

## SETTLEMENT AGREEMENT

This Settlement Agreement (the “**Settlement Agreement**”) is dated for reference November 18, 2021, by and between:

- (a) The Plaintiffs, Michael Tietz and Duane Loewen (the “**Plaintiffs**”), in the putative class proceeding, British Columbia Supreme Court Action No. S197731, Vancouver (the “**Action**”), and Stacy Dionne (“**Dionne**”), a person proposed to be added to the Action as an additional representative Plaintiff, on behalf of the “Class” as defined in paragraph 100 of the Notice of Civil Claim filed July 11, 2019 excluding paragraph 100(i) (the “**Class**”); and
- (b) PreveCeutical Medical Inc. (“**PreveCeutical**”), Stephen Van Deventer (“**Van Deventer**”), and Shabira Rajan (“**Rajan**”) (collectively the “**Settling Defendants**”), defendants in the Action;

(collectively, the “**Parties**”).

### I. RECITALS

#### WHEREAS:

- A. the Plaintiffs have commenced the Action which alleges that the defendants in the Action (the “**Defendants**”), including the Settling Defendants, participated in a scheme where certain of the Defendants, referred to in the Notice of Civil Claim in the Action (the “**NCC**”) as the “Purported Consultants”, acquired shares in certain of the Defendants, referred to in the NCC as the “Issuers”, which Issuers include PreveCeutical, in 2018 through false pretense and by deception upon the public market, resulting in loss and damage to the Plaintiffs and others like them who acquired shares in the Issuers subsequent to the alleged deception;
- B. it is alleged in the NCC that PreveCeutical is liable for damages for unlawful conspiracy, that Van Deventer and Rajan are vicariously liable for any damages for unlawful conspiracy awarded against PreveCeutical, that the Settling Defendants are liable for statutory damages for secondary market misrepresentations pursuant to s. 140.3 and s. 140.5 of the Securities Action, as well as damages for fraudulent misrepresentation, or, in the alternative, negligent misrepresentation.

- C. the Defendants, Van Deventer and Rajan were officers and directors of PreveCeutical during the relevant time period;
- D. the Plaintiffs intend to add additional representative plaintiffs to the Action, including Dionne, who swore an affidavit in the Action on February 14, 2020, filed March 11, 2020, attesting to her purchase of PreveCeutical shares and her willingness to become a representative Plaintiff in the Action;
- E. the Plaintiffs and Dionne, among others, have applied in BCSC Action No. S202110, Vancouver, for leave under s. 140.8 of the *Securities Act* to bring the claims under s. 140.3 of the *Securities Act* in the Action relating to secondary market disclosure liability against various Defendants, including the Settling Defendants (the "**Leave Application**"), and judgment on the Leave Application was under reserve as of the date of this Settlement Agreement set out above;
- F. the Settling Defendants deny all of the allegations and claims for relief in the Action and the Leave Application, and have actively defended the Leave Application;
- G. the Settling Defendants believe that they are not liable in respect of the claims as alleged in the Action, and the Settling Defendants believe that they have good, reasonable, and complete defences in respect of and to the Leave Application, the certification of the Action, and the merits of the Action;
- H. on December 17, 2018, prior to the commencement of the Action, PreveCeutical commenced its own action in BCSC Action No. S1813498, Vancouver (the "**PreveCeutical Action**"), against various Defendants in the Action referred to in the NCC as "Purported Consultants", alleging that PreveCeutical was the victim of fraud, conspiracy, breach of contract and other wrongs by those Defendants with respect to the same transactions involving PreveCeutical which are the subject of the claims asserted in the Action against the Settling Defendants and those Defendants, and for which wrongs PreveCeutical seeks from those Defendants damages and other remedies in the PreveCeutical Action;
- I. the Parties, by way of this Settlement Agreement, desire to compromise and settle all claims made, and which could have been made, against the Settling Defendants in the Action and for which leave was sought in the Leave Application;

- J. despite their belief that they have good, reasonable, and complete defences in respect of and to the Leave Application, the certification of the Action as a class proceeding, and the merits of the Action, the Settling Defendants have negotiated and entered into this Settlement Agreement to avoid the further expense, inconvenience, and burden of the Action and the Leave Application, and any other present or future litigation arising out of the facts that gave rise to the Action or the Leave Application, and to achieve a resolution of all claims asserted or which could have been asserted against them by the Plaintiffs, Dionne and any other representative Plaintiffs, on their own behalf and on behalf of the Class they seek to represent, and to avoid the risks inherent in uncertain, complex and protracted litigation, and thereby to put to rest this controversy involving the Settling Defendants;
- K. as part of this Settlement Agreement, in exchange for a full and final nation-wide release of all claims against Van Deventer and Rajan and all current and former officers, directors, managers, employees, consultants, and insurers of PreveCeutical, a covenant not to sue PreveCeutical and its Affiliates (as defined below), and a bar order in respect of all claims against the Settling Defendants and the current and former officers, directors, managers, employees, consultants and insurers of PreveCeutical, it has agreed to pay the Settlement Amount (as defined below) for the benefit of the Class and assign the PreveCeutical Action to the Plaintiffs and Dionne for the benefit of the Class and the Settling Defendants have agreed to cooperate with the Plaintiffs and Dionne in pursuing the PreveCeutical Action for both its own benefit and the benefit of the Class all in light of their potential risks of liability inherent in uncertain, complex and protracted litigation, and to avoid the further expense, inconvenience, and burden of this litigation;
- L. the Plaintiffs and Dionne have agreed to accept this settlement, in part, because of the significant value to the Class in pursuing the PreveCeutical Action for the benefit of the Class with the cooperation the Settling Defendants, as well as the attendant litigation and other risks in light of the potential defences that may be asserted by the Settling Defendants;
- M. as a result of the Action, the Parties are reasonably familiar with the factual and legal issues presented by their respective claims and defences in the Action and the Leave Application, and recognize the uncertainties as to the ultimate outcome in the Action and the Leave Application, and the likelihood that any final result could require years of further complex

litigation and substantial expense, including with respect to appeals and enforcement of any judgment that may ultimately be rendered;

- N. this Settlement Agreement was entered into after extensive arm's length negotiations between counsel for the Plaintiffs, Dionne, and the Class, and counsel for the Settling Defendants, both before and after the hearing of the Leave Application;
- O. the Parties and their counsel agree that the Settlement Agreement represents a fair, reasonable, and adequate resolution of the claims advanced, and which could have been advanced, against the Settling Defendants in the Action and in the Leave Application;
- P. the Parties desire and intend to seek court approval of this Settlement Agreement as set forth herein; and
- Q. the Settling Defendants do not admit through the execution of this Settlement Agreement or otherwise any of the allegations and claims made or which could have been made in the Action or the Leave Application, including any alleged unlawful conduct.

NOW, THEREFORE, for value received, the Parties stipulate and agree, subject to Court approval, to the following.

## II. DEFINITIONS

- 1. As used in the Settlement Agreement, including the Recitals and Schedules hereto, in addition to any definitions elsewhere in the Agreement, the following terms shall have the meanings set forth below:
  - (a) "**Affiliates**" means, in respect of any person, any other person or group of persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person first mentioned, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities, by contract or otherwise;
  - (b) "**Class Counsel**" means the law firms of Bennett Mounter LLP and Camp Fiorante Matthews Mogerman LLP;

- (c) **“Class Members”** means the members of the Class, including the Plaintiffs and Dionne;
- (d) **“Court”** means the Supreme Court of British Columbia;
- (e) **“Effective Date of Settlement”** means the next calendar day after the day on which all appellate rights with respect to the Settlement Approval Orders have expired or have been exhausted without the Settlement Approval Orders having been modified, reversed or set aside on appeal, or such other date as may be agreed upon by all of the Parties in writing;
- (f) **“Non-Settling Defendants”** means the remaining Defendants in the Action or others who may be added as defendants in the Action at any time and includes the Unnamed Consultants, as that term is defined in the NCC;
- (g) **“Settlement”** means the settlement described in this Settlement Agreement;
- (h) **“Settlement Administration Plan”** means a plan setting out the terms of the administration of the Settlement in respect of funds received by Class Counsel under the Settlement for the benefit of the Class;
- (i) **“Settlement Amount”** means the all-inclusive sum of three-hundred and fifty thousand dollars in lawful Canadian currency (CAD \$350,000);
- (j) **“Settlement Approval Hearing”** means the date the Court is scheduled to consider the Settlement Approval Orders;
- (k) **“Settlement Approval Orders”** means the order made by the Court in the Action approving the Settlement, which order shall be substantially in the form attached as Schedule “A”, and the Order made by the Court in the Leave Application approving the Settlement, which Order shall be substantially in the form attached as Schedule “B”; and
- (l) **“Settlement Fund”** means a trust account held by Class Counsel which will hold the Settlement Amount.

### III. APPROVAL PROCESS

2. The Parties shall respectively take all reasonable steps to expeditiously effect this Settlement, and to secure the prompt dismissal of the Action against Van Deventer and Rajan, and the discontinuance of the Action as against PreveCeutical, both to be without costs to any Party.
3. As soon as is reasonably practical following the execution of this Settlement Agreement, the Plaintiffs shall apply to the Court for the Settlement Approval Orders, and the Settling Defendants shall cooperate in the Plaintiffs' efforts to obtain the Settlement Approval Orders from the Court and any further or other orders required from the Court to implement the Settlement Agreement, including the assignment of the PreveCeutical Action as set out in Section VI below.
4. Class Counsel may seek court approval of class counsel fees, disbursements and honouraria to the representative Plaintiffs either at or subsequent to the Settlement Approval Hearing. The Settling Defendants will take no position on that approval application. Approval by the Court and/or the effect of this Settlement Agreement will not depend on the Court's approval of fees, disbursements or honouraria for Class Counsel, the Plaintiffs or Dionne.
5. If the Settlement Approval Orders are not granted, or are inconsistent with the terms of the Settlement Agreement, or are reversed or modified on appeal, then, except for the circumstances described in paragraphs 8 and 9 below, or unless the Parties expressly agree otherwise in writing:
  - (a) this Settlement Agreement and all orders made pursuant to it shall be null and void, shall have no further force and effect with respect to the Parties, and shall not be offered in evidence or used in any litigation for any purpose; and
  - (b) all orders in existence as of the date on which this Settlement Agreement was executed shall become operative and fully effective, as if proceedings relating to this Settlement had not occurred. In such event, the Parties reserve all rights to object to or otherwise challenge all such pre-existing orders, including the right to make appropriate scheduling requests and seek extensions of any applicable

deadlines (and the Parties agree to provide their consent to any such reasonable requests or extensions).

6. As soon as reasonably possible after the Effective Date of Settlement, and within no more than fifteen (15) days thereof, the Plaintiffs shall promptly discontinue the Action as against PreveCeutical.

#### **IV. SETTLEMENT PAYMENT**

7. At least 15 days prior to the Settlement Approval Hearing, the Settling Defendants will pay, or cause to be paid, the Settlement Amount to Fraser Litigation Group, in trust, with irrevocable instructions to Fraser Litigation Group to:
  - (a) hold the Settlement Amount in an interest-bearing trust account pending the Settlement Approval Orders;
  - (b) if the Settlement is not approved in accordance with the terms of this Settlement Agreement, to continue to hold the Settlement Amount or return the Settlement Amount as instructed by the Settling Defendants; and
  - (c) if the Settlement is approved in accordance with the terms of this Settlement Agreement, to pay the Settlement Amount and all accrued interest thereon, to Bennett Mounter LLP in trust within 15 days after the Effective Date of Settlement.
8. Upon receiving the Settlement Amount, Class Counsel will deposit those monies into the Settlement Fund.
9. The Settling Defendants' monetary obligations under the Settlement are limited to those set out in paragraph 7 above. For greater certainty, all expenses and costs of the Settlement, including, without limitation, Class Members' claims, legal fees, honouraria, administration expenses, taxes, and notice costs, shall be paid out of the Settlement Amount and the Settling Defendants shall have no further liability in respect of any these or any other expenses or costs.
10. The Settling Defendants shall have no legal or beneficial interest in the Settlement Fund.

**V. WAIVER OF COSTS**

11. Upon the Effective Date of Settlement, the Settling Defendants shall and do hereby waive any costs to which they may be entitled in respect of the Action or the Leave Application, including without limitation, the special costs awarded to the Settling Defendants pursuant to the Order made April 9, 2021 in the Leave Application.

**VI. ASSIGNMENT OF PREVECEUTICAL ACTION**

12. Upon the Effective Date of Settlement, PreveCeutical shall and does hereby assign, transfer, and convey to the Plaintiffs and Dionne (the “**Assignees**”), for the benefit of the Class, all of PreveCeutical’s right, title and interest in and to PreveCeutical Action, including without limitation, all claims asserted against the defendants in the PreveCeutical Action and any related claims which could be asserted against the defendants in the PreveCeutical Action, and the right to receive damages, interests, costs, or any other relief in respect of any such claims asserted against the defendants in the PreveCeutical Action, on the following terms:
  - (a) the Assignees shall pay and be responsible for all legal expenses to pursue the PreveCeutical Action, and shall indemnify PreveCeutical for any costs awarded in relation to the PreveCeutical Action subsequent to the Effective Date of Settlement; and
  - (b) PreveCeutical shall receive 25% of all amounts recovered by the Assignees from the pursuit of the PreveCeutical Action, net of all reasonable legal expenses incurred, and not recovered, by the Assignees to pursue the PreveCeutical Action.
13. The Assignees shall have complete discretion as to whether, how and to what extent the PreveCeutical Action shall be pursued, including without limitation, the settlement of the PreveCeutical Action.
14. The Settling Defendants shall cooperate with the Assignees and Class Counsel in their pursuit of the PreveCeutical Action, which cooperation shall include, without limitation:



- (a) PreveCeutical will provide Class Counsel with access to and copies of all documents, as defined in Rule 1-1 in the *Supreme Court Civil Rules*, relevant to the PreveCeutical Action, and the Settling Defendants will instruct Fraser Litigation Group to make their files concerning the conduct of the PreveCeutical Action available to Class Counsel, including work product memoranda but **excluding any privileged communications**; and
- (b) Van Deventer and Rajan shall, and PreveCeutical shall request any other current officer and director of PreveCeutical with a knowledge of matters relating to the PreveCeutical Action to, make themselves reasonably available to:
  - (i) provide information relating to the PreveCeutical Action, excluding any privileged communications, in a personal interview with Class Counsel, upon reasonable notice and at a mutually convenient date and location;
  - (ii) to provide evidence at trial of the PreveCeutical Action, or at an examination for discovery in the PreveCeutical Action, or to provide an affidavit for use in the PreveCeutical Action and attend at cross-examination on such an affidavit.

15. Should a dispute arise with respect to the obligations of the Settling Defendants under paragraph 14 above, any Party may apply to the court for directions, provided that, no claim or cause of action shall arise with respect to the performance or lack thereof of such obligations.

16. The Settling Defendants shall not be entitled to any compensation for providing the cooperation provided in paragraph 14 above, other than through receipt of the amount payable to PreveCeutical pursuant to paragraph 12(b) above.

## **VII. RELEASE AND COVENANT NOT TO SUE**

17. Upon the Effective Date of Settlement, the Plaintiffs, Dionne, and the Class Members forever release, relinquish and discharge Van Deventer and Rajan, and all of the current and former officers, directors, managers, employees, consultants, and insurers of PreveCeutical, from any and all claims, demands, actions, proceedings, suits, causes of

action and manners of action of any and all kinds that have been brought or could have been brought, are currently pending or were pending, or are ever brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, arising from the claims made, or which could have been made in the Action or the Leave Application, whether class, individual, or otherwise in nature, directly, indirectly, derivatively, or in any other capacity, and without limiting the generality of the foregoing, all claims relating to any and all of the proposed common and individual issues made, arising from or relating to the pleaded facts, or the facts which could have been pled, in the Action or the Leave Application.

18. Upon the Effective Date of Settlement, the Plaintiff, Dionne and the Class Members, covenant and agree that they will not bring, commence, prosecute or maintain, or cause or permit to be brought, commenced, prosecuted or maintained, or otherwise join, assist, aid or act in concert in any manner whatsoever, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or person, against PreveCeutical and its Affiliates, any claims, demands, actions, proceedings, suits, causes of action and manners of action that have been brought or could have been brought, are currently pending or were pending, or which could be brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, whether civil, criminal, regulatory or otherwise, arising from or in any way relating to the pleaded facts, or the facts which could have been pled, in the Action or the Leave Application, including, without limitation, with respect to the PreveCeutical securities purchased or sold between April 9, 2008 and November 26, 2018.
19. The Parties expressly acknowledge and agree that the covenant set out in paragraph 18 above is not a Release, and shall not be construed to be a Release, and that the Plaintiffs, Dionne, and the Class Members expressly reserve all rights of action, claims and demands they have against the remaining Defendants in the Action or others concerning PreveCeutical, except that the Plaintiffs, Dionne and the Class Members covenant, undertake and agree that they will not seek to recover in the Action, or by any other proceedings or means, any portion of the losses they claim, or could claim, in the Action which a court or other tribunal may attribute to PreveCeutical or its Affiliates, and the

Plaintiffs, Dionne, and the Class Members shall amend the NCC as set out in the Settlement Approval Order.

#### **VIII. SETTLEMENT ADMINISTRATION**

20. On or after the Settlement Approval Hearing, the Plaintiffs and Dionne will apply to the Court for approval of the Settlement Administration Plan. The Settlement Administration Plan will set out:
  - (a) the form and procedure by which notice of the Settlement shall be provided to the Class Members, including notice of the legal fees and expenses paid or payable to Class Counsel and the procedure by which Class Members can opt-out of the Settlement;
  - (b) the procedure by which Class Members can claim an entitlement under the Settlement; and
  - (c) the procedure for the determination of eligible claims and the amount of those claims, and the subsequent payment of them.
21. The Court shall have complete discretion to either approve or amend the Settlement Administration Plan. The Settlement Administration Plan shall not form part of this Settlement Agreement and the approval and/or the effect of this Settlement Agreement shall not be contingent on either the approval of the Settlement Administration Plan or the presentation of the Settlement Administration Plan at the Settlement Approval Hearing.
22. The Settling Defendants shall not have standing to make submissions regarding the Settlement Administration Plan.
23. The Settlement Fund, and any proceeds recovered for the benefit of the Class pursuant to the assignment of the PreveCeutical Action in Section VI of this Settlement Agreement, shall be disbursed in accordance with the Settlement Administration Plan or as otherwise directed by the Court.
24. In order to assist the Plaintiffs and Dionne in the settlement administration, PreveCeutical shall deliver to Class Counsel, no later than 90 (ninety) business days after

the Effective Date of Settlement, such lists as contain the names and mailing addresses of the non-objecting beneficial owners of PreveCeutical shares that were used for PreveCeutical's 2018 and 2019 Annual General Meetings.

## **IX. GENERAL**

25. The recitals to this Settlement Agreement are true and accurate, and form part of this Settlement Agreement.
26. This Settlement Agreement and its attachments shall constitute the entire agreement of the Parties and shall not be subject to any change, modification, amendment or addition without the express written consent of counsel on behalf of all Parties to the Settlement Agreement. This Settlement Agreement supersedes and replaces all prior negotiations, discussions, communications and proposed agreements, whether written or oral and is the entire agreement between the Parties.
27. The division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement.
28. Words in the singular include the plural and vice-versa and words in one gender include all genders.
29. In the event any one or more of the provisions contained in this Settlement Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision if the Parties mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement.
30. The Court shall retain continuing jurisdiction over the Parties and over the administration and enforcement of the Settlement and the benefits to the Plaintiffs, Dionne, and the Class Members hereunder.
31. Any disputes or controversies arising with respect to the interpretation, enforcement, or implementation of this Settlement Agreement must be made by application to the Court.

32. Class Counsel warrants that they are fully authorized to execute this Settlement Agreement on behalf of the Plaintiffs, Dionne and the Class Members and to execute and legally bind the Plaintiffs, Dionne, and the Class Members to this Settlement Agreement.
33. Fraser Litigation Group warrants that it is fully authorized to execute this Settlement Agreement on behalf of the Settling Defendants.
34. This Settlement Agreement may be executed in counterparts by the Parties or their representatives, and a facsimile or electronically transmitted signature shall be deemed an original signature for purposes of this Settlement Agreement and of equally binding force and effect.
35. This Settlement Agreement shall be construed under and governed by the laws of the Province of British Columbia.
36. The Parties have negotiated and fully reviewed the terms of this Settlement Agreement, and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction of this Settlement Agreement by a court of law or any other adjudicating body.
37. The Agreement, including any addendums thereto, is for settlement purposes only, and conditional upon the making of the Settlement Approval Orders, and neither the fact of, nor any provision contained in, this Settlement Agreement nor any action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim or any factual allegation that was or could have been made by the Plaintiffs, Dionne or by Class Members in the Action or the Leave Application, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of the Settling Defendants or any of the current and former officers, directors, managers, employees, consultants, and insurers of PreveCeutical. The Settling Defendants expressly deny any and all allegations of wrongdoing, fault, violation of law and liability. This Settlement Agreement, including any addendums thereto, shall not be offered or be admissible in evidence by or against the Settling Defendants or any of the current and former officers, directors, managers, employees, consultants, and insurers of PreveCeutical, or cited or referred to in any other action, investigation or proceeding, except (1) in any action or proceeding brought by or against the Parties to enforce or

otherwise implement the terms of this Agreement, or (2) in any action involving the Plaintiffs, Dionne, the Class Members, or any of them, to support a defense of *res judicata*, estoppel, release, or other theory of claim preclusion, issue preclusion, or similar defense.

38. Any press release or public statements made to the media by the Plaintiffs, Dionne or the Class Counsel about the Settlement shall be in a form agreed upon by the Parties, acting reasonably. The Parties agree that any such press release or public statements shall be consistent with the terms of the Settlement Agreement, including that the Settlement has been negotiated and agreed to without any admissions or findings of liability or wrongdoing, and without any admissions or conclusions as to the truth of any of the matters alleged in the Action, with all such allegations being expressly denied by the Settling Defendants.
39. The Settling Defendants shall be entitled to issue a press release or public statements about this Settlement upon the execution of the Settlement Agreement without the approval of the Plaintiffs, provided however that the Settling Defendants agree and undertake to make no statement or comment that the Settlement is other than fair, reasonable and in the best interests of the Class, unless required to do so by law.
40. Whenever, under the terms of this Settlement Agreement, a person is required to provide service or written notice to the Plaintiffs, Dionne, Class Members, Class Counsel or the Settling Defendants, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other Parties in writing:

As to the Plaintiffs, Dionne, the Class Members and Class Counsel:

Paul R. Bennett  
Bennett Mounter LLP  
400 – 856 Homer Street  
Vancouver, BC V6B 2W5  
Fax: (604) 639-3681  
E-mail: [pb@hbmlaw.com](mailto:pb@hbmlaw.com)

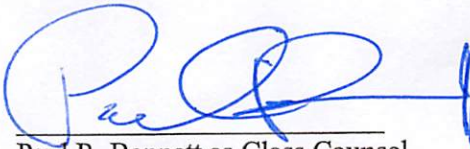
As to the Settling Defendants:

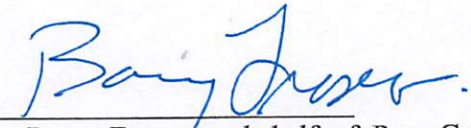
R. Barry Fraser



Fraser Litigation Group  
1100 – 570 Granville Street  
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Fax: (604) 343-3119  
E-mail: [bfraser@fraserlitigation.com](mailto:bfraser@fraserlitigation.com)

IN WITNESS THEREOF, the Parties hereto have executed this Settlement Agreement as follows:

Date: January 11 / 2022 By:   
Paul R. Bennett as Class Counsel  
on behalf of the Plaintiffs, Stacy Dionne and  
the Class Members

Date: January 10, 2022 By:   
R. Barry Fraser on behalf of PreveCeutical  
Medical Inc., Stephen Van Deventer, and  
Shabira Rajan

**SCHEDULE "A"**

No. S-197731  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

MICHAEL TIETZ AND DUANE LOEWEN

PLAINTIFFS

And

BRIDGEMARK FINANCIAL CORP., JACKSON & COMPANY PROFESSIONAL CORP., ANTHONY JACKSON, LUKOR CAPITAL CORP., JUSTIN EDGAR LIU, ROCKSHORE ADVISORS LTD. (FORMERLY KNOWN AS CAM PADDOCK ENTERPRISES INC.), CAMERON ROBERT PADDOCK, KONSTANTIN LICHTENWALD, SIMRAN SINGH GILL, JCN CAPITAL CORP., JOHN BEVILACQUA, ESSOS CORPORATE SERVICES INC., SWAY CAPITAL CORP., VON ROWELL TORRES, DETONA CAPITAL CORP., DANILEN VILLANUEVA, NATASHA JON EMAMI, ALTITUDE MARKETING CORP., RYAN PETER VENIER, PLATINUM CAPITAL CORP., 658111 B.C. LTD., JASON CHRISTOPHER SHULL, TRYTON FINANCIAL CORP., ABEIR HADDAD, TAVISTOCK CAPITAL CORP., ROBERT JOHN LAWRENCE, JARMAN CAPITAL INC., SCOTT JASON JARMAN, NORTHWEST MARKETING AND MANAGEMENT INC., RUFIZA ESMail, DENISE TRAINOR, ALY BABU MAWJI, ESCHER INVEST SA, HUNTON ADVISORY LTD., RANDY WHITE, KENDL CAPITAL LIMITED, 1153307 B.C. LTD., RUSSELL GRANT VAN SKIVER, BERTHO HOLDINGS LTD., ROBERT WILLIAM BOSWELL, HAIGHT-ASHBURY MEDIA CONSULTANTS LTD., ASHKAN SHAHROKHI, SAIYA CAPITAL CORPORATION, TARA HADDAD, KEIR PAUL MACPHERSON, TOLLSTAM & COMPANY CHARTERED ACCOUNTANTS, ALBERT KENNETH TOLLSTAM, 727 CAPITAL, DAVID RAYMOND DUGGAN, VIRAL STOCKS INC., 10X CAPITAL, CRYPTOBLOC TECHNOLOGIES CORP., NEIL WILLIAM STEVENSON-MOORE, KENNETH CLIFFORD PHILLIPPE, BRIAN BILES, KOOTENAY ZINC CORP., ROBERT TINDALL, AFFINOR GROWERS INC., NICHOLAS BRUSATORE, SAM CHAUDHRY, GREEN 2 BLUE ENERGY CORP., SLAWOMIR SMULEWICZ, MICHAEL YOUNG, GLENN LITTLE, BELEAVE INC., ANDREW WNEK, BOJAN KRASIC, CITATION GROWTH CORP. (FORMERLY KNOWN AS LIHT CANNABIS CORP. AND MARAPHARM VENTURES INC.), LINDA SAMPSON, DAVID ALEXANDER, YARI ALEXANDER NIEKEN, HANSPaul Pannu, BLOK TECHNOLOGIES INC., ROBERT DAWSON, JAMES HYLAND, PREVECEUTICAL MEDICAL INC., STEPHEN VAN DEVENTER, SHABIRA RAJAN, ABATTIS BIOCEUTICALS CORP., ROBERT ABENANTE, KENT MCPARLAND, SPEAKEASY CANNABIS CLUB LTD., MARC GEEN, MERVYN GEEN, JEREMY ROSS, ALEXANDER KAULINS, KOPR POINT VENTURES INC. (FORMERLY KNOWN AS NEW POINT EXPLORATION CORP.), AND BRYN GARDENER-EVANS

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50



**ORDER MADE AFTER APPLICATION  
(Settlement Approval)**

BEFORE	)	THE HONOURABLE	)	[DAY], THE ____
	)	MADAM JUSTICE WILKINSON	)	DAY OF _____ 2022
	)		)	

ON THE APPLICATION of the Plaintiffs, Michael Tietz and Duane Loewen, and Stacy Dionne, coming on for hearing at Vancouver, British Columbia, on the [DATE], and on hearing Paul R. Bennett [and other counsel appearances], counsel for the Plaintiffs, Stacy Dionne, and the Class; and R. Barry Fraser [and other counsel appearances], counsel for the Defendants, PreveCeutical Medical Inc., Stephen Van Deventer and Shabira Rajan (collectively, “PreveCeutical”) [and any other appearances].

THIS COURT ORDERS AND DECLARES that:

1. The Settlement Agreement dated for reference November 18, 2021, attached as Schedule “A” to this Order, is approved and is incorporated by reference into this Order. Defined terms used in this Order shall have the same meaning as in the Settlement Agreement.
2. This action is certified as a national class proceeding against the Settling Defendants only for the purpose of, and in accordance with the terms of, the Settlement Agreement.
3. Class Members are defined for settlement purposes as set out in paragraph 100 of the Notice of Civil Claim filed July 11, 2019 excluding paragraph 100(i).
4. The Settlement Common Issue certified for determination is whether misrepresentations were made in the public disclosure made by PreveCeutical concerning the Private Placements which closed on June 29, 2018, as part of an unlawful conspiracy and which constituted a statutory misrepresentation pursuant to section 140.3 and 140.5 of the *Securities Act*, RSBC 1996, c. 418.
5. The Plaintiffs and Stacy Dionne are appointed as the Representative Plaintiffs on behalf of the Class Members.
6. This Order, including the Settlement Agreement, is binding upon each Class Member who does not validly opt-out of the Settlement in accordance with the terms of the Settlement Administration Plan, to be approved by the Court at a later date.

7. This Order, including, without limiting the generality of the foregoing, the certification of this Action against the Settling Defendants, and the definitions of the Class Members and the Settlement Common Issue, is without prejudice to any and all procedural and substantive rights, defences, and positions that any of the Non-Settling Defendants now have, may have or take, or may acquire or accrue in the future, whether known or unknown at this time, including rights to or claims for costs, in or in respect of the Plaintiffs' application for leave to bring secondary market liability claims in BCSC Action No. S202110 (the "**Leave Application**"), the certification of this Action, the merits of this Action, and any matter of proceeding related to any of the foregoing, save and except as otherwise provided in this Order.
  
8. The Plaintiffs and Class Members forever release, relinquish and discharge the Defendants, Stephen Van Deventer and Shabira Rajan, and all of the current and former officers, directors, managers, employees, consultants (except the other Defendants herein) and insurers of PreveCeutical from and against any and all claims, demands, actions, proceedings, suits, causes of action and manners of action that have been brought or could have been brought, are currently pending or were pending, or are ever brought in the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, arising from or relating in any way to the claims made, or which could have been made, in this Action or the Leave Application, whether class, individual, or otherwise in nature, and whether directly, indirectly, derivatively or in any other capacity, and without limiting the generality of the foregoing, all claims relating to any and all of the proposed common and individual issues made, arising from or relating to the pleaded facts, or the facts which could have been pled, in the Action or the Leave Application.
  
9. The Plaintiff, Dionne and the Class Members shall not bring, commence, prosecute or maintain, or cause or permit to be brought, commenced, prosecuted or maintained, or otherwise join, assist, aid or act in concert in any manner whatsoever, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or person, against PreveCeutical and its Affiliates, any claims, demands, actions, proceedings, suits, causes of action and manners of action that have been brought or could have been brought, are currently pending or were pending, or which could be brought in

the future, whether known or unknown, asserted or unasserted, under or pursuant to any statute, regulation, common law or equity, whether civil, criminal, regulatory or otherwise, arising from or in any way relating to the pleaded facts, or the facts which could have been pled, in the Action or the Leave Application, including, without limitation, with respect to the PreveCeutical securities purchased or sold between April 9, 2008 and November 26, 2018.

10. All claims for contribution, indemnity, other claims over and other relief, whether asserted, unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the claims against the Settling Defendants, which were or could have been brought in this Action, in any other proceeding, or otherwise by any Non-Settling Defendant, as defined in the Settlement Agreement, against any Settling Defendant and all of the current and former officers, directors, managers, employees, consultants and insurers of PreveCeutical, or any Affiliate of any Settling Defendant, or by any Settling Defendant against any Non-Settling Defendant, any named or unnamed co-conspirator that is not a Settling Defendant, or any other person, are barred, prohibited and enjoined in accordance with the terms of this Order (unless such claim is made in respect of a claim by a person who has validly opted out of the Settlement).
11. If this Court ultimately determines that a claim for contribution, indemnity, other claims over or any other relief, whether in equity, in law, by statute, by regulation or otherwise, is a legally recognized claim:
  - a. the Class shall not be entitled to claim or recover from the Non-Settling Defendants that portion of any damages, restitutionary award, disgorgement of profits, interest and costs that corresponds to the proportionate liability of the Settling Defendants proven at trial or otherwise;
  - b. the Class shall only be entitled to claim and recover from the Non-Settling Defendants those claims for damages, restitutionary award, disgorgement of profits, interest and costs attributable to the aggregate of the several liability of the Non-Settling Defendants, and for greater certainty, the Class shall be entitled to claim and seek to recover on a joint and several basis as between the Non-Settling Defendants, if permitted by law; and

- c. this Court shall have full authority to determine the proportionate liability of the Non-Settling Defendants at the trial or other disposition of the action, whether or not the Non-Settling Defendants appear at the trial, and the proportionate liability of the Settling Defendants shall be determined as if the Settling Defendants are parties to this Action and any determination by this Court in respect of the proportionate liability of the Settling Defendants shall only apply in this Action and shall not be binding in any other proceeding.
12. Nothing in this Order is intended to or shall limit, restrict or affect any arguments that the Non-Settling Defendants may make regarding the reduction of any assessment of damages (including punitive damages, if any), restitutionary award, disgorgement of profits, interest and costs or judgment against them in favour of the Class, or the rights of the Class to oppose or resist any such arguments, except as provided for in this Order.
13. The Action is dismissed as against the Defendants Stephen Van Deventer and Shabira Rajan, and the Plaintiffs shall discontinue the action against PreveCeutical, provided however, the Court shall have jurisdiction with respect to the administration of the Settlement and any dispute that may arise with respect to the Settlement Agreement and this Order.
14. All persons and entities provided with notice of this Application shall be bound by the declarations made in, and the terms of, this Order.
15. Leave is granted to the Plaintiffs to amend the Notice of Civil Claim to add the following paragraphs:
- xx. Effective November 21, 2021, the Plaintiffs, Stacy Dionne and the Class entered into a Settlement Agreement with the former Defendants, PreveCeutical Medical Inc., Stephen Van Deventer, and Shabira Rajan (together, the "Settling Defendants"). The Settlement Agreement was approved by the Supreme Court of British Columbia by order made [DATE].
- xx. Pursuant to the Settlement Agreement, the Plaintiffs, Stacy Dionne and the Class waive all rights to recover from the Settling Defendants, their current and former officers, directors, managers, employees, consultants and insurers of PreveCeutical, and, as applicable, their Affiliates, any portion of their damages which are attributable

to any fault of the Settling Defendants, any of their Affiliates and, as applicable, their past and present employees, directors, officers, managers, insurers, and for which any of the Non-Settling Defendants could claim for contribution, indemnity and/or other relief pursuant to the *Negligence Act*, R.S.B.C. 1996, c. 333, any successor legislation, or otherwise.

16. Nothing in this Order or the Settlement Agreement shall limit or in any way vary the Plaintiffs' document production obligations under the *Supreme Court Civil Rules*.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of Paul R. Bennett  
Lawyer for the Plaintiffs, Michael Tietz and  
Duane Loewen, and Stacy Dionne

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Signature of R. Barry Fraser  
Lawyer for the Defendants, PreveCeutical  
Medical Inc., Stephen Van Deventer, and  
Shabira Rajan

By the Court.

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Registrar

THIS ORDER was prepared by the law firm of Bennett Mounter LLP, whose place of business and address for service is #400 – 856 Homer Street, Vancouver, British Columbia, V6B 2W5. Telephone: (604) 639-3680. Fax: (604) 639-3681. Counsel Reference: Paul R. Bennett and Mark W. Mounter

**SCHEDULE “B”**

No. S-202110  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

MICHAEL TIETZ, DUANE LOEWEN, ROBIN LEE, MIKE DOTTO,  
MALCOLM RUNKEE, GREG LOMNES, GRANT GREENWOOD, AND  
STACY DIONNE

PETITIONERS

and

CRYPTOBLOC TECHNOLOGIES CORP., BAM RESOURCES CORP. (FORMERLY  
KNOWN AS KOPR POINT VENTURES INC. AND NEW POINT EXPLORATION CORP.),  
KOOTENAY ZINC CORP., AFFINOR GROWERS INC., GREEN 2 BLUE ENERGY CORP.,  
BELEAVE INC., CITATION GROWTH CORP. (FORMERLY KNOWN AS LIHT  
CANNABIS CORP. AND MARAPHARM VENTURES INC.), BLOK TECHNOLOGIES  
INC., PREVECEUTICAL MEDICAL INC., ABATTIS BIOCEUTICALS CORP.,  
SPEAKEASY CANNABIS CLUB LTD., ANTHONY JACKSON, CAMERON ROBERT  
PADDOCK, VON ROWELL TORRES, NEIL WILLIAM STEVENSON-MOORE, KENNETH  
CLIFFORD PHILLIPPE, BRIAN BILES, BRYN GARDENER-EVANS, ROBERT TINDALL,  
NICHOLAS BRUSATORE, SAM CHAUDHRY, SLAWOMIR SMULEWICZ, MICHAEL  
YOUNG, GLENN LITTLE, ANDREW WNEK, BOJAN KRASIC, LINDA SAMPSON,  
DAVID ALEXANDER, YARI ALEXANDER NIEKEN, HANSPAUL PANNU, ROBERT  
DAWSON, JAMES HYLAND, STEPHEN VAN DEVENTER, SHABIRA RAJAN, ROBERT  
ABENANTE, KENT MCPARLAND, MARC GEEN, MERVYN GEEN, JEREMY ROSS,  
AND ALEXANDER KAULINS

RESPONDENTS

**ORDER MADE AFTER APPLICATION  
(Settlement Approval)**

BEFORE	)	THE HONOURABLE	)	[DAY], THE ____
	)	MADAM JUSTICE WILKINSON	)	DAY OF ____ 2022
	)		)	

ON THE APPLICATION of the Petitioners, Michael Tietz, Duane Loewen and Stacy Dionne (the “Applicant Petitioners”) coming on for hearing at Vancouver, British Columbia, on the [DATE], and on hearing Paul R. Bennett [and other counsel appearances], counsel for the Petitioners and the Class; and R. Barry Fraser [and other counsel appearances], counsel for the Respondents, PreveCeutical Medical Inc., Stephen Van Deventer and Shabira Rajan (collectively, “PreveCeutical Respondents”) [and any other appearances].

THIS COURT ORDERS AND DECLARES that:

1. Leave is granted to the Petitioner Stacy Dionne, *nunc pro tunc* to July 11, 2019, to bring the secondary market claims under s. 140.08 of the *Securities Act*, RSBC 1996 c. 418 (the “*Act*”), against the PreveCeutical Respondents, as set out in paragraphs 240 to 257 and 322 to 329A of the proposed Amended Notice of Civil Claim in BCSC Action S197731 (the “*Action*”), attached as Schedule “A” to the Amended Petition dated and filed [DATE], only for the purpose of implementing the settlement set out in the Settlement Agreement between the Applicant Petitioners and the PreveCeutical Respondents, dated November 18, 2021 (the “*Settlement Agreement*”).
2. The settlement of the secondary market claims for which leave is granted by this Order, pursuant to the Settlement Agreement, is approved pursuant to s. 140.91 of the *Act*, on the terms set out in the companion Order made this day in the Action approving the Settlement Agreement.

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Signature of Paul R. Bennett  
 Lawyer for the Petitioners, Michael Tietz and  
 Duane Loewen, and Stacy Dionne

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Signature of R. Barry Fraser  
 Lawyer for the Respondents, PreveCeutical  
 Medical Inc., Stephen Van Deventer, and  
 Shabira Rajan

By the Court.

---

Registrar

THIS ORDER was prepared by the law firm of Bennett Mounteer LLP, whose place of business and address for service is #400 – 856 Homer Street, Vancouver, British Columbia, V6B 2W5. Telephone: (604) 639-3680. Fax: (604) 639-3681. Counsel Reference: Paul R. Bennett and Mark W. Mounteer