the Purchaser as a going concern, of every kind and description and wheresoever situated;
- (vv) "**Purchaser Financing**" means an aggregate minimum of \$500,000 in new financing raised by the Purchaser after the date of the LOI and prior to Closing;
- (ww) "**Purchaser Information**" has the meaning ascribed thereto in Section 7.1(c);
- (xx) "**Purchaser Shares**" means the common shares in the capital of the Purchaser;
- (yy) "**Regular User**" has the meaning ascribed thereto in Section 2.5(a)(i);
- (zz) "**Reporting Issuer**" means a company that is a reporting issuer in British Columbia and Alberta;
- (aaa) "**Securities Act**" means the *Securities Act* (British Columbia) and all Instruments, Blanket Rulings, Policy Statements, Orders, Rules and Notices of the British Columbia Securities Commission;
- (bbb) "**Securities Authorities**" means the Exchange and any applicable securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof;
- (ccc) "**Services Compensation**" has the meaning ascribed thereto in Section 2.7;
- (ddd) "**Stock Restriction Agreement**" means the stock restriction agreement for the Initial Consideration Shares as required by the Exchange, the form of which is attached hereto as Schedule B;
- (eee) "**Taxes**" means all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Entity in the nature of a tax, including any interest, additions to tax and penalties applicable thereto;
- (fff) "**Shareholders**" means the shareholders of Foro, as set out in Schedule A.

## 1.2 Interpretation.

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

- (a) a reference to an Article, Section or Schedule is a reference to an Article, Section or Schedule of this Agreement;
- (b) the words “herein”, “hereof”, “hereunder”, “hereinabove” and “hereinbelow” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;
- (c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) in the event that any 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 which is a Business Day;
- (e) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulation in force from time to time, and every statute or regulation that supplements or supersedes such statute or regulation;
- (f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, a word importing a corporate entity includes an individual, and vice versa; and,
- (g) all dollar amounts, unless otherwise specified, are in Canadian dollars.

### **1.3 Schedules.**

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

Schedule A – Foro Shareholders and Share Distribution Table  
Schedule B – Form of Stock Restriction Agreement  
Schedule C – Form of Escrow Agreement

## **Article 2 Share Exchange**

### **2.1 Purchase and Sale.**

Subject to the terms and conditions hereof and based upon the mutual representations, warranties, terms and conditions herein contained and the prior satisfaction or waiver of the conditions precedent, which are set forth in Article 11, the Shareholders agree to assign, sell and transfer to the Purchaser on the Closing Date all of their right, title and interest in and to their Foro Shares described in Schedule A and the Purchaser agrees to purchase all of the issued and outstanding Foro Shares from the Shareholders.

### **2.2 Purchase Consideration.**

- (a) In consideration of the sale by the Shareholders of the Foro Shares to the Purchaser, at the Closing the Purchaser will pay fifty thousand dollars (\$50,000) to Foro (the “**Purchase Cash**”), and will issue a total of ONE MILLION SEVEN

HUNDRED THOUSAND (1,700,000) fully paid and non-assessable Purchaser Shares (the “**Consideration Shares**”) to the Shareholders distributed as set out in Schedule A; provided that FIVE HUNDRED THOUSAND (500,000) of the Consideration Shares will be released immediately on Closing (the “**Initial Consideration Shares**”), subject to the restrictions described in Section 2.4 below, and the balance of which Consideration Shares (the “**Escrow Shares**”) will be held in escrow by the Escrow Agent and will be released subject to Section 2.5 below.

**2.3 Surrender of Share Certificates.**

The Shareholders shall at the Closing surrender the certificate or certificates representing the Foro Shares held by the Shareholders to the Purchaser duly endorsed for transfer to the Purchaser, and the Purchaser in return will deliver to the Shareholders one or more certificates representing the Consideration Shares in such numbers as set out opposite the name of each Shareholder in Schedule A.

**Resale Restrictions, Escrow Provisions and Legending of Share Certificates.**

**2.4 Initial Consideration Shares.**

- (a) Foro and the Shareholders acknowledge that the Initial Consideration Shares will be subject to stock restrictions on terms set out in a Stock Restriction Agreement, which the Shareholders will individually execute and deliver to the Purchaser concurrently with the issuance of the Initial Consideration Shares, and which will contain the following vesting schedule:

<b>Vesting Date</b>	<b>Proportion of Initial Consideration Shares</b>
4 months after the Closing Date	60%
6 months after the Closing Date	20%
8 months after the Closing Date	The remainder

- (b) Foro and the Shareholders acknowledge that the certificates representing the Initial Consideration Shares will be stamped with the following legend (or substantially equivalent language) restricting transfer in the following manner:

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON SALE OR OTHER TRANSFER PURSUANT TO AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER (OR SUCH HOLDER’S PREDECESSOR IN INTEREST), A COPY OF WHICH IS ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO THE AGREEMENT IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE COMPANY.”

## 2.5 Escrow Shares.

- (a) The Escrow Shares will be held in escrow on the terms set out in the Escrow Agreement, which Escrow Agreement will be executed and delivered to the Purchaser by each Shareholder on or prior to the Closing Date. The Escrow Shares will be held in escrow by the Escrow Agent and released to the Shareholders in accordance with the following terms:
- (i) 600,000 of the Escrow Shares (the “**Milestone 1 Escrow Shares**”) will be released to the Shareholders in the proportions set forth opposite the name of each Shareholder in Schedule A to the Escrow Agreement if at any time prior to the date which is 6 months following the Closing Date (the “**Milestone 1 Date**”) a minimum of 25,000 individuals use the applications that originate(d) with Foro, the Purchaser, or by a third party designated by Foro or the Purchaser which utilizes the Intellectual Property of Foro, including the applications known as “Truth” and “Foro” (collectively, the “**Foro Apps**”) once or more per week (“**Regular Users**”) (this achievement, “**Milestone 1**”);
  - (ii) The remaining 600,000 Escrow Shares (the “**Milestone 2 Escrow Shares**”) will be released to the Shareholders in the proportions set forth opposite the name of each Shareholder in Schedule A to the Escrow Agreement if at any time prior to the date which is 12 months following the Closing Date (the “**Milestone 2 Date**”) a minimum of 50,000 Regular Users use the Foro Apps (this achievement, “**Milestone 2**”);
  - (iii) In the event that neither Milestone 1 nor Milestone 2 is achieved by the Milestone 2 Date, those of the Escrow Shares that have not yet been released by the Escrow Agent to the Shareholders in accordance with the terms hereof will be cancelled by the Purchaser in accordance with the terms of the Escrow Agreement;
  - (iv) In the event that Milestone 1 is not achieved by the Milestone 1 Date, but Milestone 2 is achieved by the Milestone 2 Date, upon the achievement of Milestone 2, the entirety of the Escrow Shares will be released by the Escrow Agent to the Shareholders;
  - (v) In the event that at any time prior to that day which is 12 months following the Closing Date:
    - (A) Ali Saheli does not have such control over the operational matters at Foro as may reasonably be required in order for Foro to have the ability to reach Milestone 1 and Milestone 2 and the Purchaser fails to relinquish to Ali Saheli the requisite control over Foro, as such requisite control is determined by the Purchaser, acting reasonably, within 10 Business Days following receipt of written notice from Foro advising of the lack of sufficient control over Foro; or
    - (B) the Purchaser breaches an obligation under Section 2.6 of this Agreement and fails to cure the breach within 10 Business Days following receipt of written notice from Foro,



the entirety of the Escrow Shares shall be released by the Escrow Agent to the Shareholders in accordance with the terms of the Escrow Agreement; and

- (vi) In the event that prior to the 12 months following the Closing Date, the Purchaser enters into any form of amalgamation, merger, arrangement or other similar transaction the entirety of the Escrow Shares will be released by the Escrow Agent to the Shareholders.

## **2.6 Support.**

The Purchaser will provide funding to Foro, to be spent only on marketing the Foro Apps in the following amounts:

- (a) No less than fifteen thousand dollars (\$15,000) and no more than twenty thousand dollars (\$20,000) for the first six (6) months after Closing; and
- (b) No less than twenty-five thousand dollars (\$25,000) and no more than thirty thousand dollars (\$30,000) for the second six (6) months after Closing,

in each case, in the amount and at which time as is required by Ali Saheli for the purpose of facilitating the attraction and retention of Regular Users under Milestone 1 and Milestone 2, as applicable.

In addition, the Purchaser shall provide Foro with funding for operations costs primarily for payment of Foro's employees' wages and operational costs in the aggregate amount of \$10,249 per month commencing on the Closing Date and continuing until such date which is the earlier of: (a) the date that Milestone 2 is reached; and (b) the first anniversary date of the Closing Date.

## **2.7 Advisory Agreement.**

As consideration for the advisory services to be provided by Ali Saheli pursuant to the Advisory Agreement dated as of January 19, 2015 between the Purchaser and Ali Saheli, as amended as of the date hereof, the Purchaser will pay Ali Saheli a cash payment of sixty thousand dollars (\$60,000) at Closing and an additional cash payment of ten thousand dollars (\$10,000) on the date which is ninety (90) days after the Closing Date, and will grant to Ali Saheli 100,000 stock options to purchase Common shares in the capital of the Purchaser with an exercise price equal to the market price per share on the Canadian Securities Exchange on the day prior to the Closing Date (collectively, the "**Services Compensation**").

## **2.8 Pay-Out to Lenders.**

Concurrent with the Closing, 100% of the total amount owed by Foro to existing lenders listed in Schedule A (each a "**Lender**" and collectively the "**Lenders**") under promissory notes (each a "**Note**") issued by Foro to the Lenders dated July 11, 2014, July 28, 2014 and October 8, 2014 for the aggregate amount of one hundred eighty thousand dollars (\$180,000) will be paid out (the "**Pay-Out**"). The Pay-Out funds will be comprised of the following:

- (a) All of the Purchase Cash;
- (b) Thirty-five thousand dollars (\$35,000) in cash from Foro; and

- (c) Additional cash payments from Foro or the issuance by the Purchaser at the Closing to the Lenders of the number of Purchaser Shares as are required to satisfy the balance owing under the Notes after making the payments referred to in (a) and (b) above (the “**Lender Shares**”). The value of each Lender Share will be equal to the per share market price of the common shares of the Purchaser on the Exchange at market close on the Closing Date, or as required by the Exchange.

### **Article 3** **Representations and Warranties of the Purchaser**

#### **3.1 Representations and Warranties of the Purchaser.**

The Purchaser hereby represents and warrants to Foro and the Shareholders as follows and acknowledges that Foro and the Shareholders are relying on such representations and warranties in connection with the transactions contemplated hereby:

- (a) **Incorporation, Organization and Authority of the Purchaser.** The Purchaser is a corporation duly incorporated, organized and validly subsisting and, with respect to the filing of annual reports, in good standing under the Laws of the Province of British Columbia, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate the Purchaser Assets.
- (b) **Necessary Proceedings.** All necessary and required corporate measures, proceedings and actions of the directors and shareholders of the Purchaser have been taken to authorize and enable the Purchaser to enter into and deliver this Agreement and to perform its obligations hereunder and thereunder and to issue each of the Consideration Shares and the Lender Shares issuable, and pay the Consideration Cash and the Services Compensation payable in connection with the Acquisition.
- (c) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes, or when duly executed and delivered will constitute, legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms subject only to:
  - (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar Laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.
- (d) **Share Capital of the Purchaser.** The authorized capital of the Purchaser consists of an unlimited number of Purchaser Shares without par value and without special rights or restrictions attached. As of the date of this Agreement there are 14,461,166 Purchaser Shares and no preferred shares issued and outstanding, all of which are fully paid and non-assessable. Any Purchaser Shares issued prior to the Closing Date will be issued in accordance with the policies of the Exchange.

- (e) **Title to Purchaser Assets.** Other than the Permitted Liens or as disclosed in writing to Foro, the Purchaser has good and marketable title to the Purchaser Assets free and clear of any actual, pending or, to the knowledge or belief of the Purchaser, threatened Claims, Liens or set-offs whatsoever, including without limitation any action, proceeding or investigation affecting title to the Purchaser Assets, at law or in equity, before any court, administrative agency or Governmental Entity, to all of the Purchaser Assets and to any properties, except those sold in the ordinary course of business during such period, save and except in any case which would not have a Material Adverse Effect. The Purchaser has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of the Purchaser Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to the Purchaser Assets and will not do so prior to the Closing Date, save and except in any case which would not have a Material Adverse Effect.
- (f) **Reporting Issuer.** The Purchaser is a Reporting Issuer and is in compliance and up to date with all filings under applicable corporate and securities rules and regulations.
- (g) **Business of the Purchaser.** The Purchaser has conducted and is conducting its business in all material respects in full compliance with all applicable Laws, rules and regulations of each jurisdiction in which its business is carried on and holds all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as it is currently conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, save and except in any case which would not have a Material Adverse Effect.
- (h) **Indebtedness.** The Purchaser has no bonds, debentures, mortgages, promissory notes or other indebtedness maturing more than one year after the date of their original creation or issuance, and the Purchaser is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other indebtedness maturing more than one year after the date of their original creation or issuance.
- (i) **Guarantees.** The Purchaser is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
- (j) **Tax Matters.** The Purchaser is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and
  - (i) all taxes, filing fees and other assessments due and payable or collectible from the Purchaser shall have been paid or collected prior to the Closing Date,

- (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from the Purchaser has been made which has not been collected, and
  - (iii) to the best of the knowledge of the Purchaser, no such return contains any misstatement or conceals any statement that should have been included therein.
- (k) **Absence of Other Agreements.** The Purchaser:
  - (i) is not a party to any Material Contract;
  - (ii) is not a party to, nor operates any bonus, pension, profit sharing, deferred compensation, retirement, hospitalization insurance, medical insurance or similar plan or practice, formal and informal, in effect with respect to any employees of the Purchaser; and
  - (iii) is not bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any Material Contract by which it is bound or under which it is entitled to the benefits of and advantages thereof, save and except in any case which would not have a Material Adverse Effect.
- (l) **Good Standing of Agreements.** The Purchaser is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect and there exists no state of facts which, to the best of the knowledge of the Purchaser, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing and in full force and effect without amendment thereto, the Purchaser is entitled to all benefits thereunder and, to the best of the knowledge of the Purchaser, the other Parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect.
- (m) **Purchaser's Corporate Records.** The corporate records and minute books of the Purchaser contain substantially complete and accurate minutes of all meetings of the directors and shareholders of the Purchaser held since its incorporation, and signed copies of all resolutions and articles duly passed or confirmed by the directors or shareholders of the Purchaser other than at a meeting, all such meetings having been duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of the Purchaser are complete and accurate. All eligible security transfer tax or similar tax payable in connection with the transfer of any securities of the Purchaser has been paid.
- (n) **No Breach Caused by this Agreement.** The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the transactions contemplated hereby do not and will not

- (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by the Purchaser,
  - (ii) require any notice or consent or other action by any Person, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Purchaser is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon the Purchaser or affecting any of its assets, or
  - (iii) result in the creation or imposition of any Lien on any asset of the Purchaser, with such exceptions, in the case of each of clauses (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The Purchaser has complied with all licenses, franchises, leases, permits, approvals and agreements to which the Purchaser is a party or by which the Purchaser is bound, the breach of which would reasonably have a Material Adverse Effect on the Purchaser.
- (o) **Litigation.** There are no Claims, demands, disputes, actions, suits, proceedings or investigations pending or threatened against or, directly or indirectly, affecting the Purchaser (including without limitation, restraining or preventing the Purchaser from issuing the Purchaser Shares in accordance with this Agreement), at law or in equity or before or by any federal, provincial, municipal or other local court or Governmental Entity, domestic or foreign, nor is the Purchaser subject to any presently effective adverse order, writ, injunction or decree of any such body.
- (p) **No Brokers.** The Purchaser has not entered into any agreement which would entitle any Person to any valid claim against the Purchaser, the Shareholders or Foro for a broker's commission, finder's fee or any like payment in respect of any matters contemplated by this Agreement.
- (q) **Dividends.** The Purchaser has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its Purchaser Shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Purchaser Shares or securities or agreed to do any of the foregoing.
- (r) **Approvals.** No approval of, registration, declaration or filing by the Purchaser with any federal, provincial, municipal or local court or Governmental Entity is necessary to authorize the execution and delivery of this Agreement, or any and all of the documents and instruments to be delivered under this Agreement, by the Purchaser or the consummation by the Purchaser of the transactions contemplated herein, other than compliance with the Securities Act and the approval of the Exchange.

- (s) **Compliance with Laws.** The Purchaser is not in violation of any federal, provincial, municipal or other Law, regulation or Governmental Order, domestic or foreign, save and except in any case which would not have a Material Adverse Effect on the Purchaser.
- (t) **Knowledge of the Purchaser.** The Purchaser does not have any information or knowledge of any material facts relating to the business of the Purchaser that, if known to Foro or the Shareholders, might reasonably be expected to deter Foro or the Shareholders from completing the purchase and sale contemplated herein, or the consummation by Foro or by the Shareholders of the other transactions contemplated herein.
- (u) **Shareholders' Agreements, etc.** There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the Purchaser Shares.
- (v) **No Bankruptcy.** No proceedings have been taken, are pending or authorized by the Purchaser or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of the Purchaser.
- (w) **Share Issuance.** On the Closing Date, the Consideration Shares to be issued by the Purchaser to the Shareholders and the Lender Shares to be issued by the Purchaser to the Lenders pursuant to this Agreement will be duly authorized and validly allotted and issued as fully paid and non-assessable Purchaser Shares.
- (x) **Omissions and Misrepresentations.** None of the foregoing representations, warranties and statements of fact contains any untrue statement of material fact or omits to state any material fact necessary to make any such statement, warranty or representation not misleading to Foro and the Shareholders in seeking full information as to the Purchaser and its properties, business and affairs.
- (y) **Securities Representations.** No securities commission or similar regulatory authority or stock exchange has issued any order preventing or suspending trading of the Purchaser Shares, no such proceeding is to the knowledge of the Purchaser pending, threatened, or contemplated and the Purchaser is not in default, and will not as a result of the completion of the transactions contemplated in this Agreement be in default, of any requirement of the securities laws applicable to the Purchaser or the transactions contemplated hereunder.
- (z) **Reliance.** The foregoing representations and warranties are made by the Purchaser with the knowledge and expectation that Foro and the Shareholders are placing complete reliance thereon. Such reliance shall not be affected by any investigation or examination conducted by Foro or the Shareholders or their representatives before or after the date of this Agreement.

## **Article 4 Representations and Warranties of Foro**

### **4.1 Representations and Warranties relating to Foro.**

Foro hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated hereby:

- (a) **Incorporation, Organization and Authority of Foro.** Foro is a corporation duly incorporated, organized and validly subsisting and in good standing under the Laws of British Columbia, Canada, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate the Foro Assets.
- (b) **Corporate Measures.** All necessary or required corporate measures, proceedings and actions of the directors and shareholders of Foro have been taken to authorize and enable Foro to enter into and deliver this Agreement and to perform its obligations hereunder and thereunder.
- (c) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by Foro and constitutes, or when duly executed and delivered will constitute, legal, valid and binding obligations of Foro, enforceable against it in accordance with their respective terms subject only to:
  - (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar Laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.
- (d) **Share Capital of Foro.** The authorized capital of Foro is unlimited common shares without par value and no preferred shares. As of the date of this Agreement there are, and immediately prior to the Closing Date there will be, 4,728,278 Foro Shares and no preferred shares issued and outstanding, all of which are fully paid and non-assessable. Foro is 100% owned by the Shareholders. Foro has no issued or outstanding share purchase options or warrants. There is no other agreement, obligation (contractual or otherwise), right or option, existing or pending pursuant to which Foro is or might be required to issue any further Foro Shares or other securities of its capital. Other than the Foro Shares and the Notes, there are no other securities of Foro issued or outstanding.
- (e) **Title to Foro Assets.** Other than the Permitted Liens, Foro has good and marketable title to the Foro Assets free and clear of any actual, pending or, to the knowledge or belief of Foro, threatened Claims, Liens or set-offs whatsoever, including without limitation any action, proceeding or investigation affecting title to the Foro Assets, at law or in equity, before any court, administrative agency or Governmental Entity, to all of the Foro Assets and to any properties, except

those sold in the ordinary course of business during such period, save and except in any case which would not have a Material Adverse Effect. Foro has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of the Foro Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to the Foro Assets and will not do so prior to the Closing Date, save and except in any case which would not have a Material Adverse Effect.

- (f) **Pre-emptive Rights.** No Person 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, subscription or issuance from treasury of any Foro Shares or other securities of Foro or securities convertible into, exchangeable for, or which carry the right to purchase Foro Shares or other securities of Foro, in preference of other Persons.
- (g) **Business of Foro.** Foro has conducted and is conducting its business in all material respects in full compliance with all applicable Laws, rules and regulations of each jurisdiction in which its business is carried on and holds all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise (other than a City of Vancouver business license) to enable its business to be carried on as it is currently conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, save and except in any case which would not have a Material Adverse Effect.
- (h) **Indebtedness.** Other than the debt owed to the Lenders under the Notes, Foro has no bonds, debentures, mortgages, promissory notes (other than the Notes), or other indebtedness maturing more than one year after the date of their original creation or issuance, and Foro is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other indebtedness maturing more than one year after the date of their original creation or issuance.
- (i) **Guarantees.** Foro is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
- (j) **Tax Matters.** Foro is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and
  - (i) all taxes, filing fees and other assessments due and payable or collectible from Foro shall have been paid or collected prior to the Closing Date,
  - (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from Foro has been made or threatened which has not been collected, and
  - (iii) to the best of the knowledge of Foro, no such return contains any misstatement or conceals any statement that should have been included therein.



- (k) **Absence of Other Agreements.** Foro is not:
- (i) a party to any Material Contract;
  - (ii) a party to, or operates any bonus, pension, profit sharing, deferred compensation, retirement, hospitalization insurance, medical insurance or similar plan or practice, formal and informal, in effect with respect to any employees of Foro;
  - (iii) bound by any agreement whether written or oral with any employee of Foro providing for a specified period of notice of termination nor providing for any fixed term of employment; and has now and as of the Closing Date will have no employees who cannot be dismissed upon such notice as applicable Law may permit;
  - (iv) bound by any outstanding contract or commitment which requires prior approval of any change of control of Foro; or
  - (v) bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any material contract by which it is bound or under which it is entitled to the benefits of and advantages thereof, save and except in any case which would not have a Material Adverse Effect.
- (l) **Good Standing of Agreements.** Foro is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect and there exists no state of facts which, to the best of the knowledge of Foro, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing and in full force and effect without amendment thereto; Foro is entitled to all benefits thereunder; and, to the best of the knowledge of Foro, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect.
- (m) **Foro Corporate Records.** The corporate records and minute books of Foro contain substantially complete and accurate minutes of all meetings of the directors and shareholders of Foro held since its incorporation, and signed copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of Foro other than at a meeting, all such meetings having been duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of Foro are complete and accurate.
- (n) **No Breach Caused by this Agreement.** The execution, delivery and performance by Foro of its obligations under this Agreement and the consummation of the transactions contemplated hereby do not and will not

- (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by Foro,
  - (ii) require any notice or consent or other action by any Person, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Foro is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon Foro or affecting any of its assets, or
  - (iii) result in the creation or imposition of any Lien on any asset of Foro, with such exceptions, in the case of each of clauses (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. Foro has complied with all licenses, franchises, leases, permits, approvals and agreements to which Foro is a party or by which Foro is bound.
- (o) **Litigation.** To the best of the knowledge of Foro, there are no Claims, written demands, disputes, actions, suits, proceedings or investigations pending or threatened against or directly or indirectly affecting Foro before or by any federal, provincial, municipal or other governmental court, department or Governmental Entity, domestic or foreign, nor is Foro subject to any presently effective adverse order, writ, injunction or decree of any such body.
- (p) **No Brokers.** Foro has not entered into any agreement which would entitle any Person to any valid claim against the Purchaser or Foro for a broker's commission, finder's fee or any like payment in respect of any matters contemplated by this Agreement
- (q) **Intellectual Property.** Foro does now, or at Closing will, own or have the valid rights to use all of the Intellectual Property that is material to the conduct of the business of Foro as currently conducted (and had all rights necessary to carry out its former activities at such time such activities were being conducted), including, but not limited to, the applications known as "Truth" and "Foro". Foro has a valid right to use all third party Intellectual Property used or held for use in the business of Foro.
- (r) **Dividends.** Foro has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its Foro Shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Foro Shares or securities or agreed to do any of the foregoing.
- (s) **Approvals.** No approval of, registration, declaration or filing by Foro with any federal, provincial or local court or Governmental Entity is necessary to authorize the execution and delivery of this Agreement, or any and all of the documents and instruments to be detailed under this Agreement by Foro or the consummation by Foro of the transactions contemplated herein.

- (t) **Compliance with Laws.** Foro is not in violation of any federal, provincial, municipal or other law, regulation or Governmental Order, domestic or foreign, save and except in any case which would not have a Material Adverse Effect on Foro.
- (u) **Knowledge of Foro.** Foro does not have any information or knowledge of any material facts relating to the business of Foro that, if known to the Purchaser, might reasonably be expected to deter the Purchaser from completing the purchase and sale contemplated herein, or the consummation by the Purchaser of the other transactions contemplated herein.
- (v) **Shareholders' Agreements, etc.** There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the Foro Shares other than as disclosed to the Purchaser and the terms of which do not restrict nor prohibit the transactions contemplated hereunder.
- (w) **No Bankruptcy.** No proceedings have been taken, are pending or authorized by Foro or by any other Person in respect of the bankruptcy, insolvency, liquidation or winding up of Foro.
- (x) **Subsidiaries.** Foro has no subsidiaries.
- (y) **Omissions and Misrepresentations.** None of the foregoing representations, warranties and statements of fact contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement, warranty or representation not misleading to the Purchaser in seeking full information as to Foro and their respective properties, business and affairs.
- (z) **Reliance.** The foregoing representations and warranties are made by Foro with the knowledge and expectation that the Purchaser is placing complete reliance thereon. Such reliance shall not be affected by any investigation or examination conducted by the Purchaser or its representatives before or after the date of this Agreement.

## **Article 5**

### **Representations, Warranties and Acknowledgements of the Shareholders**

#### **5.1 Representations, Warranties and Acknowledgements of the Shareholders.**

Each Shareholder hereby severally, and not jointly or jointly and severally, represents and warrants to the Purchaser as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated hereby:

- (a) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by the Shareholder and constitutes, or when duly executed and delivered will constitute, legal, valid and binding obligations of the Shareholder, enforceable against the Shareholder in accordance with their terms subject only to:

- (i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar Laws relating to or affecting the enforcement of creditors' rights generally; and
  - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.
- (b) **Ownership of the Foro Shares.** The Shareholder is the registered and beneficial holder of 100% of the Foro Shares set out opposite the name of the Shareholder in Schedule A with good and marketable title thereto, free and clear of all Liens. No Person other than the Purchaser has, or has any right capable of becoming, an agreement, option, right or privilege for the purchase or other acquisition from the Shareholder of any of such Shares. Other than as set out in the Articles of Foro, there are no restrictions of any kind on the transfer of the Foro Shares held by such Shareholder.
- (c) **Prospectus and Registration Exemption.** The Shareholder acknowledges that the Purchaser Shares to be issued to the Shareholder will be issued pursuant to prospectus and registration exemptions provided under National Instrument 45-106 - Prospectus and Registration Exemptions of the Canadian Securities Administrators and acknowledge that:
  - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchaser Shares to be issued to the Shareholders pursuant to this Agreement;
  - (ii) there is no government or other insurance covering the Purchaser Shares;
  - (iii) there are risks associated with ownership of the Purchaser Shares;
  - (iv) there are restrictions on the Shareholder's ability to resell its Purchaser Shares and it is the responsibility of the Shareholder to find out what those restrictions are and to comply with them before selling the Purchaser Shares; and
  - (v) if the Purchaser relies on an exemption from the requirements to provide the Shareholder with an offering memorandum, then, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Securities Act, including statutory rights of rescission or damages, will not be available to the Shareholders.

## **Article 6**

### **Cure and Survival of Representations and Warranties**

#### **6.1 Survival of Representations and Warranties.**

The representations and warranties made by the Parties and contained in this Agreement shall continue in full force and effect for the benefit of the respective Party or Parties, as applicable, for a period of one year from the Closing Date.

## **Article 7 Covenants of Foro**

### **7.1 Covenants of Foro.**

Commencing on the date of this Agreement and continuing until either Closing or the date of termination of this Agreement, Foro hereby covenants and agrees with the Purchaser as follows:

- (a) **Investigations and Availability of Records.** The Purchaser and its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the properties, the Foro Assets and businesses of Foro and its financial and legal conditions as the Purchaser reasonably deems necessary or desirable, provided always that such investigations shall not unduly interfere with the operations of Foro. If reasonably requested, Foro shall provide copies, at the cost of the Purchaser, of the corporate records of Foro, including the minute books, share ledgers and the records maintained in connection with the business of Foro. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of the Purchaser.
- (b) **Necessary Consents.** Foro shall use its commercially reasonable best efforts to obtain from Foro's directors, shareholders and all appropriate Governmental Entities such approvals or consents as are required (if any) to complete the transactions contemplated herein.
- (c) **Confidentiality.** Foro shall keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the "**Purchaser Information**") received by it from the Purchaser concerning the Purchaser or its business and shall not disclose such Purchaser Information to any third party; provided that any of such Purchaser Information may be disclosed to Foro's directors, officers, employees, representatives and professional advisors who need to know such Purchaser Information in connection with the transactions contemplated hereby (provided Foro shall use all reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such Purchaser Information) and provided further that Foro will not be liable for disclosure of Purchaser Information upon occurrence of one or more of the following events:
  - (i) Purchaser Information becoming generally known to the public other than through a breach of this Agreement;
  - (ii) Purchaser Information being lawfully obtained by Foro from a third party or parties without breach of this Agreement by Foro, as shown by documentation sufficient to establish the third party as a source of Purchaser Information; or,
  - (iii) Purchaser Information being known to Foro prior to disclosure by the Purchaser or its Affiliates, as shown by documentation sufficient to establish such knowledge; or

- (iv) the Purchaser having provided its prior written approval for such disclosure by Foro.

In the event this Agreement is terminated in accordance with the provisions hereof, Foro shall:

- (i) use all reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of the Purchaser or its business and all copies thereof are either destroyed or returned to the Purchaser so as to insure that, so far as possible, any Purchaser Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of Foro is not disseminated beyond those individuals concerned with such investigations; and
  - (ii) not directly or indirectly use for its own purposes any Purchaser Information discovered or acquired by the directors, officers, employees, representatives and professional advisors of Foro as a result of the Purchaser making available to them those documents and assets relating to the business of the Purchaser.
- (d) **Status and Filings.** Foro will maintain its corporate status and comply with all applicable corporate and securities requirements (including any applicable filing requirements) prior to Closing.
  - (e) **Material Change.** Foro agrees to provide prompt and full disclosure to the Purchaser of any material information, change or event in the business, operations, financial condition or other affairs of Foro prior to Closing.
  - (f) **Foro Securities.** Foro shall not issue any Foro Shares or any other securities of Foro, except with the prior written consent of the Purchaser.
  - (g) **Compliance with Laws.** Foro shall not do any act or take any steps that would be in violation or contrary to corporate Laws in British Columbia or Alberta, Canada, or any other applicable Laws in any material respect; and,
  - (h) **All Other Actions.** Foro shall use all reasonable efforts to satisfy each of the conditions precedent set out in this Agreement to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Acquisition in accordance with the terms and conditions of this Agreement and applicable Laws.

## **Article 8 Covenants of the Shareholders**

### **8.1 Covenants of the Shareholders.**

Commencing on the date of this Agreement and continuing until either Closing or the date of termination of this Agreement, the Shareholders hereby covenant and agree with the Purchaser as follows:

- (a) **Filing of Reports.** The Shareholders consent to, and will assist the Purchaser with, the filing by the Purchaser from time to time of any reports or other documents required by any of the Securities Authorities with respect to the issuance of the Purchaser Shares to them pursuant to this Agreement, including but not limited to personal information of the Shareholders. The Shareholders acknowledge that they are familiar with or have had an opportunity to obtain a copy of the Exchange Corporate Finance Manual.
- (b) **Stock Restriction Agreement.** On or before the Closing Date, the Shareholders shall each execute and deliver to the Purchaser the Stock Restriction Agreement substantially in the form attached hereto as Schedule B, and they shall each execute and deliver such other instruments or documents and take such further action as may reasonably be required by the Purchaser or the Exchange to give effect to the Stock Restriction Agreement or any matter provided for therein.
- (c) **Escrow Agreement.** On or before the Closing Date, the Shareholders shall each execute and deliver to the Purchaser the Escrow Agreement substantially in the form attached hereto as Schedule C, and they shall each execute and deliver such other instruments or documents and take such further action as may reasonably be required by the Purchaser or the Escrow Agent to give effect to the Escrow Agreement or any matter provided for therein.

## **Article 9**

### **Covenants of the Purchaser**

#### **9.1 Covenants of the Purchaser.**

Commencing on the date of this Agreement and continuing until either Closing or the date of termination of this Agreement, the Purchaser hereby covenants and agrees with Foro and the Shareholders as follows:

- (a) **Investigations and Availability of Records.** Foro and its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the property, assets and business of the Purchaser and of its financial and legal condition as Foro reasonably deems necessary or desirable, provided that such investigations shall not unduly interfere with the operations of the Purchaser. If reasonably requested, the Purchaser shall provide copies, at the cost of Foro, of the Purchaser's corporate records, including its minute books, share ledgers and the records maintained in connection with the business of the Purchaser. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of Foro.
- (b) **Necessary Consents.** The Purchaser shall use its commercially reasonable best efforts to obtain from the Purchaser's directors, shareholders and all appropriate Governmental Entities such approvals or consents as are required (if any) to complete the transactions contemplated herein.
- (c) **Confidentiality.** The Purchaser shall keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the "**Foro Information**") received by it from Foro concerning Foro or

its business and shall not disclose such Foro Information to any third party; provided that any of such Foro Information may be disclosed to the Purchaser's directors, officers, employees, representatives and professional advisors who need to know such Foro Information in connection with the transactions contemplated hereby (provided the Purchaser shall use all reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such Foro Information) and provided further that the Purchaser will not be liable for disclosure of Foro Information upon occurrence of one or more of the following events:

- (i) Foro Information becoming generally known to the public other than through a breach of this Agreement;
- (ii) Foro Information being lawfully obtained by the Purchaser from a third party or parties without breach of this Agreement by the Purchaser, as shown by documentation sufficient to establish the third party as a source of Foro Information; or,
- (iii) Foro Information being known to the Purchaser prior to disclosure by Foro or its Affiliates, as shown by documentation sufficient to establish such knowledge; or
- (iv) Foro having provided its prior written approval for such disclosure by the Purchaser.

In the event this Agreement is terminated in accordance with the provisions hereof, the Purchaser shall:

- (v) use all reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of Foro or its business and all copies thereof are either destroyed or returned to Foro so as to ensure that, so far as possible, any Foro Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of the Purchaser is not disseminated beyond those individuals concerned with such investigations; and
  - (vi) not directly or indirectly, use for its own purposes, any Foro Information, discovered or acquired by the directors, officers, employees representatives and professional advisors of the Purchaser as a result of Foro making available to them those documents and assets relating to the business of Foro.
- (d) **Status and Filings.** The Purchaser will maintain its corporate status and comply with all applicable corporate and securities requirements (including any applicable filing requirements) prior to Closing.
  - (e) **Material Change.** The Purchaser agrees to conduct its business in the ordinary course prior to Closing and to provide prompt and full disclosure to Foro of any material information, change or event in the business, operations, financial condition or other affairs of the Purchaser prior to Closing.



- (f) **Compliance with Laws.** The Purchaser shall not do any act or take any steps that would be in violation or contrary to the Securities Act or any other applicable Laws in any material respect.
- (g) **All Other Actions.** The Purchaser shall use all reasonable efforts to satisfy each of the conditions precedent set out in this Agreement to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Acquisition in accordance with the terms and conditions of this Agreement and applicable Laws.

## **Article 10 Indemnification**

### **10.1 Mutual Indemnifications for Breaches of Warranty.**

Subject to Section 10.2, the Purchaser hereby covenants and agrees with Foro and the Shareholders, and Foro and the Shareholders hereby severally and not jointly covenant and agree with the Purchaser (a Party covenanting and agreeing to indemnify another Party under this Section 10.1 are hereinafter individually referred to as the "**Indemnifying Party**" and a Party being indemnified by another Party under this Section 10.1 is hereinafter individually referred to as the "**Indemnified Party**", which Indemnified Party includes directors, officers, shareholders, and affiliates of the Indemnified Party), to indemnify and save harmless the Indemnified Party from and against any Claims made or brought against the Indemnified Party or Claims which it suffers or incurs as a result of, or arising out of any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party under this Agreement or any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement (each being an "**Indemnifiable Claim**").

### **10.2 Limitation on Mutual Indemnification.**

The indemnification obligations of each of the Parties pursuant to Section 10.1 shall be subject to the following:

- (a) the applicable limitations mentioned in Article 6 regarding the survival of the representations and warranties;
- (b) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate Indemnifiable Claims sustained by that Indemnified Party exceeds a value of \$5,000, in which case, the Indemnifying Party shall be obligated to the Indemnified Party pursuant to Section 10.1;
- (c) each Shareholder shall be severally, and not jointly or jointly and severally, liable for any Indemnifiable Claim and the maximum aggregate liability of each Shareholder shall, in respect of an Indemnifiable Claim arising out of, resulting from or in connection with:
  - (i) a Shareholder's fraud, intentional misrepresentation or willful breach, an unlimited amount; and

- (ii) a matter listed in Article 5, the number of Purchaser Shares set forth opposite the name of the Shareholder which have been released to the Shareholder; and
- (iii) a matter listed in Article 4, 10% of the number of Purchaser Shares set forth opposite the name of the Shareholder which have been released to the Shareholder.

### **10.3 Procedure for Indemnification.**

The following provisions shall apply to any Indemnifiable Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

- (a) upon receipt from a third party by the Indemnified Party of notice of an Indemnifiable Claim or the Indemnified Party becoming aware of an Indemnifiable Claim in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;
- (b) in the case of Indemnifiable Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than 30 days after receipt of the notice described in Section 10.3(a) to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;
- (c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation;
- (d) the final determination of any such Indemnifiable Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Indemnifiable Claims against the Indemnifying Party hereunder; and
- (e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in Section 10.3(b), the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear reasonable

advisable, and such settlement or any other final determination of the Indemnifiable Claims shall be binding upon the Indemnifying Party.

## **Article 11 Conditions to Closing**

### **11.1 Conditions for the Benefit of the Purchaser.**

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 the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) the Purchaser must have completed the Purchaser Financing;
- (b) the Lenders must each have agreed in writing to accept or have accepted repayment of their respective loans by way of the Pay-Out and the Lender Shares or, in lieu of the Lender Shares, by additional cash payments from Foro at the Closing;
- (c) completion by Foro of Foro's financial statements and the audits thereof for the three most recently completed financial years, and completion by Foro of interim financial statements for the most recently completed interim period;
- (d) the Shareholders must each have executed and delivered to the Purchaser both the Stock Restriction Agreement and the Escrow Agreement;
- (e) the representations and warranties of Foro contained in this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date, save and except in any case which would not have a Material Adverse Effect;
- (f) Foro shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by Foro at or prior to the Closing Date;
- (g) completion of a due diligence review by the Purchaser of Foro and its assets, liabilities and operations, the results of which are satisfactory to the Purchaser in its sole discretion;
- (h) all required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary regulatory approvals, shall have been obtained on terms acceptable to the Purchaser acting reasonably;
- (i) all proceedings, including all necessary corporate proceedings, to be taken in connection with the transactions contemplated in this Agreement shall be satisfactory in form and substance to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the closing of such transactions and the taking of all necessary proceedings in connection therewith;

- (j) no action or proceeding shall be pending or threatened by any Person (other than the Purchaser) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of Foro to conduct its business after the Closing Date on substantially the same basis as operated immediately prior to the date hereof and no action, suit or legal proceeding shall have been taken before or by any Governmental Entity or by any Person that would, if successful, have a Material Adverse Effect on Foro;
- (k) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to Foro, or any event, occurrence or development, including the commencement of any action, suit or other legal proceeding which would reasonably be expected to have a Material Adverse Effect on Foro; and
- (l) the Purchaser shall have received a certificate of Foro addressed to the Purchaser and dated the Closing Date, signed on behalf of Foro by a senior executive officer of Foro, confirming that the conditions in this Section 11.1 have been satisfied.

## **11.2 Conditions for the Benefit of Foro and the Shareholders.**

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 Foro and the Shareholders and may be waived, in whole or in part, by Foro and the Shareholders in their sole discretion:

- (a) the representations and warranties of the Purchaser contained in this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such Closing Date, save and except in any case which would not have a Material Adverse Effect on the Purchaser;
- (b) the Purchaser shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by the Purchaser at or prior to the Closing Date;
- (c) 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 Foro acting reasonably;
- (d) all proceedings, including all necessary corporate proceedings, to be taken in connection with the transactions contemplated in this Agreement shall be satisfactory in form and substance to Foro, acting reasonably, and Foro shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the closing of such transactions and the taking of all necessary proceedings in connection therewith;
- (e) no action or proceeding shall be pending or threatened by any Person (other than Foro) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of the Purchaser to conduct its

business after the Closing Date on substantially the same basis as operated immediately prior to the date hereof and no action, suit or legal proceeding shall have been taken before or by any Governmental Entity or by any Person that would, if successful, have a Material Adverse Effect on the Purchaser;

- (f) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to the Purchaser, or any event, occurrence or development, including the commencement of any action, suit or other legal proceeding which would reasonably be expected to have a Material Adverse Effect on the Purchaser; and
- (g) Foro shall have received a certificate of the Purchaser addressed to Foro and dated the Closing Date, signed on behalf of the Purchaser by a senior executive officer of the Purchaser, confirming that the conditions in this Section 11.2 have been satisfied.

## **Article 12 Closing**

### **12.1 Date and Time of Closing.**

The closing date of the transactions contemplated herein may be set by the Purchaser by giving five days' notice to Foro, and in no event will be later than April 30, 2015 (the "**Closing Date**"). The Closing is to be completed at the offices of Bacchus Law Corporation on the Closing Date, or at such other time and place as may be mutually agreed upon by the Parties hereto.

## **Article 13 Termination**

### **13.1 Termination by the Purchaser.**

If any of the conditions set forth in Section 11.1 have not been fulfilled or waived at or prior to the Closing Date or any obligation or covenant of Foro or the Shareholders to be performed at or prior to the Closing Date has not been observed or performed by such time, the Purchaser may terminate this Agreement by notice in writing to Foro (which shall constitute notice in writing to the Shareholders), and in such event the Purchaser shall be released from all obligations hereunder save and except for its obligations under Section 7.1(c), Section 9.1(c), Article 10, and Article 14, and, to the extent required to enforce the rights under Section 7.1(c), Section 9.1(c), Article 10, or Article 14, which shall survive. If the Purchaser waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation, or covenant in whole or in part.

### **13.2 Termination by Foro and the Shareholders.**

If any of the conditions set forth in Section 11.2 have not been fulfilled or waived at or prior to or any obligation or covenant of the Purchaser to be performed at or prior to the Closing Date has not been observed or performed by such time, Foro and the Shareholders may terminate this Agreement by notice in writing to the Purchaser, which notice shall be provided in the form of a termination letter signed by Foro and all of the Shareholders. In such event Foro and the Shareholders shall be released from all obligations hereunder save and except for their

obligations under Section 7.1(c), Section 9.1(c), Article 10, and Article 14, to the extent required to enforce the rights under Section 7.1(c), Section 9.1(c), Article 10, and Article 14, which shall survive. If Foro (on its own behalf and on behalf of the Shareholders) waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of their rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

### **13.3 Other Termination Rights.**

This Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

- (a) by mutual consent of the Purchaser and Foro; and
- (b) by either the Purchaser or Foro if the Acquisition is not consummated by the Closing Date or such other date as may be agreed to by the Purchaser and Foro; and, in such event, each Party shall be released from all obligations under this Agreement, save and except for its obligations, if any, under Section 7.1(c), Section 9.1(c), Article 10, and Article 14, which shall survive.

### **13.4 Effect of Termination.**

Each Party's right of termination under this Article 13 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 this Article 13 shall limit or affect any other rights or causes of action the Parties may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

## **Article 14 Expenses**

### **14.1 Responsibility for Own Costs.**

Each Party shall be responsible for its own legal fees and other charges incurred in connection with the preparation of this Agreement, all negotiations between the Parties and the consummation of the transactions contemplated hereby. For clarity fees incurred by Foro in connection with the preparation and audit of its financial statements as required herein shall be paid by the Purchaser.

### **14.2 Responsibility for Taxes.**

Each Party shall be responsible for the payment of its own Taxes and related charges incurred in connection with the receipt of securities pursuant to this Agreement.

## **Article 15 General**

### **15.1 Independent Legal Advice.**

Each of the Parties acknowledges that:

- (a) The Purchaser's counsel has acted as counsel only to the Purchaser and all other Parties to this Agreement acknowledge and confirm that they have been

advised to seek, and have sought or have otherwise waived, independent tax and legal advice with respect to this Agreement and the documents delivered pursuant thereto and that the Purchaser's counsel is not protecting the rights and interests of any other Party to this Agreement;

- (b) Foro's counsel has acted as counsel only to Foro, that all other Parties to this Agreement acknowledge and confirm that they have been advised to seek, and have sought or waived, independent tax and legal advice with respect to this Agreement and the documents delivered pursuant thereto and that Foro's counsel is not protecting the rights and interests of any other Party to the Agreement; and,
- (c) To the extent that any Shareholder(s) decline(s) to receive independent legal counsel in respect of this Agreement, such Shareholder(s) hereby waive(s) that right, should a dispute later develop, to rely on its lack of independent legal counsel to avoid its obligations, to seek indulgences from the other Parties hereto, or to otherwise attack, in whole or in part, the integrity of this Agreement and the documents related thereto.

## **15.2 Tax Elections.**

The Purchaser agrees to make joint elections with the Shareholders, subject to confirmation the Shareholders are

- (a) residents of Canada for purposes of the *Income Tax Act* (Canada) and not exempt from tax under Part I of the *Income Tax Act* (Canada), or
- (b) a partnership, any member of which is a resident of Canada for the purposes of the *Income Tax Act* (Canada) (other than a partnership, all members of which that are residents of Canada and are exempt from tax under Part I of the *Income Tax Act* (Canada)) in respect of the disposition of the Shareholders' Foro Shares pursuant to Section 85 of the *Income Tax Act* (Canada) (or any similar provision of any provincial tax legislation).

The Purchaser further agrees that the agreed amount under such joint elections shall be determined by each of the Shareholders in their sole discretion within the limits set out in the *Income Tax Act* (Canada). Each of the Shareholders will complete the Section 85 election form, providing the necessary information in accordance with the procedures set out in the tax instruction letter provided to the Shareholders, and provide the election to the Purchaser for execution on or before 90 days after the Acquisition.

None of the Purchaser, Foro nor any successor corporation shall be responsible for the proper completion of any election form, except for the obligation to sign and return duly completed election forms that are received by the Purchaser within 90 days of the Acquisition, nor for any taxes, interest or penalties resulting from the failure of the Shareholders to properly complete or file such election forms in the form and manner and within the time prescribed by the *Income Tax Act* (Canada) (or any applicable provincial legislation). In its sole discretion, the Purchaser or any successor corporation may choose to sign and return an election form received by it more than 90 days following the Acquisition, but will have no obligation to do so.

### **15.3 Entire Agreement.**

This Agreement and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the 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 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.

### **15.4 Further Assurances.**

Each of the Parties hereto will from time to time after the Closing Date at the other's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as the other may reasonably require to give effect to any matter provided for herein.

### **15.5 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.

### **15.6 Applicable Law.**

This Agreement 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, excluding the conflict of laws principles thereof and without reference to the Laws of any other jurisdiction.

### **15.7 Governing Language.**

This Agreement is drawn up in the English language. This Agreement may be translated into any language other than English provided however that the English text shall in any event prevail.

### **15.8 Attornment.**

The Parties hereby irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby.

### **15.9 Successors and Assigns.**

This Agreement shall accrue to the benefit of and be binding upon each of the Parties hereto and their respective heirs, executors, administrators, successors and assigns, provided that this



Agreement shall not be assigned by any one of the Parties without the prior written consent of the other Party.

**15.10 Time of Essence.**

Time shall be of the essence hereof.

**15.11 Notices.**

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if delivered personally, or sent by prepaid courier service or mail or electronic mail addressed as follows:

- (i) In the case of notice to the Purchaser:  
Fundamental Applications Corp.  
242 – 515 West Pender Street  
Vancouver, BC V6B 6H5  
Attention: Justin Rasekh  
Email: [justin@funappcorp.com](mailto:justin@funappcorp.com)
  
- (ii) In the case of notice to Foro or to the Shareholders:  
Foro Technologies Inc.  
605 – 1905 Robson Street  
Vancouver, BC V6G 1E6  
Attention: Ali Saheli  
Email: [ali@usetruth.com](mailto:ali@usetruth.com)

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

- (b) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
  
- (c) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and
  
- (d) if sent by electronic transmission, be deemed to have been given, sent, delivered and received on the date sent.

**15.12 Waiver.**

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, unless otherwise provided, 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.

**15.13 Amendments.**

No amendment, modification or supplement to this Agreement shall be effective unless provided in writing and signed by all the Parties hereto and approved by all necessary governmental regulatory authorities.

**15.14 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.

**15.15 Counterparts.**

This Agreement may be executed in counterparts and delivered by electronic communication.

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

**FUNDAMENTAL APPLICATIONS CORP.**

**FORO TECHNOLOGIES INC.**

Per: “Justin Rasekh”  
Authorized Signatory

Per: “Ali Saheli”  
Authorized Signatory

Name: Justin Rasekh  
Title: Chief Executive Officer

Name: Ali Saheli  
Title: Chief Executive Officer

**SHAREHOLDERS OF FORO TECHNOLOGIES INC.**

SIGNED, SEALED AND DELIVERED by )  
**ALI SAHELI** in the presence of: )  
 )  
 )  
\_\_\_\_\_)  
Witness )  
 )  
\_\_\_\_\_)  
Address )  
 )  
\_\_\_\_\_)  
 )  
\_\_\_\_\_)  
Occupation )

“Ali Saheli”  
\_\_\_\_\_  
**ALI SAHELI**

SIGNED, SEALED AND DELIVERED by )  
**BIO CHO** in the presence of: )

\_\_\_\_\_)  
Witness )

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

*"Bio Cho"*

\_\_\_\_\_)  
**BIO CHO**

SIGNED, SEALED AND DELIVERED by )  
**PHILIPPE HENRI HILGER** in the presence )  
of: )

\_\_\_\_\_)  
Witness )

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

*"Philippe Henri Hilger"*

\_\_\_\_\_)  
**PHILIPPE HENRI HILGER**

SIGNED, SEALED AND DELIVERED by )  
**BENJAMIN PICKERING** in the presence )  
of: )

\_\_\_\_\_)  
Witness )

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

*"Benjamin Pickering"*

\_\_\_\_\_)  
**BENJAMIN PICKERING**

**BITMAIN STUDIOS INC.**

Per: *"Miguel Hernandez"*  
Authorized Signatory

**ATRAXIS HOLDINGS INC.**

Per: "Claire Shawcross"  
Authorized Signatory

**REAL INVESTMENT FUND III, L.P.**, by its  
General Partner Real Investment Management In

Per: "John Stokes"  
Authorized Signatory

## SCHEDULE A

### Foro Shareholders and Share Distribution Table

Shareholder Name	Number of Shares in Foro	Number of Shares in the Purchaser following the Transaction	Number of Initial Consideration Shares	Number of Milestone 1 Shares	Number of Milestone 2 Shares
Ali Saheli	3,939,192	1,164,022	342,359	410,831	410,831
Bio Cho	60,808	19,076	5,611	6,733	6,733
Bitmain Studios Inc.	62,142	66,667	19,608	23,530	23,530
Philippe Henri Hilger	69,912	100,000	29,412	35,294	35,294
Atraxis Holdings Inc.	108,750	166,667	49,020	58,824	58,824
Real Investment Fund III, L.P.	454,849	173,333	50,980	61,176	61,176
Ben Pickering	32,625	10,235	3,010	3,612	3,612
<b>Total</b>	<b>4,728,278</b>	<b>1,700,000</b>	<b>500,000</b>	<b>600,000</b>	<b>600,000</b>

### Foro Lenders and Share Distribution Table

Lender Name	Amount Owed (in USD)	Amount Owed (in CAD)*	Payout in Cash (in CAD)	CAD Value of Shares to be Issued	Number of Shares in the Purchaser following the Transaction
Kiyotaka Kobayashi	\$15,000.00	\$18,706.50	\$7,083.33	\$11,623.17	38,744
Tadaaki Kimura	\$15,000.00	\$18,706.50	\$7,083.33	\$11,623.17	38,744
DeNA Co. Ltd.	\$150,000.00	\$187,065.00	\$70,833.33	\$116,231.67	387,439
<b>Total</b>	<b>\$180,000.00</b>	<b>\$224,478.00</b>	<b>\$85,000.00</b>	<b>\$139,478.00</b>	<b>464,927</b>

\*Based on USD-CAD Noon Rate as at March 26, 2015.

## SCHEDULE B

### Form of Stock Restriction Agreement

This Agreement is dated effective \_\_\_\_\_, 2015

BETWEEN:

**FUNDAMENTAL APPLICATIONS CORP.**, a company incorporated under the laws of British Columbia with a mailing address at 242 - 515 West Pender Street, Vancouver, BC V6B 6H5 and a registered office at 1820 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2

(the “**Company**”);

AND:

\_\_\_\_\_ [insert individual/company information] (the “**Shareholder**”)

**WHEREAS** the Company entered into a Share Exchange Agreement dated March 30, 2015 pursuant to which the Company and the parties thereto agreed that upon the issuance by the Company of common shares on the closing of the transactions contemplated therein (the “**Effective Date**”), certain of those shares (the “**Stock**”) would be subject to restrictions as set out herein;

NOW THEREFORE, in consideration of the mutual promises made in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

#### 1. RESTRICTION ON TRANSFER OF STOCK

1.1 Transfer Restrictions. Subject to Section 1.2, the Shareholder shall not, without the prior written consent of the Company (such permission not to be unreasonably withheld), directly or indirectly during the Term (as defined in Section 3), offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of the Stock or any securities convertible into or exchangeable or exercisable for shares of the Stock, or enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Stock, whether any such swap or transaction is to be settled by delivery of the Stock or other securities, in cash or otherwise.

1.2 Permitted Transfers. Notwithstanding anything to the contrary in this Agreement, the transfer restrictions set forth in Section 1.1 shall not apply to the transfer of any Vested Shares (as defined in Section 2) or to the following transfers of the Stock made or caused by the Shareholder:

- (a) a transfer of the Stock to any director, officer, employee or consultant of the Company;

- (b) a transfer of the Stock to the Company pursuant to a redemption initiated by the Company;
- (c) a transfer during the Shareholder's lifetime or on the Shareholder's death by will or intestacy to the Shareholder's beneficiaries or a trust for the benefit of the Shareholder's beneficiaries (for purposes of this Agreement, "beneficiary" means the Shareholder and the immediate family of the Shareholder, including any relation by blood, marriage or adoption and no remote than a first cousin); or
- (d) if the Shareholder is an entity, a transfer made as a distribution solely to a member, partner, or stockholder of such Shareholder.

Transfers made pursuant to this Section, with the exception of any transfer of Vested Shares, shall not be valid unless and until the transferee shall have executed a joinder to this Agreement and any other agreements reasonably required by the Company pursuant to which such transferee(s) agree to be bound by the terms and conditions of this Agreement.

## 2. VESTED SHARES

The term "Vested Shares" shall mean the securities vesting as follows:

Vesting Date	Proportion of Vested Shares
4 months after the Effective Date	60%
6 months after the Effective Date	20%
8 months after the Effective Date	The remainder

## 3. TERM

The term of this Agreement (the "**Term**") shall begin on the Effective Date and shall terminate 8 months from the Effective Date.

## 4. VIOLATIONS OF TRANSFER RESTRICTIONS & REMEDIES

- 4.1 Stop Transfer Instructions. The Company shall give stop transfer instructions to the Company's transfer agent against the transfer of any of the Stock except in compliance with this Agreement.
- 4.2 Violations. The Company will not be required to (a) transfer on its books any shares of Stock that have been transferred in violation of any of the provisions of this Agreement, or (b) treat as the owner of such shares of Stock, or accord the right to vote as such owner, or pay dividends to any transferee to whom such shares of Stock are purported to have been transferred in violation of any of the provisions of this Agreement.
- 4.3 Power of Attorney. The Shareholder hereby appoints the Company as the Shareholder's attorney-in-fact with irrevocable power and authority in the name and on behalf of the Shareholder to take any action and execute all documents and instruments including, without limitation, stock powers which may be necessary to transfer the certificate (or certificates) evidencing the Stock to the appropriate person or entity upon

a transfer being made in violation of this Agreement.

- 4.4 Injunctions & Other Remedies. The Shareholder acknowledges that the provisions of this Section 5 are reasonable and necessary for the protection of the Company's business interests, irreparable injury will result to the Company if the Shareholder breaches any of the terms of the Agreement and, in the event of a breach of any terms of the Agreement, the Company will have no adequate remedy at law. The Shareholder further acknowledges that in the event of any actual or threatened breach by it of any provision of this Agreement, the Company shall be entitled to immediate temporary injunctive and other equitable relief, and without the necessity of showing actual monetary damages, subject to hearing as soon thereafter as possible.

## 5. ADJUSTMENTS TO STOCK

In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, split-up, share combination, or other change in the corporate structure of Company affecting the Stock, the new securities replacing the Stock will be subject to all the conditions and restrictions applicable to the Stock pursuant to this Agreement.

## 6. IMPACT OF CORPORATE TRANSACTION

In the event of: (a) a sale of substantially all the assets of the Company; (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation in which shareholders immediately before such transaction have, immediately after such transaction, greater stock voting power); (c) a merger in which the Company is the surviving corporation but the shares of the Company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise (other than a reverse merger in which shareholders immediately before the merger have, immediately after the merger, greater stock voting power); (d) any transaction or series of related transactions in which in excess of 50% of the Company's voting power is transferred; or (e) the acquisition by the Company of financing equal to or in excess of an aggregate of \$10,000,000 (collectively, a "**Corporate Transaction**"), then immediately prior to effectiveness of such Corporate Transaction the restrictions set forth in this Agreement shall terminate as to all shares of Stock owned by the Shareholder immediately and without action by the Company or the Shareholder.

## 7. RIGHTS OF THE SHAREHOLDER

Except as otherwise provided herein, the Shareholder shall exercise all rights and privileges of a shareholder of the Company with respect to the Stock, and the Company shall list the Shareholder as a shareholder on its corporate registers and records.

## 8. RESTRICTIVE LEGENDS

All certificates representing the Stock shall have endorsed thereon a legend in substantially the following form (in addition to any other legend required by other agreements between the parties or applicable securities regulations):

*"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON SALE OR OTHER TRANSFER PURSUANT TO AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER (OR SUCH HOLDER'S PREDECESSOR IN INTEREST), A COPY OF WHICH IS ON FILE AT THE*



*REGISTERED OFFICE OF THE COMPANY. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO THE AGREEMENT IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE COMPANY."*

## **9. MISCELLANEOUS**

- 10.1 Successors and Assigns. This Agreement shall enure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer herein, be binding upon the Shareholder and its heirs, executors, successors and assigns.
- 10.2 Legal Fees & Specific Performance. The Shareholder shall reimburse the Company for all costs incurred by the Company in enforcing the performance of, or protecting its rights under, any part of this Agreement, including reasonable costs of investigation and legal fees. It is expressly agreed between the parties that money damages are inadequate to compensate the Company for the Stock and that the Company shall, upon forfeiture of Stock, be entitled to specific enforcement of its right to revoke said Stock.
- 10.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 10.4 Independent Counsel. The Shareholder acknowledges that this Agreement has been prepared on behalf of the Company by legal counsel to the Company, and that the Company's legal counsel does not represent, and is not acting on behalf of, the Shareholder. The Shareholder has been advised and provided with an opportunity to consult with the Shareholder's own counsel with respect to this Agreement.
- 10.5 Entire Agreement & Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior agreements or understandings, whether written or oral. Except as provided in Section 4, this Agreement may not be amended, modified or revoked, in whole or in part, except by a written agreement signed by all the parties.
- 10.6 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

10.7 Execution in Counterparts & Delivered Electronically. This Agreement may be executed in counterpart and delivered electronically, each of which so executed and delivered shall be deemed an original, all of which together shall constitute one instrument, and notwithstanding the date of execution shall be deemed to bear the date first above written.

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement as of the date set out on the first page hereof.

**FUNDAMENTAL APPLICATIONS CORP.**

Per:

\_\_\_\_\_

Authorized Signatory

**INDIVIDUAL SHAREHOLDER:**

SIGNED, SEALED AND DELIVERED by )  
[insert name of shareholder] in the )  
presence of: )

\_\_\_\_\_) )  
Witness )

\_\_\_\_\_) )  
Address )

\_\_\_\_\_) )

\_\_\_\_\_) )  
Occupation )

\_\_\_\_\_) )  
[insert name of shareholder]

**CORPORATE SHAREHOLDER:**

[insert name of shareholder]

Per:

\_\_\_\_\_

Authorized Signatory

## SCHEDULE C

### Form of Escrow Agreement

THIS AGREEMENT is dated as of March \_\_\_\_, 2015 (the “**Effective Date**”)

AMONG:

**FUNDAMENTAL APPLICATIONS CORP.**, a company incorporated under the laws of British Columbia, Canada, with a registered office at Suite 1820 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2

(the “**Company**”)

AND:

**EACH OF THE UNDERSIGNED SHAREHOLDERS OF THE COMPANY**

(each, a “**Shareholder**” and collectively, the “**Shareholders**”)

AND:

**BACCHUS LAW CORPORATION**

(the “**Escrow Agent**”)

(each of the Company, the Shareholders and the Escrow Agent are referred to herein as a “**Party**”, and collectively, as the “**Parties**”)

**WHEREAS:**

- A. Pursuant to a Share Exchange Agreement dated March 30, 2015 (the “**Share Exchange Agreement**”) among the Company, Foro Technologies Inc. (“**Foro**”), and the Shareholders, being the former shareholders of Foro, the Shareholders agreed to sell all of the issued and outstanding common shares of Foro to the Company in exchange for 1,700,000 common shares in the capital of the Company (the “**Purchase Shares**”), which Purchase Shares were issued and distributed to the Shareholders as set out in Schedule A attached hereto (the “**Share Exchange Transaction**”);
- B. In accordance with the terms of the Share Exchange Agreement, the Shareholders collectively agreed to deliver 1,200,000 of the Purchase Shares (the “**Escrow Shares**”) to the Escrow Agent to be held in escrow by the Escrow Agent and released upon Foro reaching certain milestones or upon the occurrence of certain other events as set out in Section 2.5 of the Share Exchange Agreement (each such event being an “**Escrow Release Event**”), in accordance with the terms of this Agreement; and
- C. The Company and the Shareholders have requested the Escrow Agent to act in the capacity of escrow agent under this Agreement and the Escrow Agent has agreed to do so on the terms and subject to the conditions hereof.

**NOW, THEREFORE** in consideration of the foregoing and the mutual promises and covenants herein contained, the Parties agree as follows:

1. Capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Share Exchange Agreement.
2. The Company and the Shareholders, as applicable, have delivered to the Escrow Agent (and the Escrow Agent acknowledges receipt thereof) the following documents which shall be held by the Escrow Agent in escrow subject to the terms and conditions of this Agreement:
  - (a) one or more certificates representing 600,000 of the Escrow Shares (the **"Milestone 1 Escrow Shares"**) distributed in the respective names of the Shareholders, as more particularly set out in Schedule A under the heading "Milestone 1 Escrow Shares";
  - (b) a medallion guaranteed securities transfer form dated as of the Closing Date in the form attached as Schedule B hereto (**"Securities Transfer Form"**) completed and executed by each of the Shareholders with respect to the cancellation and return to treasury of the applicable Shareholder's Milestone 1 Escrow Shares;
  - (c) a certified copy of a resolution of the directors of the Company dated as of the Closing Date approving the cancellation and return to treasury of the Milestone 1 Escrow Shares pursuant thereto;(items (a) through (c) above collectively, the **"Milestone 1 Escrow Documents"**);
  - (d) one or more certificates representing 600,000 of the Escrow Shares (the **"Milestone 2 Escrow Shares"**) distributed in the respective names of the Shareholders, as more particularly set out in Schedule A under the heading "Milestone 2 Escrow Shares";
  - (e) a medallion guaranteed Securities Transfer Form dated as of the Closing Date executed by each of the Shareholders with respect to the cancellation and return to treasury of the Milestone 2 Escrow Shares; and
  - (f) a certified copy of a resolution of the directors of the Company dated as of the Closing Date approving the cancellation and return to treasury of the applicable Shareholder's Milestone 2 Escrow Shares pursuant thereto;(items (d) through (f) above collectively, the **"Milestone 2 Escrow Documents"**).

### **MILESTONE 1 ESCROW DOCUMENTS**

3. The Escrow Agent will hold the Milestone 1 Escrow Documents in escrow and undelivered and shall deliver and release the Milestone 1 Escrow Documents:
  - (a) to the respective Shareholders not later than 10 business days after receipt by the Escrow Agent of a statutory declaration sworn by an officer of Foro (the **"Milestone 1 Statutory Declaration"**) stating that the Escrow Release Event,

including without limitation the achievement of Milestone 1, for the release of the Milestone 1 Escrow Shares has occurred; or

- (b) to the Company if the Escrow Agent has not received the Milestone 1 Statutory Declaration sworn by an officer of Foro on or before the Milestone 2 Date, within 10 business days following the receipt by the Escrow Agent of a statutory declaration of the Company stating that the Escrow Release Event for the release of the Milestone 1 Escrow Shares has not occurred,

unless prior to the expiry of the 10 business day period referred to in subsection 3(b) above or subsection 3(b) above, as applicable, a Dispute Notice (as defined in Section 11) has been received by the Escrow Agent and, in such event, any statutory declaration received by the Escrow Agent pursuant to subsection 3(a) above or subsection 3(b) above, as applicable, shall be inoperative until a final determination is made in accordance with Section 11.

4. Upon receipt of the Milestone 1 Statutory Declaration pursuant to Section 3(a) or a statutory declaration sworn by the Company pursuant to Section 3(b), the Escrow Agent shall forthwith give notice in writing to the Company or Ali Saheli, as applicable, of such receipt and shall send with such notice a copy of such Milestone 1 Statutory Declaration to the Company or Ali Saheli, as applicable.
5. During the period that the Milestone 1 Escrow Shares are held by the Escrow Agent, the Shareholders shall be entitled:
  - (a) subject to the provisions of the British Columbia *Business Corporations Act*, to exercise all voting rights with respect to the Milestone 1 Escrow Shares for all purposes not inconsistent with the terms of the Share Exchange Agreement or this Agreement; and
  - (b) subject to the provisions of the British Columbia *Business Corporations Act*, to receive all dividends and other distributions in respect of the Fee Shares made in compliance with the provisions of the Share Exchange Agreement and this Agreement; provided, however, that the certificate for any share representing stock dividends or distributions in respect of the Milestone 1 Escrow Shares or resulting from a subdivision, revision or reclassification of the Milestone 1 Escrow Shares, or received in exchange for the Milestone 1 Escrow Shares as a result of an amalgamation or merger, shall be pledged and deposited with the Escrow Agent hereunder.
6. All dividends paid to the Shareholders in respect of the Milestone 1 Escrow Shares shall be held in escrow by the Escrow Agent for the benefit of the Shareholders and shall be paid to the Shareholders concurrently with release of the Milestone 1 Escrow Shares. If the Milestone 1 Escrow Documents are released by the Escrow Agent to the Company pursuant to subsection 3(a), any dividends received by the Escrow Agent from the Company in respect of the Milestone 1 Escrow Shares shall be remitted by the Escrow Agent to the Company.

## MILESTONE 2 ESCROW DOCUMENTS

7. The Escrow Agent will hold the Milestone 2 Escrow Documents in escrow and undelivered and shall deliver and release the Milestone 2 Escrow Documents:
  - (a) to the respective Shareholders not later than 10 business days after receipt by the Escrow Agent of a statutory declaration sworn by an officer of Foro (the "**Milestone 2 Statutory Declaration**") stating that the Escrow Release Event, including without limitation the achievement of Milestone 2, for the release of the Milestone 2 Escrow Shares has occurred;
  - (b) to the Company if the Escrow Agent has not received the Milestone 2 Statutory Declaration sworn by an officer of Foro on or before the Milestone 2 Date, within 10 business days following the receipt by the Escrow Agent of a statutory declaration of the Company stating that the Escrow Release Event for the release of the Milestone 2 Escrow Shares has not occurred,

unless prior to the expiry of the 10 business day period referred to in subsection (a) above or subsection (b) above, as applicable, a Dispute Notice (as defined in Section 11) has been received by the Escrow Agent, and in such event, any statutory declaration received by the Escrow Agent subsection 7(a) above or subsection 7(b) above, as applicable, shall be inoperative until a final determination is made in accordance with Section 11.
8. Upon receipt of the Milestone 2 Statutory Declaration pursuant to Section 7(a) or a statutory declaration sworn by the Company pursuant to Section 7(b), the Escrow Agent shall forthwith give notice in writing to the Company or Ali Saheli, as applicable, of such receipt and shall send with such notice a copy of such Milestone 2 Statutory Declaration to the Company or Ali Saheli, as applicable.
9. During the period that the Milestone 1 Escrow Shares are held by the Escrow Agent, the Shareholders shall be entitled:
  - (a) subject to the provisions of the British Columbia *Business Corporations Act*, to exercise all voting rights with respect to the Milestone 2 Escrow Shares for all purposes not inconsistent with the terms of the Share Exchange Agreement or this Agreement; and
  - (b) subject to the provisions of the British Columbia *Business Corporations Act*, to receive all dividends and other distributions in respect of the Fee Shares made in compliance with the provisions of the Share Exchange Agreement and this Agreement; provided, however, that the certificate for any share representing stock dividends or distributions in respect of the Milestone 2 Escrow Shares or resulting from a subdivision, revision or reclassification of the Milestone 1 Escrow Shares, or received in exchange for the Milestone 2 Escrow Shares as a result of an amalgamation or merger, shall be pledged and deposited with the Escrow Agent hereunder.
10. All dividends paid to the Shareholders in respect of the Milestone 2 Escrow Shares shall be held in escrow by the Escrow Agent for the benefit of the Shareholders and shall be paid to the Shareholders concurrently with release of the Milestone 2 Escrow Shares. If

the Milestone 2 Escrow Documents are released by the Escrow Agent to the Company pursuant to subsection 3(a), any dividends received by the Escrow Agent from the Company in respect of the Milestone 2 Escrow Shares shall be remitted by the Escrow Agent to the Company.

11. If Ali Saheli or the Company (each being a **“Requesting Party”**) delivers a statutory declaration pursuant to Section 3 or 7 hereof and the Company or Ali Saheli, as applicable (each being the **“Disputing Party”**) disputes whether the preconditions for delivery of the Milestone 1 Escrow Shares or the Milestone 2 Escrow Shares, as applicable, or if applicable portion thereof, to the Shareholders have been fulfilled or disputes the accuracy of the statutory declaration filed by Requesting Party, as applicable, then the Disputing Party shall within 10 business days of having received notice of the Escrow Agent’s receipt of the statutory declaration under Section 3 or Section 7 hereof, as applicable, deliver a written notice to the Escrow Agent and to Company (a **“Dispute Notice”**) demanding that the Escrow Agent not deliver the applicable Milestone 1 Escrow Shares or Milestone 2 Escrow Shares to the Shareholders or the Company, as applicable, and stating the basis therefore. If a Dispute Notice is received by the Escrow Agent within the 10 business day period provided for herein, the Escrow Agent shall not deliver the applicable Milestone 1 Escrow Shares or Milestone 2 Escrow Shares until it shall have received one of the following:
- (a) joint written instructions to deliver the applicable Milestone 1 Escrow Shares or Milestone 2 Escrow Shares signed on behalf of the Company and by Ali Saheli; or
  - (b) a copy of a final judgment, order or decree of a court of competent jurisdiction that is no longer subject to appeal, stay, review, rehearing or reconsideration under applicable law.
- (a **“Final Order”**).

Upon receipt of any such joint instructions or Final Order directing or requiring delivery of the Milestone 1 Escrow Shares or Milestone 2 Escrow Shares, as applicable, the Escrow Agent shall deliver the Milestone 1 Escrow Shares or Milestone 2 Escrow Shares, as applicable in accordance with the terms of such instructions or Final Order.

12. Any notice or other document required to be given or sent hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail, transmitted by facsimile transmission or delivered at the address/facsimile number of the other party hereinafter set forth:

To the Company:	Fundamental Applications Corp. 242 – 515 West Pender Street Vancouver, BC V6B 6H5 Attention: <u>Justin Rasekh</u> Email: <u>justin@funappcorp.com</u>
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To the Shareholders: c/o Foro Technologies Inc.  
605 – 1905 Robson Street  
Vancouver, BC V6G 1E6  
Attention: Ali Saheli  
Email: ali@usetruth.com

To the Escrow Agent: Suite 1820 – 925 West Georgia Street  
Vancouver, British Columbia V6C 3L2

or to such other address as the other party may from time to time direct in writing, and any such notice shall be deemed to have been received, if mailed or sent by facsimile transmission, 72 hours after the time of mailing or electronic transmission, and if delivered, upon the date of delivery. If normal mail service or electronic transmission is interrupted by strike, slowdown or other cause, a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice shall utilize any other such services which have not been so interrupted or shall deliver such notice in order to ensure prompt receipt thereof.

13. The acceptance by the Escrow Agent of its duties and obligations under this Agreement is subject to the following terms and conditions, which the parties to this Agreement agree will govern and control with respect to the Escrow Agent's rights, duties, liabilities and immunities:
- (a) the Escrow Agent in its capacity as Escrow Agent will be deemed to have no notice or knowledge of the contents of the Escrow Documents delivered hereunder and will have no responsibility in respect of loss of the Escrow Documents except the duty to exercise the same responsibility in the safekeeping thereof that it would exercise if the Escrow Documents were the property of the Escrow Agent;
  - (b) the Escrow Agent will be protected in acting upon any written notice, request, waiver, consent, receipt, statutory declaration or other paper or document furnished to it and signed by the Company or its duly authorized signatory(ies) or the Shareholders, as applicable, not only concerning such person's due execution and the validity and effectiveness of its provisions but also concerning the truth and acceptability of any information therein contained, which the Escrow Agent in good faith believes to be genuine and what it purports to be;
  - (c) except for acts of gross negligence or fraud, the Escrow Agent will not be liable for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law;
  - (d) the Escrow Agent may but is not obliged to consult with and obtain advice from legal counsel in the event of any questions concerning any of the provisions hereof or its duties hereunder and will incur no liability and will be fully protected in acting in good faith whether or not in accordance with the opinion and instructions of that counsel;
  - (e) the Escrow Agent will have no duties except those that are expressly set out herein and will not be bound by any notice of a claim or demand with respect thereto or any waiver, modification, amendment, termination or rescission of this



Agreement unless received in writing and signed by the Company and the Shareholders and, if its duties herein are affected, unless the Escrow Agent has given its written consent thereto;

- (f) the Escrow Agent may resign from its duties and responsibilities provided it gives each of the Company and the Shareholders 10 days' written notice (the "**Notice**") and on receipt of the Notice, the Company and the Shareholders will within that 10-day period jointly advise the Escrow Agent of a replacement escrow agent and instruct the Escrow Agent to deliver all the Escrow Documents to the replacement escrow agent;
  - (g) if the Company and the Shareholders fail to agree on the replacement escrow agent within 10 days of the Notice, the replacement escrow agent will be selected by a single arbitrator under the provisions of the *British Columbia Commercial Arbitration Act* and this Agreement will be deemed to be a submission thereto. Upon the replacement escrow agent being so selected, the Company and the Shareholders shall be deemed to have instructed the Escrow Agent to deliver all Escrow Documents to the replacement escrow agent and the Escrow Agent shall forthwith comply with such instructions;
  - (h) the Escrow Agent will continue to be bound by this Agreement until a replacement escrow agent is determined and the Escrow Agent receives from the Company and the Shareholders instructions to deliver the Escrow Documents to that replacement escrow agent;
  - (i) if the Escrow Agent shall be aware of demands or adverse claims in connection with the Escrow Documents, the Escrow Agent may, notwithstanding anything to the contrary contained herein, at its sole discretion refuse to take any steps required of it under this Agreement and in so refusing may make no delivery of the Escrow Documents until the demands or adverse claims have been settled by all interested parties or until a court of competent jurisdiction has ruled on the matter and in so refusing to act the Escrow Agent shall not be or become liable in any way to any party;
  - (j) without limiting or affecting any protection or indemnity contained in this Agreement, the Company and the Shareholders shall jointly and severally indemnify and save the Escrow Agent harmless from and against any and all liability, loss, cost, damages, claims, demands, suits, actions, expenses and disbursements of whatever kind and nature which may be incurred by, imposed upon, asserted against or demanded from the Escrow Agent in connection with the performance of its duties hereunder other than those arising from the gross negligence or fraud of the Escrow Agent.
14. The Company will be liable for and shall pay the reasonable fees and expenses of the Escrow Agent in connection with the performance of its duties hereunder and in connection with any proceedings in which the Escrow Agent is involved as a result of agreeing to be act as an escrow agent pursuant to this Agreement. The Company and the Shareholders acknowledge that the Escrow Agent acts for the Company on various matters, such that a conflict may arise. The Company and the Shareholders hereby waive any conflict and acknowledge that should a disagreement arise between the

Company and the Shareholders, the Escrow Agent shall not represent either of the Parties and the Parties will be referred to independent counsel.

15. Notwithstanding any terms of this Agreement, and in particular without limitation those in Section 13, the Escrow Agent may assign its rights and obligations hereunder to a substitute escrow agent at any time without prior notice or consent of the Company and the Shareholders or both. Upon receipt of the substitute escrow agent's written undertaking to assume all liabilities and obligations of the Escrow Agent hereunder, the Escrow Agent will deliver the Escrow Documents to the substitute escrow agent and will thereupon be relieved of all such liabilities and obligations except the obligations to provide the Company and the Shareholders with notice of such assignment and a copy of the substitute escrow agent's undertaking forth with upon receipt of such undertaking. Any substitute escrow agent must be either a solicitor practicing in a firm of not less than 10 members in the city of Vancouver, British Columbia, or a trust company, bank or other entity licensed to carry on a trust or banking business in Canada.
16. The parties acknowledge that the Escrow Agent is a law firm, which acts for the Company and that it may continue to act as such during the term of this Agreement and before and after any assignment of its rights and obligations hereunder to a replacement escrow agent. The Escrow Agent will be deemed not to be in conflict by virtue of its holding the Escrow Documents or performing its duties hereunder.
17. If the Escrow Agent fails or refuses to act hereunder, the Company may appoint a substitute escrow agent provided such escrow agent is either a solicitor practicing in a firm of not less than 3 members in the City of Vancouver, British Columbia, or a trust company, bank or other entity licensed to carry on a trust or banking business in Canada.
18. Except as expressly provided herein, the rights, powers and remedies of each of the parties are cumulative and not exclusive of any right, power or remedy that may be available to the party under the Share Exchange Agreement, at law or in equity.
19. Time is of the essence of this Agreement and every provision thereof.
20. When used herein the singular shall include the plural and vice versa, words importing gender shall be deemed to include the other gender or the body corporate and words importing the body corporate shall be deemed to include either gender. All legal rights and obligations hereunder shall be determined in accordance with the law of the province of British Columbia, Canada. Any reference to any statute or ordinance shall be deemed to be a reference to such statute or ordinance as it may be amended or replaced with similar legislation from time to time.
21. This Agreement shall ensure to the benefit of and be binding upon the Company, the Shareholders, and the Escrow Agent and their respective heirs, executors, administrators, representatives, successors and assigns.

22. This Agreement may be executed in counterparts and delivered by facsimile transmission or other form of electronic communication.

**IN WITNESS WHEREOF** the Parties have duly executed this Agreement on the date first written above.

**COMPANY**

**FUNDAMENTAL APPLICATIONS CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory

Name: Justin Rasekh

Title: Chief Executive Officer

**SHAREHOLDERS OF FORO TECHNOLOGIES INC.**

Signed, sealed and delivered by )  
**ALI SAHELI** in the presence of: )  
\_\_\_\_\_)

Name of Witness )

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

\_\_\_\_\_  
**ALI SAHELI**

Signed, sealed and delivered by )  
**BIO CHO** in the presence of: )  
\_\_\_\_\_)

Name of Witness )

\_\_\_\_\_)  
Address )

\_\_\_\_\_)  
Occupation )

\_\_\_\_\_  
**BIO CHO**

Signed, sealed and delivered by )  
**PHILIPPE HENRI HILGER** in the presence of: )  
 )  
 \_\_\_\_\_ )  
 Name of Witness )  
 )  
 \_\_\_\_\_ )  
 Address )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 Occupation )

\_\_\_\_\_  
**PHILIPPE HENRI HILGER**

Signed, sealed and delivered by )  
**BENJAMIN PICKERING** in the presence of: )  
 )  
 \_\_\_\_\_ )  
 Name of Witness )  
 )  
 \_\_\_\_\_ )  
 Address )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 Occupation )

\_\_\_\_\_  
**BENJAMIN PICKERING**

**BITMAIN STUDIOS INC.**

Per:  
 \_\_\_\_\_  
 Authorized Signatory

**ATRAXIS HOLDINGS INC.**

Per:  
 \_\_\_\_\_  
 Authorized Signatory

**REAL INVESTMENT FUND III, L.P.**

Per:

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Authorized Signatory

***ESCROW AGENT***

**BACCHUS LAW CORPORATION**

Per:

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Authorized Signatory  
Name: Penny Green  
Title: Chief Executive Officer

**SCHEDULE A**  
**Escrow Shares**

<b>Shareholder Name</b>	<b>Number of Milestone 1 Shares</b>	<b>Number of Milestone 2 Shares</b>
Ali Saheli	410,831	410,831
Bio Cho	6,733	6,733
Bitmain Studios Inc.	23,530	23,530
Philippe Henri Hilger	35,294	35,294
Atraxis Holdings Inc.	58,824	58,824
Real Investment Fund III, L.P.	61,176	61,176
Ben Pickering	3,612	3,612
<b>Total</b>	<b>600,000</b>	<b>600,000</b>

# SCHEDULE B



## SECURITIES TRANSFER FORM

For value received, the undersigned hereby sells, assigns and transfers unto:

\_\_\_\_\_ (Print name(s) of person(s) to whom the securities are being transferred and the address for the register)

\_\_\_\_\_

Social Insurance Number of Transferee(s) (or TIN or SSN)\* 

--	--	--	--	--	--	--	--	--	--

Complete (a) for stocks or (b) for bonds, debentures, notes or other debt securities.

**a) Stocks**

\_\_\_\_\_ shares of \_\_\_\_\_  
(number of shares) (class of shares; example: Common)

**b) Bonds, debentures, notes or other debt securities**

\$ \_\_\_\_\_ % \_\_\_\_\_  
(Principal amount) (Interest Rate) (Description of bonds, debentures, notes including maturity date if any)

registered in the name(s) of \_\_\_\_\_  
(name(s) of the registered holder(s) as they appear on the certificate or statement/advice)

on the books of \_\_\_\_\_ and represented by \_\_\_\_\_  
(name of the issuing company as it appears on the certificate or statement/advice)

certificate(s) or account number(s)<sup>†</sup> \_\_\_\_\_  
(the number printed on the face of the certificate or on the shareholder statement/advice)

and hereby irrevocably constitutes and appoints Computershare Investor Services Inc. or Computershare Trust Company of Canada the attorney of the undersigned to request the transfer of the said securities on the books of the said Issuer with full power of Substitution in this matter.

DATED \_\_\_\_\_

**SPACE FOR GUARANTEES OF SIGNATURES**  
(the transfer cannot be processed without an acceptable guarantee of the signature(s) in the space below)

Person(s) executing the power sign here:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Read carefully**

The signature on this assignment must correspond with the name as written upon the face of the certificate(s) or shareholder statement(s)/advice(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods:

- **Canada and USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".
- **Canada:** A Signature Guarantee obtained from a major Canadian Schedule 1 chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign, print full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

<sup>†</sup> If you receive statements/advices confirming your holding instead of certificates, enter the account number from your statement/advice in the space.

See reverse for additional information