

EMPATHO CORP.

AND

SHANE RESOURCES LTD.

BUSINESS COMBINATION AGREEMENT

October 29, 2021

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SCHEDULE "A" AMALGAMATION AGREEMENT		

BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of October 29, 2021,

BETWEEN:

EMPATHO CORP.

a corporation existing under the laws of Canada
("Empatho")

- and -

SHANE RESOURCES LTD.

a corporation existing under the laws of the Province of Saskatchewan
("Shane")

(each a "Party" and collectively, the "Parties")

WHEREAS, pursuant to a letter of intent between the Parties dated March 26, 2021, as amended October 12, 2021, Empatho and Shane propose to combine the business and assets of Empatho with those of Shane, and upon completion of such business combination, Shane will, through Amalco (as defined below), carry on the current business of Empatho;

AND WHEREAS, the Parties intend to carry out the proposed business combination by way of a statutory amalgamation under the provisions of the CBCA (as defined below) and related transaction steps;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

"Affiliate" has the meaning ascribed thereto in the CBCA.

"Agreement", "this Agreement", "herein", "hereto", and "hereof" and similar expressions refer to this business combination agreement, including the schedules attached hereto, as the same may be amended or supplemented from time to time.

"Amalco" means the amalgamated corporation resulting and continuing from the Amalgamation.

"Amalco Shares" means the common shares in the share capital of Amalco.

"Amalgamation" means the amalgamation of Empatho and Subco by way of a "three-cornered amalgamation" with Shane under the provisions of Section 184(2) of the CBCA and pursuant to the terms of the Documents.

"Amalgamation Agreement" means the agreement among Empatho, Shane and Subco in respect of the Amalgamation, to be substantially in the form attached as Schedule "A" to this Agreement.

"Articles of Amalgamation" means the articles of amalgamation giving effect to the Amalgamation required under the CBCA to be filed with the Director.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as the same has been and may hereafter from time to time be amended.

“**Business Combination**” means the series of transactions, as detailed in this Agreement, through which the businesses of Empatho and Shane will be combined, including the Name Change, the Stock Consolidation, the Continuance, the Amalgamation, and the Shane Director and Officer Appointments.

“**Business Day**” means any day, excluding Saturday or Sunday, on which banking institutions are open for business in Toronto, Ontario.

“**CBCA**” means the *Canada Business Corporations Act* as the same has been and may hereafter from time to time be amended.

“**CDS**” means CDS Clearing and Depositary Services Inc.

“**Certificate of Amalgamation**” means the certificate in respect of the Amalgamation issued by the Director.

“**Completion Deadline**” means December 31, 2021 or such later date as may be mutually agreed between the Parties in writing.

“**Continuance**” means the continuance of Shane under the BCBCA.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Escrow Agreement**” means the escrow agreement to be entered into among Shane’s registrar and transfer agent, Shane and certain securityholders of Shane in compliance with the requirements of the CSE, with the securities subject to such agreement to be released as determined by the CSE.

“**Debt Instrument**” has the meaning ascribed thereto in Section 3.1(ff).

“**Director**” means the Director appointed under Section 260 of the CBCA.

“**Dissenting Empatho Shareholder**” means a registered holder of Empatho Shares who, in connection with the Empatho Approval, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its Empatho Shares except in certain circumstances, including where such holder withdraws the notice of dissent before Empatho makes an offer to such holder pursuant to Subsection 190(12) of the CBCA, Empatho fails to make an offer to such holder in accordance with Subsection 190(12) of the CBCA and such holder withdraws the notice of dissent, or the directors of Empatho terminate this Agreement in accordance with section 183(6) of the CBCA.

“**Dissenting Empatho Shares**” means the Empatho Shares held by Dissenting Empatho Shareholders.

“**Documents**” means, collectively, this Agreement and the Amalgamation Agreement.

“**DRS Statement**” means a statement evidencing a shareholding position under the Direct Registration System.

“**Effective Date**” means the date shown on the Certificate of Amalgamation issued by the Director.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by Empatho and Shane.

“**Empatho**” means Empatho Corp., a corporation formed under the federal laws of Canada.

“**Empatho Approval**” means a special meeting of the Empatho Shareholders to be held in order to seek shareholder approval for the Amalgamation or a unanimous shareholder resolution passed in lieu of a meeting of Empatho Shareholders.

“**Empatho Financial Statements**” has the meaning ascribed thereto in Section 3.1(m).

“**Empatho Finder Unit Warrants**” means warrants of Empatho issued to the Finder in connection with the Subscription Receipt Offering, with each warrant exercisable for one Empatho Unit at a price of \$0.25 until June 29, 2023.

“**Empatho Intangible Property**” means all Intangible Property that is owned by a third party and licensed for use by Empatho and its Affiliates in the necessary course of the operation of the business of Empatho, as presently conducted or proposed to be conducted, but excludes commercially available software and music and stock footage from time to time licensed by Empatho on a non-exclusive basis for use by Empatho or its Affiliates.

“**Empatho Lock-Up Agreements**” has the meaning ascribed thereto in Section 5.2(d).

“**Empatho Shareholder**” means a registered holder of Empatho Shares, from time to time.

“**Empatho Shares**” means the common shares in the capital of Empatho.

“**Empatho Subscription Receipt Agreement**” means a subscription receipt agreement between Empatho, the Subscription Receipt Agent and the Finder dated June 29, 2021, providing for the issuance of the Empatho Subscription Receipts.

“**Empatho Subscription Receipts**” means the subscription receipts of Empatho issued pursuant to the Subscription Receipt Offering and exchangeable into Empatho Units in accordance with the terms and conditions of the Empatho Subscription Receipt Agreement.

“**Empatho Unit**” means a unit issuable by Empatho upon the conversion of the Empatho Subscription Receipts in accordance with the terms of the Empatho Subscription Receipt Agreement, with each unit consisting of one Empatho Share and one Empatho Unit Warrant.

“**Empatho Unit Warrants**” means the warrants of Empatho issuable upon the conversion of the Empatho Subscription Receipts with each warrant exercisable at a price of \$0.50 until June 29, 2023.

“**Empatho Warrants**” means collectively, the Empatho Unit Warrants and the Empatho Finder Unit Warrants.

“**Encumbrances**” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“**Environmental Laws**” means applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters.

“**Escrow Release Conditions**” means the conditions listed in the recitals of the Subscription Receipt Agreement.

“**Exchange Ratio**” means one (1) Post-Consolidation Shane Share for each one (1) Empatho Share.

“**Existing Shane Warrants**” means the 500,000 Shane Share purchase warrants, each exercisable for one Shane Share at a price of \$0.08 until May 27, 2024.

“**fair value**” where used in relation to an Empatho Share held by a Dissenting Empatho Shareholder, means fair value as determined by a court under Section 190 of the CBCA or as agreed between Empatho and the Dissenting Empatho Shareholder.

“**Finder**” means First Republic Capital Corporation.

“**Governing Documents**” means, in respect of each Party, as applicable, its certificate, its articles of incorporation, as amended, and its by-laws, as amended.

“**Government Authority**” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE.

“**Hazardous Substance**” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including hydrogen sulfide, arsenic, cadmium, copper, lead, mercury, petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material, substance, pollutant or contaminant regulated or defined pursuant to, or that could result in liability under, any applicable Environmental Law.

“**IFRS**” means International Financial Reporting Standards applicable as at the relevant date.

“**Intangible Property**” means all patents, patentable subject matter, copyrights, registered and unregistered trade-marks, service marks, domain names, trade-names, logos, commercial symbols, industrial designs (including applications for all of the foregoing and renewals, divisions, extensions and reissues, where applicable, relating thereto), inventions, licences, sublicences, trade secrets, know how, confidential and proprietary information, patterns, drawings, computer software, databases and all other intellectual property, whether registered or not, owned by, licensed to or used by a Person, where and to the extent that the loss of such ownership or license rights or rights to use would have or would be reasonably expected to have a Material Adverse Effect on such Person, in any format or medium whatsoever.

“**in writing**” means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party.

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, statutory body or self-regulatory authority, 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 Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities.

“**Listing Statement**” means a listing statement to be prepared jointly by Shane and Empatho in accordance with the requirements of Policy 2 and Policy 8 of the CSE.

“**Material Adverse Change**” means any change in the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, which is materially adverse to the business of such Party and its Subsidiaries, considered as a whole, other than a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the mineral exploration and development industry as a whole; (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (d) which arises out of changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions, global health conditions (including any epidemic, pandemic, or disease outbreak (including the COVID-19 virus)), or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement, to the extent that such events and/or conditions do not disproportionately impact the said Party and its Subsidiaries relative to other companies operating in the industry or industries in which the said Party and its Subsidiaries operate.

“**Material Adverse Effect**” means any event, change or effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, provided, however, that a Material Adverse Effect shall not include an adverse effect resulting from a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the mineral exploration and development industry as a whole; (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (d) or (d) which arises out of changes in geopolitical

conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, weather conditions, global health conditions (including any epidemic, pandemic, or disease outbreak (including the COVID-19 virus)), or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement, to the extent that such events and/or conditions do not disproportionately impact the said Party and its Subsidiaries relative to other companies operating in the industry or industries in which the said Party and its Subsidiaries operate.

“**material fact**” has the meaning ascribed thereto in the *Securities Act* (Ontario) as the same has been and may hereafter from time to time be modified.

“**Name Change**” means the change of Shane’s name to “Empatho Holdings Inc.” or such other name as Empatho may determine.

“**Party**” means each of Shane and Empatho individually, and collectively, the “**Parties**”.

“**Person**” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status.

“**Post-Consolidation Shane Shares**” collectively means the Shane Shares after giving effect to the Stock Consolidation and individually a “**Post-Consolidation Shane Share**”.

“**Public Disclosure Record**” means, with respect to a Party, all forms, reports, schedules, statements and other documents required to be filed with applicable securities regulatory authorities under applicable Laws (including, the CSE and other applicable stock exchanges), which have been filed by such Party with such applicable securities regulatory authorities, and which are accessible to the public on SEDAR.

“**Regulatory Approval**” means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Business Combination to be effected and “**Regulatory Approvals**” means all such approvals, consents, waivers, permits, orders or exemptions.

“**Reporting Jurisdictions**” has the meaning ascribed thereto in Section 3.2(e).

“**Securities Authorities**” means the applicable securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions, and the CSE.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, available at www.sedar.com.

“**Shane**” means Shane Resources Ltd., a corporation existing under the laws of the Province of Saskatchewan.

“**Shane Director and Officer Appointments**” means, subject to the completion of the Amalgamation, the reconstitution of the board of directors and the officers of Shane, to consist of the nominees of Empatho, as more particularly described in Section 2.3.

“**Shane Financial Statements**” has the meaning ascribed thereto in Section 3.2(m).

“**Shane Finder Shares**” means the 4,000,000 Post-Consolidation Shane Shares that Shane intends to issue to an arm’s length finder immediately prior to the Effective Time.

“**Shane Lock-Up Agreements**” has the meaning ascribed thereto in Section 5.2(c).

“**Shane RTO Options**” means 200,000 stock options, each exercisable for one Post-Consolidation Shane Share at a price of \$0.15 until October 31, 2022.

“**Shane Shareholder**” means a registered holder of Shane Shares, from time to time.

“**Shane Shares**” means the common shares in the capital of Shane.

“**Shane Warrant**” means a warrant exercisable for one Shane Share at a price of \$0.08 until May 27, 2024.

“**Stock Consolidation**” means a consolidation of the issued and outstanding Shane Shares on the basis of the Stock Consolidation Ratio.

“**Stock Consolidation Ratio**” means the ratio for the Stock Consolidation, being 6.15099 Post-Consolidation Shane Shares for every one (1) pre-Consolidation Shane Share held.

“**Subco**” means 13348776 Canada Inc., a wholly-owned subsidiary of Shane, incorporated for the purpose of effecting the Amalgamation.

“**Subco Shares**” means the common shares in the capital of Subco.

“**Subscription Receipt Agent**” means Garfinkle Biderman LLP.

“**Subscription Receipt Agreement**” means a subscription receipt agreement between Empatho, the Subscription Receipt Agent and the Finder dated June 29, 2021, providing for the issuance of the Empatho Subscription Receipts.

“**Subscription Receipt Offering**” means the non-brokered private placement of 12,552,000 Empatho Subscription Receipts completed by Empatho on June 29, 2021.

“**Subsidiary**” has the meaning ascribed thereto in the CBCA.

“**Taxes**” has the meaning ascribed thereto in Section 3.1(s).

“**Transaction Resolution**” means the approval of the Shane Shareholders to be obtained by written consent approving the Amalgamation, as required pursuant to the policies of the CSE.

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

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to Canadian dollars.

1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

1.7 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the Courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

ARTICLE 2 THE BUSINESS COMBINATION

2.1 Business Combination Steps

Empatho and Shane agree to effect the combination of their respective businesses and assets by way of a series of steps or transactions including the Subscription Receipt Offering, the Stock Consolidation, the Continuance, the Name Change, the Amalgamation, and the Shane Director and Officer Appointments. Each Party hereby agrees that as soon as reasonably practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:

- (a) Empatho shall, as soon as reasonably practicable, use all commercially reasonable efforts to obtain the Empatho Approval;
- (b) Shane shall as soon as reasonably practicable obtain Shane Shareholder approval of the Transaction Resolution;
- (c) Shane shall complete the Continuance;
- (d) Shane shall issue the Shane Finder Shares;
- (e) Shan may grant the Shane RTO Options;
- (f) Subject to the completion of the Continuance, Shane shall take all necessary corporate steps to complete the Stock Consolidation following which Shane will have 8,000,000 Post-Consolidation Shane Shares (subject to rounding) issued and outstanding, inclusive of the Shane Finder Shares, but exclusive of the up to 200,000 Post-Consolidation Shane Shares issuable upon the exercise of any Shane RTO Options. No fractional Post-Consolidation Shane Shares will be delivered to any Shane Shareholder otherwise entitled thereto and in accordance with the BCBCA, each fractional share that is less than half of a share will be cancelled and each fractional share that is at least half of a share will be changed to a whole share. All outstanding warrants of Shane will be similarly exchanged or converted in accordance with the Stock Consolidation such that, following the Stock Consolidation, such warrants will entitle the holders thereof to acquire for the same aggregate consideration the number of Post-Consolidation Shane Shares that the holder would have been entitled to receive had the holder exercised its warrants prior to the Stock Consolidation. For greater certainty, the Stock Consolidation will not adjust the terms of the Shane RTO Options;
- (g) the holders of any Shane RTO Options will exercise such options in accordance with their terms;

- (h) Subject to completion of the Continuance, Shane shall take all necessary corporate steps to complete the Name Change;
- (i) Empatho and Subco shall amalgamate by way of statutory amalgamation under Section 184(2) of the CBCA on the terms and subject to the conditions contained in the Amalgamation Agreement and Empatho and Shane further agree that the Effective Date shall occur within five (5) Business Days following the satisfaction or waiver of the conditions herein contained in favour of each Party or such other date as may be mutually agreed upon by the Parties;
- (j) the Parties shall cause the Articles of Amalgamation to be filed to effect the Amalgamation, pursuant to which:
 - (i) Empatho and Subco will amalgamate under the provisions of the CBCA and continue as one amalgamated corporation, being Amalco;
 - (ii) subject to Section 2.1(k), holders of outstanding Empatho Shares (including, for greater certainty, holders of all Empatho Shares issuable upon the automatic conversion of the Empatho Subscription Receipts) shall receive, in respect of each Empatho Share held, a number of Post-Consolidation Shane Shares equal to the Exchange Ratio and the Empatho Shares will be cancelled;
 - (iii) following the Effective Time, all outstanding Empatho Warrants will be similarly exchanged or converted in accordance with the Exchange Ratio such that, following the Business Combination, such Empatho Warrants will entitle the holders thereof to acquire for the same aggregate consideration the number of Post-Consolidation Shane Shares that the holder would have been entitled to receive pursuant to the Business Combination had the holder exercised its Empatho Warrants to become an Empatho Shareholder prior to the Business Combination;
 - (iv) the outstanding Subco Shares will be exchanged for Amalco Shares on the basis of one (1) Amalco Share for each one (1) Subco Share;
 - (v) as consideration for the issuance of the Post-Consolidation Shane Shares to the former Empatho Shareholders to effect the Amalgamation, Amalco will issue, to Shane, one (1) fully paid Amalco Share for each one (1) Post-Consolidation Shane Share so issued;
 - (vi) Shane shall add to the capital maintained in respect of the Post-Consolidation Shane Shares an amount equal to the aggregate paid-up capital for purposes of the *Income Tax Act* (Canada) of the Empatho Shares immediately prior to the Effective Time;
 - (vii) Amalco shall add to the capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the *Income Tax Act* (Canada) of the Subco Shares immediately prior to the Amalgamation;
 - (viii) all of the property and assets of each of Empatho and Subco will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of Empatho and Subco; and
 - (ix) Amalco will be a wholly-owned Subsidiary of Shane.
- (k) in accordance with Section 8.5, Empatho Shares which are held by a Dissenting Empatho Shareholder shall not be converted as prescribed by Section 2.1(j)(ii). However, if a Dissenting Empatho Shareholder fails to perfect or effectively withdraws its claim under Section 190 of the CBCA or forfeits its right to make a claim under Section 190(16) of the CBCA or if its rights as an Empatho Shareholder are otherwise reinstated, such Dissenting Empatho Shareholder's Dissenting Empatho Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 2.1(j)(ii);

- (l) immediately following the filing of the Articles of Amalgamation to effect the Amalgamation, Shane will reconstitute its board of directors and officers to give effect to the Shane Director and Officer Appointments;
- (m) as soon as practicable after the Effective Date, in accordance with normal commercial practice, Shane shall issue or cause to be issued certificates, DRS Statements or electronic positions within CDS representing the appropriate number of the Post-Consolidation Shane Shares issued to the former Empatho Shareholders. No fractional Post-Consolidation Shane Shares will be delivered to any Empatho Shareholder otherwise entitled thereto and instead the number of Post-Consolidation Shane Shares to be issued to each former Empatho Shareholder will be rounded up to the nearest whole number;
- (n) the Parties acknowledge that the CSE may require some of the Post-Consolidation Shane Shares issued pursuant to the Business Combination to be held in escrow and Empatho and Shane, as applicable, agree to comply and use its reasonable efforts to cause its shareholders to comply with all such escrow requirements of the CSE including the execution and delivery of the CSE Escrow Agreement; and
- (o) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that is necessary or useful to give effect to the Business Combination.

2.2 Implementation Covenants

- (a) **Listing Statement.** Empatho and Shane shall use commercially reasonable efforts to jointly prepare the Listing Statement together with any other documents required by applicable Laws in connection with the proposed listing of the Post-Consolidation Shane Shares in connection with the Business Combination, and shall jointly file the final Listing Statement required by applicable Laws as soon as reasonably practicable.
- (b) **Empatho Approval and Preparation of Empatho Approval Documentation.** Empatho will use its commercially reasonable efforts to obtain the Empatho Approval and prepare the documentation required in connection with the Empatho Approval and deliver such documentation to Empatho Shareholders in accordance with the provisions of applicable Laws.
- (c) **Listing.** The Parties shall use all commercially reasonable efforts to have the Post-Consolidation Shane Shares to be issued in connection with the Business Combination listed on the CSE following the Business Combination.
- (d) **Preparation of Filings.** Empatho and Shane shall cooperate in the preparation of any documents and taking of all actions reasonably deemed by Empatho or Shane to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in the Documents, and in connection therewith:
 - (i) each of Empatho and Shane shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;
 - (ii) Empatho and Shane shall each promptly notify the other if at any time before the Effective Date it becomes aware that the Listing Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement. In any such event, Empatho and Shane shall cooperate in the preparation of a supplement or amendment to the Listing Statement, as required and as the case may be, and, if required, shall cause the same to be filed with the applicable Securities Authorities;

- (iii) each of Empatho and Shane shall ensure that the Listing Statement complies with all applicable Laws and, without limiting the generality of the foregoing, that the Listing Statement does not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made; and
- (iv) each of Empatho and Shane agree that the Listing Statement shall be principally handled by counsel to Empatho with the assistance of counsel to Shane for matters relating to Shane and discussions with CSE shall be principally handled by counsel to Empatho.
- (e) **Amalgamation Agreement, etc.** The Parties hereby acknowledge that the Amalgamation Agreement shall be substantially in the form attached as Schedule "A" to this Agreement. Shane shall cause Subco, subject to the terms and conditions of this Agreement and subject to and following the satisfaction or waiver of the conditions herein contained in favour of each Party, to deliver to Empatho the duly executed Amalgamation Agreement, Articles of Amalgamation and related documents which will be filed by Empatho with the Director.

2.3 Board of Directors and Officers

Each of the Parties hereby agrees that upon completion of the Business Combination the officers and directors of Shane shall resign and give effect to the Shane Director and Officer Appointments, and subject to approval by the CSE, the board of directors and officers of Shane shall consist of such directors and senior officers as determined by Empatho, which are expected to consist of the following:

Name	Title
Rakesh Jetly	Director
Hugh Colin MacKay	Director
Andre Peschong	Director
Carl Castro	Director
Yan Namer	Chief Executive Officer, Corporate Secretary
Dr. Josh Granek	Chief Scientific Officer
Hamid Boland	Chief Technical Officer
John Ross	Chief Financial Officer
Todd Heinzl	Chief Strategic Officer

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Empatho

Empatho hereby represents and warrants to Shane, and acknowledges that Shane is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) Empatho has been duly incorporated and is validly existing under the laws of Canada and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) Empatho has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) the authorized capital of Empatho consists of an unlimited number of Empatho Shares, of which, at the date hereof, there are 51,800,000 Empatho Shares issued and outstanding;
- (d) as of the date hereof, there are 5,000,000 Empatho Warrants, 1,004,160 Empatho Finder Unit Warrants and 12,552,000 Empatho Subscription Receipts issued and outstanding;

- (e) other than the securities referred to in Section 3.1(c) and Section 3.1(d) there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Empatho (as that term is defined in the Securities Act) and Empatho has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Empatho of any Empatho Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Empatho Shares;
- (f) Empatho is not a reporting issuer nor an associate of any reporting issuer (as defined in the *Securities Act* (Ontario) or the *Securities Act* of any other province or territory of Canada) and the Empatho Shares do not trade on any exchange;
- (g) Empatho has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by Empatho, and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licences. Empatho has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence, which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Empatho. Empatho is not aware of any claim or basis for any claim that might or could adversely affect the right thereof to use or otherwise exploit its rights under any such certificate, authority, permit or licence;
- (h) Empatho has no associates (as defined in the *Securities Act* (Ontario), other than Empatho Labs Inc. and is not a partner, co-tenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned businesses;
- (i) Empatho is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, Encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the Empatho Financial Statements;
- (j) this Agreement has and the Amalgamation Agreement will be at the Effective Time, duly authorized, executed and delivered by Empatho and this Agreement constitutes, and at the Effective Time the Amalgamation Agreement will constitute, a valid and binding obligation of Empatho enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Empatho, other than the Empatho Approval, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (k) the entering into and the performance by Empatho of the Business Combination contemplated in the Documents:
 - (i) do not require any consent, approval, authorization or order of any court or governmental agency, body or Governmental Authority, except that which may be required by the Securities Authorities, under applicable corporate and securities legislation and the policies of the CSE;
 - (ii) will not contravene any statute or regulation of any Governmental Authority which is binding on Empatho where such contravention would have a Material Adverse Effect; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of Empatho or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Empatho is a party,

or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;

- (l) there are no legal, regulatory, governmental or similar proceedings pending or, to the knowledge of Empatho, contemplated or threatened, to which Empatho is a party or to which the property of Empatho is subject;
- (m) audited financial statements of Empatho from the date of incorporation, on November 20, 2020 to August 30, 2021 and the notes thereto, (the “**Empatho Financial Statements**”), in each case have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of Empatho as at such dates, and do not omit to state any material fact that is required by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (n) Since August 30, 2021 no change has occurred in the business, operations, results of operations, assets, capitalization or condition (financial or otherwise) of Empatho, whether or not in the ordinary course of business, whether separately or in the aggregate with other occurrences or developments, and whether insured against or not, which would reasonably be expected to have a Material Adverse Effect on Empatho.
- (o) there are no plans for retirement, bonus, stock purchase, profit sharing, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation incentive or otherwise contributed to or required to be contributed to, by Empatho for the benefit of any current or former director, officer, employee or consultant of Empatho;
- (p) Empatho is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Empatho;
- (q) Empatho is not a party to or bound or affected by any commitments, agreement or document containing any covenant which expressly limits the freedom of Empatho to compete in any line of business or with any person, or to transfer or move any of its assets or operations;
- (r) there are no material liabilities of Empatho, whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Empatho Financial Statements except for those incurred in the ordinary course of business as of the date hereof;
- (s) all taxes (including income taxes, capital tax, payroll taxes, employer health taxes, workers’ compensation payments, property taxes, sales, use, goods and services taxes, value-added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, “**Taxes**”) due and payable by Empatho have been paid or provision made therefor in the Empatho Financial Statements except where the failure to pay such Taxes would not result in a Material Adverse Effect for Empatho. All tax returns, declarations, remittances and filings required to be filed by Empatho have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Empatho, no examination of any tax return of Empatho is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by Empatho. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Empatho;
- (t) there is no person, firm or company acting or purporting to act at the request of Empatho who is or will be entitled to any brokerage or finder’s fee in connection with the transactions contemplated herein;
- (u) Empatho is not in default under, or in violation of, and has not violated (and failed to cure) any Law including, without limitation, laws relating to the issuance or sale of securities, privacy and intellectual

property, or any licenses, permits, authorizations or concessions granted by, or any judgment, decree, writ, injunction or order of, any governmental or regulatory authority, applicable to its business or any of its properties or assets, except where such default or violation would not have a Material Adverse Effect on Empatho. Empatho has not received any notification alleging any violations of any of the foregoing with respect to which adequate corrective action has not been taken;

- (v) any and all material agreements pursuant to which Empatho holds any of its material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, Empatho is not in default of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, Empatho is not aware of any material disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and concessions pursuant to which Empatho derives its interests in such material assets are in good standing and there has been no material default under any such leases, licences and concessions and all real or other property taxes required to be paid with respect to such assets to the date hereof have been paid;
- (w) no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by Empatho from, any third party in connection with the execution and delivery of this Agreement by Empatho and the consummation of the transactions contemplated herein by Empatho, the failure to make or obtain any or all of which is reasonably likely to have a Material Adverse Effect on the consolidated financial condition of Empatho, or could prevent, materially delay or materially burden the transactions contemplated herein.
- (x) Empatho owns or has legal right to use the Empatho Intangible Property currently used in the conduct of the business of Empatho, and, to the knowledge of Empatho, the ownership or use thereof and any other intellectual property rights owned or used by Empatho does not infringe upon the proprietary rights of any other persons.
- (y) As of the date hereof, Empatho, and where applicable, its permitted Affiliates, have the exclusive right to use all Empatho Intangible Property in the necessary course of the operation of the business of Empatho, as presently conducted or proposed to be conducted. As of the date hereof, (i) all Empatho Intangible Property has been licensed to Empatho pursuant to a valid agreement, in full force and effect, and (ii) no such Empatho Intangible Property is being used by Empatho in violation of such agreement.
- (z) To the knowledge of Empatho, no registrations or filings are necessary to preserve the existing rights of Empatho in and to the Empatho Intangible Property. As of the date hereof, there is no actual or, to the knowledge of Empatho, threatened material infringement or misappropriation of, or other interference with the Empatho Intangible Property.
- (aa) To the knowledge of Empatho, the conduct of Empatho's business does not infringe upon the industrial or intellectual property rights, domestic or foreign, of any other person. Empatho is not aware of a claim of any infringement or breach, in each case by Empatho, of any industrial or intellectual property rights of any other person, nor has Empatho received any notice that the conduct of Empatho's business, including the use of the Empatho Intangible Property, infringes upon or breaches any industrial or intellectual property rights of any other person, and Empatho does not have any knowledge of any infringement or violation of any of its rights in the Empatho Intangible Property;
- (bb) to the knowledge of Empatho, there are no outstanding labour disputes (whether filed or lodged with Empatho or any other person or organization), pending labour disruptions or pending unionization with respect to Empatho;
- (cc) Empatho is not bound by or a party to any collective bargaining agreement;
- (dd) Empatho has conducted and is conducting its business in compliance in all material respects with all applicable Laws concerning privacy and the protection of personal information.

- (ee) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Empatho is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Empatho or the payment of dividends by Empatho to the holders of its securities;
- (ff) other than as disclosed in the Empatho Financial Statements, Empatho is not party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money (“**Debt Instrument**”) or any agreement contract or commitment to create, assume or issue any Debt Instrument;
- (gg) Empatho is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Empatho to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Empatho or which would prohibit or restrict Empatho from entering into and completing the Business Combination;
- (hh) Empatho is not a party to any agreement, and Empatho is not aware of any agreement, which in any manner affects the voting control of any of the Empatho Shares or other securities of Empatho;
- (ii) other than as disclosed in the Empatho Financial Statements, Empatho has not engaged in any transaction with any non-arm’s length person;
- (jj) Empatho is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Empatho;
- (kk) the corporate records and minute books of Empatho contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since the date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (ll) Empatho does not maintain any insurance but may, in its sole discretion, obtain a directors and officers insurance policy prior to or concurrently with the Effective Date; and
- (mm) no representation, warranty or statement of Empatho in the Documents contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

3.2 Representations and Warranties of Shane and Subco

Shane hereby represents and warrants to Empatho, and acknowledges that Empatho is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

- (a) Shane has been duly formed and is validly existing under the laws of the Province of Saskatchewan and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (b) Shane has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (c) the authorized capital of Shane consists of an unlimited number of Shane Shares, of which 24,603,985 Shane Shares are currently issued and outstanding; except for such Shane Shares, the Existing Shane Warrants and any Shane RTO Options, Shane has no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Shane Shares or securities convertible into or exchangeable for Shane Shares;

- (d) on the Effective Date, the Shane Shares issued pursuant to the Amalgamation will be duly and validly issued and outstanding as fully paid and non-assessable;
- (e) since January 1, 2015, Shane has not carried on any active business operations aside from such active business operations necessary under applicable laws to maintain its status as a reporting issuer in the provinces of British Columbia, Alberta, and Saskatchewan (collectively, the “**Reporting Jurisdictions**”), and to the extent that Shane has conducted or is conducting any active business operations, (A) Shane has disclosed such business operations in its Public Disclosure Record, (B) Shane has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct its business as now conducted by it and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licences, and (C) Shane has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Shane;
- (f) Shane (A) is not a party to any contract as of the date hereof, other than an undocumented agreement to issue the Shane Finder Shares and (B) has duly terminated all, and has no outstanding obligations (whether past, present or future obligations) under any contract(s) (including any material terminated on or prior to the date hereof);
- (g) Shane is a reporting issuer, or the equivalent thereof, in the Reporting Jurisdictions, and is not currently in default of any requirement of the applicable laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and no order ceasing, halting or suspending trading in securities of Shane or prohibiting the distribution of such securities has been issued to and is outstanding against Shane and no investigations or proceedings for such purposes are, to the knowledge of Shane, pending or threatened;
- (h) Shane is in compliance in all material respects with all its disclosure obligations under applicable Laws and all documents filed by Shane pursuant to such obligations are in compliance in all material respects with applicable Laws and, other than in respect of documents that have been amended or refiled did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (i) other than Subco, Shane has no associates (as defined in the *Securities Act* (Ontario) and is not a partner, cotenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned business;
- (j) this Agreement has and the Amalgamation Agreement will be at the Effective Time, duly authorized, executed and delivered by Shane and this Agreement constitutes, and at the Effective Time the Amalgamation Agreement will constitute, a valid and binding obligation of Shane enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable Laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Shane, other than the Shane Approval, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (k) the entering into and the performance by Shane and Subco of the Business Combination contemplated in the Documents:
 - (i) do not require any consent, approval, authorization or order of any court or governmental agency, body, or Governmental Authority except that which may be required under applicable corporate and securities legislation, the policies of the CSE and by the Securities Authorities;

- (ii) will not contravene any statute or regulation of any Governmental Authority which is binding on Shane or Subco where such contravention would have a Material Adverse Effect; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of Shane or Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Shane or Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (l) there are no legal or governmental proceedings pending or, to the knowledge of Shane, contemplated or threatened, to which Shane is a party or to which the property of Shane is subject;
 - (m) the audited annual financial statements of Shane for the years ended December 31st 2019 and 2020 and the respective management discussion and analysis related thereto, and the unaudited interim financial statements of Shane for the period ended June 30, 2021 and the respective management discussion and analysis related thereto (collectively, the “**Shane Financial Statements**”), in each case, have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of Shane as at such date, and do not omit to state any material fact that is required by IFRS or by applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
 - (n) Shane has no outstanding material liability, whether direct, indirect, absolute or contingent or otherwise;
 - (o) except as disclosed in the Shane Financial Statements, Shane has not engaged in any transaction with any non-arm’s length person;
 - (p) all Taxes due and payable by Shane have been paid or provision made therefor in the financial statements of Shane except for where the failure to pay such Taxes would not result in a Material Adverse Effect for Shane. All tax returns, declarations, remittances and filings required to be filed by Shane have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Shane, no examination of any tax return of Shane is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by Shane. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Shane;
 - (q) there are no plans for retirement, bonus, stock purchase, profit sharing, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation incentive or otherwise contributed to or required to be contributed to, by Shane for the benefit of any current or former director, officer, employee or consultant of Shane;
 - (r) there is no person, firm or company acting or purporting to act at the request of Shane who is entitled to any brokerage or finder’s fee in connection with the transactions contemplated in the Documents, other than the Persons entitled to the Shane Finder Shares;
 - (s) Shane has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation and Shane has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any concessions, licences, leases or other instruments conferring rights to Shane;
 - (t) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Shane is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of Shane or the payment of dividends by Shane to the holders of its securities;

- (u) Shane has conducted and is conducting its business in compliance in all material respects with all applicable Laws concerning privacy and the protection of personal information.
- (v) Shane does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” (as such term is defined in the *Income Tax Act (Canada)*) and has not engaged in any transaction with any person not dealing at arm’s length;
- (w) to the knowledge of Shane, there are no outstanding labour disputes (whether filed or lodged with Shane or any other person or organization), pending labour disruptions or pending unionization with respect to Shane;
- (x) Shane is not bound by or a party to any collective bargaining agreement;
- (y) Shane is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (z) Shane is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Shane to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Shane or which would prohibit or restrict Shane from entering into and completing the Business Combination;
- (aa) Shane is not a party to any agreement nor is Shane aware of any agreement, which in any manner affects the voting control of any of the securities of Shane;
- (bb) Shane is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of Shane;
- (cc) the corporate records and minute books of Shane contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (dd) no representation, warranty or statement of Shane or Subco in the Documents contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading; and
- (ee) Shane does not maintain any insurance.
- (ff) Shane is not party to any contractual obligation that cannot be terminated without notice or penalty, at the closing of the Amalgamation;
- (gg) Subco has been duly incorporated and is validly existing under the laws of Canada and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (hh) Subco has full corporate power, capacity and authority to undertake all steps of the Business Combination and to carry out its obligations under this Agreement;
- (ii) the authorized capital of Subco consists of an unlimited number of Subco Shares, all of which are held by Shane; except for such Subco Shares, Subco has no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Subco Shares of Subco or securities convertible into or exchangeable for Subco Shares;

- (jj) each of the Documents has been, or at the Effective Time will be, duly authorized and, with respect to this Agreement, executed and delivered by Subco and constitutes a valid and binding obligation of Subco enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Subco, other than the approval of Shane, as sole shareholder of Subco, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (kk) the entering into and the performance by Subco of the transactions contemplated in the Documents:
 - (i) do not require any consent, approval, authorization or order of any court or governmental agency or body, except that which may be required under applicable corporate and securities legislation and the policies of the CSE;
 - (ii) will not contravene any statute or regulation of any Government Authority which is binding on Subco where such contravention would have a Material Adverse Effect; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect.
- (ll) Subco carries on no active business.
- (mm) each of Shane and Subco have all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect;
- (nn) except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on the business, financial condition, assets, properties, liabilities or operations of Shane or Subco:
 - (i) each of Shane and Subco are not in violation of any Environmental Laws;
 - (ii) each of Shane and Subco have operated their business at all times and have received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Shane or Subco that have not been remedied;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of each of Shane and Subco;
 - (v) each of Shane and Subco have not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) each of Shane and Subco (including, if applicable, any predecessor companies thereof) have not received any notice of, or been prosecuted for an offence alleging, material non-compliance with

any Environmental Laws and neither of Shane or Subco (including, if applicable, any predecessor companies) have settled any allegation of material non-compliance with any Environmental Laws short of prosecution;

- (oo) each of Shane and Subco do not have any reason to expect receipt from any person or Governmental Authority of any notice, formal or informal, of any proceeding, action or other claim, liability or responsibility arising under any Environmental Law that is pending as of the date of this Agreement; and
- (pp) each of Shane and Subco have not assumed any material liability under Environmental Law of any other person, by contract or otherwise.

3.3 Survival

For greater certainty, the representations and warranties of each of Empatho and Shane contained herein shall survive the execution and delivery of this Agreement and shall terminate and be extinguished on the earlier of the Effective Date or two years from the date on which this Agreement is terminated.

ARTICLE 4 CONDUCT OF BUSINESS

4.1 Conduct of Business by the Parties

Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Effective Time or the time that this Agreement is terminated by its terms, unless each of the other Parties shall otherwise agree in writing (acting reasonably):

- (a) other than as contemplated by this Agreement, it shall not directly or indirectly do or permit to occur any of the following:
 - (i) amend its Governing Documents;
 - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person other than inter-corporate loans and advances;
 - (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than:
 - (A) in the case of Shane, in connection with the exercise of the Existing Shane Warrants, the Shane RTO Options and issuance of the Shane Finder Shares and Shane RTO Options;
 - (B) in the case of Empatho in connection with the exercise of the Empatho Warrants; and
 - (iv) make loans, advances or other similar payments to any third party;
 - (v) in the case of Shane and Subco, make any expenditures except those that are reasonably necessary to carry out the terms of this Agreement including those expenditures necessary to comply with all applicable Laws and contractual obligations;
 - (vi) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
 - (vii) split, combine or reclassify any of its shares;

- (viii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its Subsidiaries;
 - (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above; or
 - (x) enter into any transaction or material contract, except in the ordinary course of business, or engage in any business enterprise or activity different from that carried on as of the date hereof, without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed);
- (b) in the case of Empatho, it shall conduct business in, and not take any action except in, the usual and ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and it shall use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business, in each case without the prior written consent of Shane, such consent not to be unreasonably withheld; and
- (c) in the case of Shane, it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, other than in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business or incur or agree to incur any expenditures other than further to the Business Combination, in each case without the prior written consent of Empatho, which consent may be unreasonably withheld.

**ARTICLE 5
COVENANTS**

5.1 Waiver of Notice of Subco Shareholder Meeting and Resolution in Lieu of Meeting by Shane

Shane, as sole shareholder of Subco, shall waive notice of and its attendance at a meeting of the shareholders of Subco to approve the Amalgamation and shall sign a resolution in writing of the sole shareholder of Subco approving the Amalgamation.

5.2 Covenants

- (a) Empatho covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.1 being untrue in any material respect.
- (b) Shane covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue in any material respect.
- (c) Shane covenants and agrees to use its commercially reasonable efforts to obtain voluntary resale restriction agreements with Empatho, in a form reasonably agreed to by Shane, between Shane and the following Shane Shareholders limiting the sale, assignment or transfer of their Shane Shares and Shane Warrants in accordance with the following table, for the periods indicated (the “**Shane Lock-Up Agreements**”).

Shareholder Group	Percentage of Share Shares and Shane Warrants held by	Lock-Up Period

	the Shareholder Group Subject to Lock-Up	
Shane's Directors, Officers and any Shane Shareholders holding more than 5% of the Outstanding Shane Shares	40%	90 Days from the date the Shane Shares are listed for trading on the CSE.
Holders of the Shane Finder Shares	50%	120 Days from the date the Shane Shares are listed for trading on the CSE.

- (d) Empatho covenants and agrees to use its commercially reasonable efforts to obtain voluntary resale restriction agreements with Shane, in a form reasonably agreed to by Empatho, between Shane and the following Empatho Shareholders limiting the sale, assignment or transfer of their Empatho Shares and Empatho Warrants, including any securities of Shane received by such Empatho Shareholder in exchange or deemed exchange for their respective Empatho Shares and Empatho Warrants pursuant to the Business Combination, in accordance with the following table, for the periods indicated (the "**Empatho Lock-Up Agreements**").

Shareholder Group	Percentage of Empatho Shares and Empatho Warrants held by the Shareholder Group Subject to Lock-Up	Lock-Up Period
Holders of Empatho Shares issued at \$0.005 and \$0.02	100%, subject to each Empatho Shareholder holding 5,000 Empatho Shares not subject to the Empatho Lock-Up Agreements.	180 Days from the date the Shane Shares are listed for trading on the CSE.
Holders of Empatho Shares issued at \$0.05	50%	120 Days from the date the Shane Shares are listed for trading on the CSE.
Holders of Empatho Warrants	100%	180 Days from the date the Shane Shares are listed for trading on the CSE.

- (e) Shane covenants and agrees to use commercially reasonable efforts to cause the Shane Shareholders to vote their respective shares in favour of the Business Combination and all of the matters contemplated thereunder, to take all reasonable actions to consummate the Business Combination and the transactions contemplated thereunder, subject only to the terms and conditions hereof and to not take any action contrary to or in opposition to the Business Combination, except as required by statutory law.
- (f) Empatho covenants and agrees to use commercially reasonable efforts to cause the Empatho Shareholders to vote their respective shares in favour of the Business Combination and all of the matters contemplated thereunder, to take all reasonable actions to consummate the Business Combination and the transactions contemplated thereunder, subject only to the terms and conditions hereof and to not take any action contrary to or in opposition to the Business Combination, except as required by statutory law.

5.3 Notice of Material Change

- (a) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Party in writing of:
 - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party and its Subsidiaries, taken as whole;
 - (ii) any change in the facts relating to any representation or warranty set out in Sections 3.1 or 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
 - (iii) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (b) Each of the Parties shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this Section.

5.4 Non-Solicitation

Neither of the Parties will solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Business Combination, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for their respective securities or assets, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Business Combination, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event that a Party, including any of its officers or directors, receives any form of offer or inquiry, such Party shall forthwith (in any event within one Business Day following receipt) notify the other Party of such offer or inquiry and provide such other Party with such details as it may request.

5.5 Other Covenants

Each of the Parties covenants and agrees that it shall:

- (a) use all commercially reasonable efforts to consummate the Business Combination and all matters described in the Listing Statement, subject only to the terms and conditions hereof and thereof;
- (b) use all commercially reasonable efforts to obtain all appropriate Regulatory Approval; and
- (c) shall give the other Party and its representatives (a) upon reasonable notice, reasonable access during normal business hours to its and its Subsidiaries' (i) premises, (ii) property and assets (including all books and records, whether retained internally or otherwise), (iii) contracts, and (iv) senior personnel, so long as the access does not unduly interfere with the ordinary course conduct of business; and (b) such financial and operating data or other information with respect to the assets or business as may from time to time be reasonably requested.

ARTICLE 6 MUTUAL COVENANTS

6.1 Other Filings

The Parties shall use all commercially reasonable efforts, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the policies of the CSE, as required by the Securities Authorities or any other applicable Laws relating to the Business Combination contemplated hereby.

6.2 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Business Combination contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other Parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Business Combination contemplated hereby;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Business Combination contemplated hereby;
- (d) to effect all necessary registrations and other filings and submissions of information requested by the CSE;
- (e) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities; and
- (f) to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use “commercially reasonable efforts” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other Parties.

ARTICLE 7 CONDITIONS AND CLOSING MATTERS

7.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to complete the Business Combination contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which may be waived only by the mutual consent of the Parties:

- (a) Shane, upon completion of the Business Combination, will meet the minimum original listing requirements of the CSE and the CSE shall have conditionally approved the listing of the Post-Consolidation Shane Shares on the CSE following the Business Combination, subject to completion of the Business Combination and completion of the customary listing requirements of the CSE;
- (b) there shall not be in force any order or decree restraining or enjoining the consummation of the Business Combination;
- (c) this Agreement shall not have been terminated pursuant to Article 8;

- (d) all Regulatory Approvals and corporate approvals shall have been obtained;
- (e) the approval of the Transaction Resolution by the Shane Shareholders shall have been obtained;
- (f) the Empatho Approval shall have been obtained;
- (g) the requisite approval of the Shane Shareholders for the Continuance and Shane Director and Officer and Appointments shall have been obtained; and
- (h) the Continuance shall have been effected.

If any of the above conditions shall not have been complied with or waived by the Parties on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then a Party may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by the Party terminating the Agreement. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by a Party of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, such defaulting Party shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own non-compliance with its obligations under this Agreement.

7.2 Additional Conditions Precedent to the Obligations of Empatho

The obligations of Empatho to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Empatho and may be waived by Empatho):

- (a) on or prior to the Effective Date, and effective upon completion of the Amalgamation, each of the directors and officers of Shane shall have tendered their resignations and provided mutual releases in a form acceptable to Empatho such that the board of directors and officers of Shane, subject to the approval of the CSE, shall be reconstituted, and the officers shall be appointed, as set forth in Section 2.3;
- (b) no Material Adverse Change with respect to Shane or Material Adverse Effect on the financial and operational condition or the assets of Shane shall have occurred between the date hereof and the Effective Date;
- (c) the completion of the Stock Consolidation and Name Change;
- (d) Shane shall not have entered into any transaction or contract which would have a material effect on the financial and operational condition, or the assets of Shane, excluding those transactions or contracts undertaken in the ordinary course of business, without first discussing and obtaining the approval of Empatho;
- (e) the Shane Lock-Up Agreements shall have been entered into;
- (f) Shane shall have at least 125 public holders holding 500 post-Consolidation Shane Shares;
- (g) the latest available financial statements of Shane are true and correct and shall have been prepared in accordance with IFRS, consistently applied;
- (h) Shane shall have delivered standard completion documents, including, but not limited to officers' certificates and certificates of good standing or compliance;
- (i) Shane shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Shane contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the

breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of Shane or another officer satisfactory to Empatho shall so certify immediately prior to the Effective Date; and

- (j) the Shane board of directors, and the Subco board of directors as necessary, shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by Shane to permit the consummation of the Business Combination and the transactions contemplated therewith.

If any of the above conditions shall not have been complied with or waived by Empatho on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in Section 7.2(i), Empatho may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Empatho. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Empatho of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Empatho shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.3 Additional Conditions Precedent to the Obligations of Shane

The obligations of Shane to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Shane and may be waived by Shane):

- (a) no Material Adverse Change with respect to Empatho or Material Adverse Effect on the financial and operational condition or the assets of Empatho shall have occurred between the date hereof and the Effective Date;
- (b) the Empatho Subscription Receipts shall have been exchanged for Empatho Shares in accordance with the terms of the Empatho Subscription Receipt Agreement;
- (c) the latest available financial statements of Empatho are true and correct and shall have been prepared in accordance with IFRS, consistently applied;
- (d) the Empatho Lock-Up Agreements shall have been entered into;
- (e) Empatho shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Empatho contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had ten (10) days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of Empatho or another officer satisfactory to Shane shall so certify immediately prior to the Effective Date;
- (f) the Empatho board of directors shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by Empatho to permit the consummation of the Amalgamation, the Business Combination and the transactions contemplated therewith; and
- (g) Empatho shall have delivered standard completion documents, including, but not limited to, officers' certificates and certificates of good standing or compliance;

If any of the above conditions shall not have been complied with or waived by Shane on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in Section 7.3(b), Shane may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Shane. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Shane of its obligations under this Agreement and if such

condition(s) precedent would have been satisfied but for such default, neither Party shall rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

7.4 Merger of Conditions

The conditions set out in Sections 7.1, 7.2 and 7.3 shall be conclusively deemed to have been satisfied, waived or released by the Parties on the filing of the Articles of Amalgamation with the Director and such other documents as are required to be filed under the CBCA for acceptance by the Director to give effect to the Amalgamation.

7.5 Closing Matters

The completion of the transactions contemplated under this Agreement shall be effected via electronic exchange or at the offices of Empatho's counsel, Miller Thomson LLP, at 2:00p m. (Toronto time) (or such other time as the Parties may agree upon) on the Effective Date.

ARTICLE 8 TERMINATION, AMENDMENT AND DISSENTING SHAREHOLDERS

8.1 Termination

This Agreement may be terminated by written notice promptly given to the other Party hereto, at any time prior to the Effective Date:

- (a) by mutual agreement in writing by the Parties; or
- (b) as set forth in Sections 7.1, 7.2 and 7.3 of this Agreement.

8.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Shane or Empatho hereunder except as set forth in Sections 1.6, 1.7,3.3, 8.2, 8.3, 9.1, 9.3, 9.5, 9.6, 9.8 and 9.9.

8.3 Fees and Expenses

Empatho shall pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) incurred in connection with the completion of the Business Combination, including without limitation, expenses related to the preparation, execution and delivery of all agreements including, without limitation, this Agreement and other documents referenced herein. Empatho shall be responsible for paying the costs and fees payable to the CSE regarding their review of the Listing Statement, and Empatho shall be responsible for all listing fees in connection with any securities issued pursuant to the Business Combination.

Shane shall pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) incurred in connection with the completion of the Business Combination, including without limitation, expenses related to the preparation, execution and delivery of all agreements including, without limitation, this Agreement and other documents referenced herein.

Notwithstanding the foregoing, if either Party breaches the non-solicitation provision in Section 5.4, the breaching Party shall forthwith cover all incurred costs of the non-breaching Party's legal counsel incurred in connection with the transactions contemplated herein up to a maximum of \$25,000 (not including taxes and disbursements) (the "**Break Fee**"). In each case, counsel for the non-Breaching Party shall provide a detailed invoice to the breaching Party, acting in good faith.

8.4 Amendment

This Agreement may, at any time on or before the Effective Date be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties.

8.5 Dissenting Empatho Shareholders

On the earlier of the Effective Date, the making of an agreement between a Dissenting Empatho Shareholder and Empatho for the purchase of their Dissenting Empatho Shares or the pronouncement of a court order pursuant to Section 190 (20) of the CBCA, a Dissenting Empatho Shareholder shall cease to have any rights as an Empatho Shareholder other than the right to be paid the fair value of its Dissenting Empatho Shares in the amount agreed to or as ordered by the court, as the case may be. In the event that a Dissenting Empatho Shareholder fails to perfect or effectively withdraws the Dissenting Empatho Shareholder's claim under Section 190 of the CBCA or otherwise forfeits the Dissenting Empatho Shareholder's right to make a claim under Section 190 (16) of the CBCA, the Dissenting Empatho Shareholder's Dissenting Empatho Shares shall thereupon be deemed to have been exchanged as of the Effective Date for Shane Shares on the basis set forth in Section 2.1 hereof.

8.6 Waiver

A Party may (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive compliance with any of the other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

ARTICLE 9 GENERAL

9.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by e-mail or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

If to Empatho:

Empatho Corp.
40 King Street West, Suite 1700
Toronto, Ontario, M5H 1H1

Attention: Yan Namer, President/Todd Heinzl
E-mail: [REDACTED]

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

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, Ontario, M5H 4A9

Attention: Lawrence Wilder
E-mail: lwilder@millerthomson.com

if to Shane or Subco:

804-750 West Pender Street
Vancouver, British Columbia
V6C 2T7

Attention: Binyomin Posen
E-mail: bposed@plazacapital.ca

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

Garfinkle Biderman LLP
Suite 801 - 1 Adelaide Street East
Toronto, Ontario, M5C 2V9

Attention: Grant Duthie
E-mail: gduthie@garfinkle.com

9.2 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.3 Complete Agreement

This Agreement sets forth the entire understanding between the Parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof, including but not limited to, the letter of intent dated March 26, 2021, as amended October 12, 2021, between Empatho and Shane. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof.

9.4 Further Assurances

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.6 Counterpart Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

9.7 Investigation by Parties

No investigations made by or on behalf of either Party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other Party in or pursuant to this Agreement.

9.8 No Contra Proferentem

This Agreement has been reviewed by each Party's professional advisors, and revised during the course of negotiations between the Parties. Each Party hereto acknowledges that this Agreement is the product of their joint efforts, that it expresses their intentions, and that, if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

9.9 Public Announcement; Disclosure and Confidentiality

- (a) Unless and until the transactions contemplated in this Agreement will have been completed, none of the Parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other Parties, which consent shall not be unreasonably withheld, provided that no Party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.
- (b) All information provided to or received by the Parties hereunder shall be treated as confidential ("**Confidential Information**"). Subject to the provisions of this Section, no Confidential Information shall be published by any Party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section shall not apply to a disclosure to: (a) comply with any applicable laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a Party; (c) an Affiliate (within the meaning of the CBCA) of a Party; (d) a consultant, contractor or subcontractor of a party that has a *bona fide* need to be informed; or (e) any third party to whom the disclosing Party may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them.
- (c) The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing Party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing Party or an Affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing Party or its Affiliates were required to disclose pursuant to the order of any Governmental authority or judicial authority.

[Remainder of page intentionally left blank. Signature page follows.]

SCHEDULE "A"
AMALGAMATION AGREEMENT

See attached.

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 10 day of 10, 2021,

AMONG:

EMPATHO CORP.

a corporation existing under the laws of Canada

("Empatho")

- and -

SHANE RESOURCES LTD.

a corporation existing under the laws of the Province of Saskatchewan.

("Shane")

- and -

13348776 CANADA INC.,

a corporation incorporated under the laws of Canada

("Subco");

WHEREAS, Empatho and Shane have agreed to effect an amalgamation of Empatho and Subco under the authority contained in the CBCA upon the terms and conditions hereinafter set out;

AND WHEREAS, Empatho and Subco are each incorporated under the CBCA;

AND WHEREAS, Subco is a wholly-owned subsidiary of Shane;

AND WHEREAS, the authorized capital of Empatho consists of an unlimited number of Empatho Shares, of which 51,800,000 Empatho Shares are issued and outstanding at the date hereof as fully paid and non-assessable shares;

AND WHEREAS, the authorized capital of Subco consists of an unlimited number of Subco Shares, of which 100 Subco Shares are issued and outstanding at the date hereof as fully paid and non-assessable shares, which are owned of record by Shane;

AND WHEREAS, pursuant to the Amalgamation, and subject to the terms of this Agreement, Empatho and Subco shall amalgamate and continue as Amalco, which shall become a wholly-owned subsidiary of Shane, and Shane shall issue to each Empatho Shareholder Post-Consolidation Shane Shares on the basis of the Exchange Ratio;

AND WHEREAS Empatho, Shane and Subco have each made full disclosure to the other of all their respective assets and liabilities;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

“**Agreement**” means this agreement, its recitals and exhibits, as the same may be amended, modified or supplemented from time to time.

“**Amalco Shareholder**” means a registered holder of Amalco Shares, from time to time, and “**Amalco Shareholders**” means all of such holders.

“**Amalco Shares**” means the common shares in the share capital of Amalco.

“**Amalco**” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations.

“**Amalgamating Corporations**” means Empatho and Subco, and “**Amalgamating Corporation**” means either of them as applicable.

“**Amalgamation**” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the CBCA in the manner contemplated in and pursuant to this Agreement.

“**Articles of Amalgamation**” means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director pursuant to this Agreement, in the form attached hereto as Exhibit “A”.

“**Business Combination Agreement**” means the business combination agreement dated October 29, 2021 between Empatho and Shane.

“**CBCA**” means the *Canada Business Corporations Act* as the same has been and may hereafter from time to time be amended.

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation.

“**Director**” means the Director appointed under Section 260 of the CBCA.

“**Dissenting Empatho Shareholder**” means a registered holder of Empatho Shares who, in connection with the Empatho Approval, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its Empatho Shares except in certain circumstances, including where such holder withdraws the notice of dissent before Empatho makes an offer to such holder pursuant to Subsection 190(12) of the CBCA, Empatho fails to make an offer to such holder in accordance with Subsection 190(12) of the CBCA and such holder withdraws the notice of dissent, or the directors of Empatho terminate this Agreement in accordance with section 183(6) of the CBCA.

“**Effective Date**” means the date shown on the Certificate of Amalgamation.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be agreed by Empatho and Shane.

“**Empatho Finder Unit Warrants**” means warrants of Empatho issued to the Finder in connection with the Subscription Receipt Offering, with each warrant exercisable for one Empatho Unit at a price of \$0.25 until June 29, 2023.

“**Empatho Shares**” means the common shares in the capital of Empatho.

“**Empatho Shareholder**” means a registered holder of Empatho Shares, from time to time, and “**Empatho Shareholders**” means all of such holders.

“**Empatho Subscription Receipt Agreement**” means a subscription receipt agreement between Empatho, the Subscription Receipt Agent and the Finder dated June 29, 2021, providing for the issuance of the Empatho Subscription Receipts.

“**Empatho Subscription Receipts**” means the subscription receipts of Empatho issued pursuant to the Subscription Receipt Offering and exchangeable into Empatho Units in accordance with the terms and conditions of the Empatho Subscription Receipt Agreement.

“**Empatho Unit**” means a unit issuable by Empatho upon the conversion of the Empatho Subscription Receipts in accordance with the terms of the Empatho Subscription Receipt Agreement, with each unit consisting of one Empatho Share and one Empatho Unit Warrant.

“**Empatho Unit Warrants**” means the warrants of Empatho issuable upon the conversion of the Empatho Subscription Receipts with each warrant exercisable at a price of \$0.50 until June 29, 2023.

“**Empatho Warrants**” means collectively, the Empatho Unit Warrants and the Empatho Finder Unit Warrants.

“**Exchange Ratio**” means one (1) Post-Consolidation Shane Shares for each one (1) Empatho Share.

“**fair value**” where used in relation to an Empatho Share held by a Dissenting Empatho Shareholder, means fair value as determined by a court under Section 190 of the CBCA or as agreed between Empatho and the Dissenting Empatho Shareholder.

“**Parties**” means Empatho, Subco and Shane, and “**Party**” means each of them as applicable.

“**Person**” means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, and pronouns have a similarly extended meaning.

“**Post-Consolidation Shane Shares**” collectively means the Shane Shares after giving effect to the Stock Consolidation and individually a “**Post-Consolidation Shane Share**”.

“**Shane Shares**” means the common shares in the capital of Shane.

“**Stock Consolidation**” means a consolidation of the issued and outstanding Shane Shares on the basis of the Stock Consolidation Ratio.

“**Stock Consolidation Ratio**” means the ratio for the Stock Consolidation, being 6.15099 Post-Consolidation Shane Shares for every one (1) pre-Consolidation Shane Share held.

“**Subco Shareholder**” means the registered holder of Subco Shares, being Shane.

“**Subco Shares**” means the common shares in the capital of Subco.

“**Subscription Receipt Offering**” means the non-brokered private placement of 12,552,000 subscription receipts completed by Empatho on June 29, 2021.

2. Paramouncy

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of this Agreement shall prevail.

3. Agreement to Amalgamate

Each of the Parties hereby agrees to the Amalgamation such that the Amalgamating Corporations shall amalgamate to create and continue as Amalco under the provisions of Section 184(2) of the CBCA, on the terms and conditions set out in this Agreement.

4. Filing of Articles

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the CBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, Empatho shall file the Articles of Amalgamation with the Director as provided under the CBCA.

5. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 7 of the Business Combination Agreement. The signing and delivery of the Articles of Amalgamation by Empatho and Subco shall be conclusive evidence that such conditions have been satisfied to the satisfaction of Empatho and Shane, or waived by the party entitled to make such waiver, and that Empatho and Subco may amalgamate in accordance with the provisions of this Agreement.

6. Amalgamation Events

Pursuant to the Amalgamation, on the Effective Date:

- (a) each issued and outstanding Empatho Share held by each Dissenting Empatho Shareholder will become an entitlement to be paid the fair value of such share;
- (b) each issued and outstanding Subco Share shall be exchanged for one (1) fully paid and non-assessable Amalco Share;
- (c) subject to Section 6(a), holders of outstanding Empatho Shares (including, for greater certainty, holders of all Empatho Shares issuable upon the automatic conversion of the Empatho Subscription Receipts) shall receive, in respect of each Empatho Share held, a number of Post-Consolidation Shane Shares equal to the Exchange Ratio and the Empatho Shares will be cancelled;
- (d) following the Effective Time, all outstanding Empatho Warrants will be similarly exchanged or converted in accordance with the Exchange Ratio such that, following the Business Combination, such Empatho Warrants will entitle the holders thereof to acquire for the same aggregate consideration the number of Post-Consolidation Shane Shares that the holder would have been entitled to receive pursuant to the Business Combination had the holder exercised its Empatho Warrants to become an Empatho Shareholder prior to the Business Combination;
- (e) as consideration for the issuance of the Post-Consolidation Shane Shares to the former Empatho Shareholders to effect the Amalgamation, Amalco will issue, to Shane, one (1) fully paid Amalco Share for each one (1) Post-Consolidation Shane Share so issued;
- (f) Empatho and Subco shall be amalgamated and continue as Amalco;
- (g) all of the property and assets of each of Empatho and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of Empatho and Subco, including civil, criminal and quasi criminal, and all contracts, liabilities and debts of Subco and Empatho;
- (h) all rights of creditors against the property, assets, rights, privileges and franchises of Subco and Empatho and all liens upon their property, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Subco and Empatho shall thenceforth attach to and be enforced against Amalco; and
- (i) no action or proceeding by or against Subco or Empatho shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of Subco or Empatho, as the case may be.

7. Articles of Amalgamation

The Articles of Amalgamation of Amalco shall be in the form attached hereto as Exhibit "A".

8. Name

The Name of Amalco shall be "Empatho Corp.", or such other name as mutually agreed to by the Parties.

9. Registered Office

Until changed in accordance with the CBCA, the registered office of Amalco shall be in the Province of Ontario.

10. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, the rights, privileges, restrictions and conditions attaching to which shall be as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

11. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in the Articles of Amalgamation attached hereto as Exhibit "A".

12. Business

There shall be no restrictions on the business which Amalco is authorized to carry on or the powers which Amalco may exercise.

13. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time.

14. First Directors

The first director(s) of Amalco shall be the person(s) whose names and residential addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Resident Canada</u>
Yan Namer	222 Bay Street, P.O. Box 37, 2600, Toronto, Ontario, Canada, M5K 1B7	Yes

The above director(s) shall hold office from the Effective Date until the first annual meeting of Amalco Shareholders or until their successor(s) are elected or appointed.

15. By-laws

The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, until repealed or amended.

16. Fractional Shares

No fractional Shane Shares or Amalco Shares will be issued or delivered to any former Empatho Shareholders or the former Subco Shareholder otherwise entitled thereto, if any. Instead, the number of Shane Shares or Amalco Shares issued to each former holder of Empatho Shares or Subco Shares will be rounded up to the nearest whole number.

17. Stated Capital

The stated capital account in the records of Amalco for the Amalco Shares shall be equal to the stated capital attributed to the Empatho Shares and the Subco Shares, determined immediately before the Amalgamation.

18. Termination

Subject to the terms of the Business Combination Agreement, this Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation. If this Agreement is terminated pursuant to this Section, this Agreement shall forthwith become void and of no further force and effect.

19. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario sitting in and for the judicial district of Toronto in respect of all matters arising under or in relation to this Agreement.

20. Further Assurances

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Amalgamation Agreement.

21. Time of the Essence

Time shall be of the essence of this Agreement.

22. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

23. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

EMPATHO CORP.

Per: _____
Yan Namer
CEO

SHANE RESOURCES LTD.

Per: _____
Binyomin Posen
CEO, Director

13348776 CANADA INC.

Per: _____
Binyomin Posen
Director

EXHIBIT "A"
ARTICLES OF AMALGAMATION

(TO BE INSERTED)