

ARRANGEMENT AGREEMENT

AERO ENERGY LIMITED

- AND -

KRAKEN ENERGY CORP.

April 1, 2025

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of the 1st day of April, 2025.

BETWEEN:

AERO ENERGY LIMITED, a company existing under the laws of the Province of British Columbia with its head office at Suite 918, 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3

(the “**Purchaser**”)

AND:

KRAKEN ENERGY CORP., a company existing under the laws of the Province of British Columbia with its head office at Suite 918, 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3

(the “**Company**”)

WHEREAS the Purchaser proposes to acquire all of the outstanding common shares in the capital of the Company pursuant to the Arrangement (as defined herein), as provided in this Agreement;

AND WHEREAS the Company Board (as defined herein) has unanimously determined that the Arrangement is fair to the Company Shareholders (as defined herein) and that the Arrangement is in the best interests of the Company and its stakeholders and has unanimously resolved (with abstentions from conflicted directors), subject to the terms of this Agreement, to recommend that the Company Shareholders vote in favour of the Arrangement Resolution (as defined herein);

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement, unless otherwise defined or expressly stated herein or something in the subject matter or the context is inconsistent therewith:

“**1940 Act**” means the Investment Company Act of 1940;

“**Aboriginal Claims**” means any and all claims (whether or not proven) by any person to or in respect of:

- (a) rights, title or interests of any Aboriginal Group by virtue of its status as an Aboriginal Group;
- (b) treaty rights;
- (c) Métis rights, title or interests; or

(d) specific or comprehensive claims being considered by the Government of Canada;

and includes any alleged or proven failure of the Crown to satisfy any of its duties to any claimant of any of the foregoing, whether such failure is in respect of matters before or at the Effective Time;

“**Aboriginal Group**” includes any Indian band, first nation, Métis community or aboriginal group, tribal council, band council or other aboriginal organization, indigenous person or people, or any person or group asserting or otherwise claiming an aboriginal right (including aboriginal title) or any other aboriginal interest, and any Person or group representing, or purporting to represent, any of the foregoing;

“**Acceptable Confidentiality Agreement**” means any confidentiality agreement between the Company and a third party that: (a) is entered into in accordance with Section 5.3; (b) contains confidentiality restrictions with respect to confidential information of the Company that are no less favourable to the Company than those set out in the Confidentiality Agreement; (c) contains a standstill provision and which (i) only permits the third party, either alone or jointly with others, to make an Acquisition Proposal to the board of directors of the Company that is not publicly announced, and (ii) prohibits the third party from publicly proposing or announcing an Acquisition Proposal or its intention to make an Acquisition Proposal; and (d) does not limit or prohibit the Company from providing the Purchaser and its affiliates and Representatives with any information required to be given to them by the Company under Section 5.2 or 5.4;

“**Acquisition Proposal**” means, other than the transactions contemplated by this Agreement and the Plan of Arrangement, any offer, proposal or inquiry from any Person or joint actors (other than the Purchaser) relating to: (a) any direct or indirect acquisition or purchase of 20% or more of the assets or of 20% or more of any voting or equity securities of the Company; (b) any take-over bid or exchange offer that, if consummated, would result in such Person or joint actors beneficially owning, in the aggregate, 20% or more of any class of voting or equity securities of the Company; (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company; or (d) any proposal or offer to, or public announcement of any intention to do, any of the foregoing from any Person or joint actors (other than the Purchaser);

“**affiliate**” has the meaning set out in the Securities Act;

“**Agreement**” means this arrangement agreement (including the Schedules attached hereto), as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof;

“**Anti-Corruption Laws**” has the meaning set out in Section 3.1(jj);

“**Apex Property**” means the Apex property located in Nevada;

“**Arrangement**” means the arrangement of the Company under Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of this Agreement and the Plan of

Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Purchaser and the Company, each acting reasonably;

“**Arrangement Resolution**” means the special resolution approving the Arrangement, to be substantially in the form and content of Exhibit B, to be considered, and if deemed advisable, passed with or without variation, by the Company Shareholders at the Company Meeting;

“**Articles of Arrangement**” means the articles of arrangement of the Company and the Purchaser in respect of the Arrangement, to be sent to the Director pursuant to the CBCA after the Final Order is made, which shall be in a form and content satisfactory to the Company and the Purchaser, acting reasonably;

“**Atomic**” means Atomic Minerals Corporation;

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

“**Business**” means, in the case of the Company the business of the Company as it is currently conducted, including the exploration for and exploitation of minerals in the United States and, in the case of the Purchaser, means the business of the Purchaser as it is currently conducted, including the exploration for and exploitation of minerals in Canada and Chile;

“**Business Day**” means any day other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada applicable therein;

“**CBCA**” means the *Canada Business Corporations Act*;

“**Certificate of Arrangement**” means the certificate or other confirmation of filing giving effect to the Arrangement to be issued by the Director pursuant to section 192(7) of the CBCA after the Articles of Arrangement have been filed;

“**Change of Recommendation**” means any of the following:

- (a) the Company Board fails to publicly recommend or has withdrawn, qualified or modified its recommendation of the Arrangement or this Agreement, or the Company or the Company Board, or any committee thereof, shall have changed its approval or recommendation of the Arrangement in a manner adverse to the Purchaser;
- (b) the Company Board fails to publicly reaffirm its recommendation of the Arrangement and this Agreement as promptly as practicable after receipt of any request from the Purchaser to do so;
- (c) the Company and/or the Company Board, or any committee thereof, accepts, approves, endorses or recommends any Acquisition Proposal;
- (d) the Company accepts or enters into a letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or

understanding in respect of or that could reasonably be expected to lead to any Acquisition Proposal; or

- (e) the Company or the Company Board, or any committee thereof, publicly proposes or announces its intention to do any of the foregoing,

it being understood that publicly taking no position or a neutral position by the Company and/or the Company Board with respect to an Acquisition Proposal for a period exceeding five Business Days after an Acquisition Proposal has been publicly announced shall be deemed to constitute such a withdrawal, qualification, modification or change;

“**Circular**” means the notice of meeting and accompanying management information circular (including all schedules, appendices and exhibits thereto) to be sent to the Company Shareholders in connection with the Company Meeting, including any amendments or supplements thereto;

“**Clarifying Statements**” has the meaning set out in Section 5.3(a)(i);

“**Company**” means Kraken Energy Corp.;

“**Company Board**” means the board of directors of the Company;

“**Company Datasite Information**” means the documents made available to the Purchaser in the electronic data sites established by the Company as in effect at 11:59 p.m. on March 31, 2025, an index of which is contained in the Company Disclosure Letter;

“**Company Disclosure Letter**” means the disclosure letter executed by the Company and delivered to, and acknowledged and accepted by, the Purchaser prior to the execution of this Agreement;

“**Company Fairness Opinion**” means the opinion of the Financial Advisor to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Arrangement is fair, from a financial point of view, to the Company Shareholders;

“**Company Information Record**” means any annual information form, press release, material change report, information circular, financial statement, management’s discussion and analysis or other document of the Company which has been publicly filed by the Company on SEDAR+;

“**Company Licenses**” has the meaning set out in Section 3.1(bb);

“**Company Material Agreements**” means any agreement that the Company or the Company Subsidiaries are a party to or bound by that provides for or is subject to any of the following:

- (a) any continuing contract for the purchase of materials, supplies, equipment or services involving, in the case of any such contract, an aggregate of more than \$25,000 over the life of the contract;

- (b) any contract that expires, or may be renewed at the option of any Person other than the Company or the Company Subsidiaries so as to expire, more than one year after the date of this Agreement;
- (c) any Debt Instrument;
- (d) any contract limiting the right of the Company or the Company Subsidiaries to engage in any line of business or to compete with any other Person;
- (e) any confidentiality, secrecy or non-disclosure contract;
- (f) any agreement or contract by virtue of which the Company Material Properties were acquired or are held by the Company or the Company Subsidiaries or to which the Company Material Properties are subject or which grant rights which are or may be used in connection therewith;
- (g) any contract pursuant to which the Company or the Company Subsidiaries leases any real property;
- (h) any contract pursuant to which the Company or the Company Subsidiaries lease any personal property involving payments by the Company or the Company Subsidiaries in excess of an aggregate of \$25,000 annually or involving rights or obligations which cannot be terminated without penalty on less than three months' notice;
- (i) any agreement with an Aboriginal Group;
- (j) any Guarantee;
- (k) any employment contracts with employees and service contracts with independent contractors providing for annual compensation over \$10,000 or any agreements with any executive officer;
- (l) any agreement to indemnify, hold harmless or defend any other Person with respect to any assertion of personal injury, damage to property, misappropriation or violation or warranting the lack thereof; or
- (m) any other agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment which is or would reasonably be expected to be material to the Business, properties, assets, operations, condition (financial or otherwise) or prospects of the Company;

“Company Material Properties” means the Apex Property, the Garfield Hills Property and the Huber Hills Property;

“Company Meeting” means the special meeting of Company Shareholders including any adjournment or adjournments thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution;

“**Company Option**” means an option to purchase Company Shares;

“**Company Option Plan**” means the Company’s stock option plan dated March 29, 2022;

“**Company Optionholders**” means the holders of Company Options;

“**Company Shareholder**” means a holder of one or more Company Shares;

“**Company Shareholder Approval**” has the meaning set out in Section 2.2(b);

“**Company Shares**” means the common shares in the authorized share structure of Company;

“**Company Subsidiaries**” means, together, Kraken Nevada, Panerai and Panerai USA;

“**Company Warrant**” means a warrant to purchase Company Shares;

“**Company Warrantholders**” means the holders of Company Warrants;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between the Purchaser and the Company dated September 11, 2024;

“**Consideration Shares**” means the Purchaser Shares to be issued in exchange for Company Shares pursuant to the Arrangement, consisting of 0.97037 Purchaser Shares for each Company Share outstanding immediately prior to the Effective Time;

“**Court**” means the Supreme Court of British Columbia;

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

“**Current Assets**” means all current assets on a consolidated basis, calculated in accordance with IFRS to the extent any such item is considered to be a “current asset” in accordance with IFRS;

“**Current Liabilities**” means all current liabilities on a consolidated basis, calculated in accordance with IFRS to the extent any such item is considered to be a “current liability” in accordance with IFRS;

“**Debt Instrument**” means any bond, debenture, mortgage, promissory note or other instrument evidencing indebtedness for borrowed money;

“**Depository**” has the meaning set out in the Plan of Arrangement;

“**Director**” means the Director appointed pursuant to Section 260 of the CBCA;

“**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

“**Effective Date**” means the date upon which the Arrangement becomes effective as established by the date shown on the Certificate of Arrangement;

“Effective Time” means the time when the transactions contemplated herein will be deemed to have been completed, which shall be 12:01 a.m. (Vancouver time) on the Effective Date or such other time as the Parties agree to in writing before the Effective Date;

“Employee Benefits” means:

- (a) salaries, wages, bonuses, vacation entitlements, commissions, fees, stock option plans, stock purchase plans, incentive plans, deferred compensation plans, profit-sharing plans and other similar benefits, plans or arrangements;
- (b) insurance, health, welfare, drug, disability, pension, retirement, travel, hospitalization, medical, dental, legal counseling, eye care and other similar benefits, plans or arrangements; and
- (c) agreements or arrangements with any labour union or employee association, written or oral employment agreements or arrangements and agreements or arrangements for the retention of the services of independent contractors, consultants or advisors,

as all such arrangements apply to any employee, officer, director or consultant;

“Encumbrance” means any mortgage, charge, easement, encroachment, lien, burden, assignment by way of security, security interest, servitude, pledge, hypothecation, conditional sale agreement, security agreement, title retention agreement, financing statement, option, right of pre-emption, right of first refusal or right of first offer, privilege, obligation to assign, license, sublicense trust, royalty, carried, working, participation or net profits interest or other third party interest or other encumbrance or any agreement, option, right or privilege capable of becoming any of the foregoing;

“Environmental Laws” means all applicable Laws relating to pollution or the protection and preservation of the environment, occupational health and safety, product safety, product liability or Hazardous Substances, including Laws relating to Releases or threatened Releases of Hazardous Substances into the indoor or outdoor environment (including ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport or handling of Hazardous Substances and all Laws and regulations with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Substances, and all Laws relating to endangered or threatened species of fish, wildlife and plants and the management or use of natural resources;

“Environmental Permits” includes all permits, licenses, authorizations or program participation requirements with or from any Governmental Entity under any Environmental Laws;

“Final Order” means the final order of the Court made pursuant to Section 192 of the CBCA, after being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Consideration Shares to Company Shareholders and Replacement Options to Company Optionholders that are in the United States, approving the Arrangement in a form acceptable to the Parties, as such order may be amended at any time prior to the Effective Date with the consent of the Parties, acting

reasonably, or if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Financial Advisor**” means Evans & Evans, Inc.;

“**Financial Statements**” means the audited financial statements of the Company as at, and for the years ended June 30, 2024 and June 30, 2023, including the notes thereto;

“**Governmental Entity**” means any:

- (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal;
- (b) subdivision, agent, commission, board, or authority of any of the foregoing; or
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**Guarantee**” means any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

“**Hazardous Substance**” means, collectively, any contaminant, toxic substance, dangerous goods, or pollutant or any other substance the Release of which to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, including (a) any petroleum substances, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined under Environmental Laws as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “restricted hazardous materials”, “extremely hazardous substances”, “toxic substances”, “contaminants” or “pollutants” or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any Environmental Law;

“**Harts Point Property**” means the Harts Point property located in Utah;

“**IFRS**” means International Financial Reporting Standards as described in the CPA Canada Standards and Guidance Collection and as issued by the International Accounting Standards Board, at the relevant time applied on a consistent basis;

“**Interested Person**” means any officer, director, shareholder, employee, consultant or advisor (excluding legal counsel, accountants, financial and other third party professional advisors of the Company in connection with this Agreement and the transactions contemplated herein) of or to the Company or any Person with which the Company or any of the foregoing does not deal at arm’s length within the meaning of the ITA (including a spouse, parent, child or sibling of any such Person);

“**Interim Order**” means the interim order of the Court made pursuant to Section 192 of the CBCA, after being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Consideration Shares to Company Shareholders and Replacement Options to Company Optionholders that are in the United States, made in connection with the process for obtaining shareholder approval of the Arrangement and related matters, as such order may be amended, supplemented or varied by the Court;

“**ITA**” means the *Income Tax Act* (Canada);

“**Kraken Nevada**” means Kraken Energy Nevada Corp., a wholly-owned direct subsidiary of the Company;

“**Laws**” means any and all laws (statutory, common or otherwise), statutes, regulations, statutory rules, regulatory instruments, principles of law, orders, injunctions, judgments, published policies and guidelines (to the extent that they have the force of law), and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, 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 Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“**Leased Property**” means all the right, title and interest of the Company in and to the subject matter (whether realty or personally) of the Leases;

“**Leases**” means the real or personal property leases or subleases, or other rights of occupancy relating to real property, which the Company is a party to or bound by or subject to, including those set forth and described in Schedule 3.1(t) of the Company Disclosure Letter;

“**Mailing Deadline**” means, subject to Section 2.4(b), May 14, 2025, unless otherwise agreed by the Parties;

“**Match Period**” has the meaning set out in in Section 5.4(a)(v);

“**Material Adverse Change**”, when used in connection with the Purchaser or the Company, means:

- (a) any change, effect, development, event or occurrence that, individually or in the aggregate, prevents, or would reasonably be expected to prevent such Party from performing its material obligations under this Agreement in any material respect prior to the Outside Date; or
- (b) any change, effect, development, event or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, operations, condition, affairs, liabilities (contingent or otherwise), obligations (whether absolute, conditional or otherwise) or prospects of such Party and its subsidiaries taken as a whole, other than any change, effect, development, event or occurrence:

- (i) relating to the announcement of the execution of this Agreement or relating to the Arrangement or other transactions contemplated by this Agreement;
- (ii) relating to a decrease in the market price of such Party's common shares on any stock exchange (it being understood that, if the cause or causes of any decrease, in and of itself or themselves, is otherwise a Material Adverse Change, then such decrease may be taken into consideration when determining whether a Material Adverse Change has occurred);
- (iii) relating to Canadian or global economic, financial, banking, securities or currency exchange market conditions in general;
- (iv) affecting the worldwide gold mining industry in general, including any changes in the market price of gold;
- (v) relating to any effect resulting from an act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof);
- (vi) relating to any natural disaster;
- (vii) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against a Party or a subsidiary of a Party) or in IFRS, in each case, to the extent necessary;
- (viii) relating to any epidemic, pandemic or outbreak of illness (including COVID-19 and any variations/mutations thereof) or other health crisis or public health event, or the worsening of any of the foregoing; or
- (ix) relating to any action taken by the Purchaser or the Company at the request of the other or that is required or contemplated by this Agreement,

provided, however, that the effect referred to in clauses (iii) through (vii) above does not primarily relate to (or have the effect of primarily relating to) the Party and the Party's subsidiaries, taken as a whole, or disproportionately adversely affect the Party and the Party's subsidiaries, taken as a whole, compared with other companies of a similar size operating in the industry and jurisdiction in which that Party and that Party's subsidiaries operate;

“Material Adverse Effect”, when used in connection with the Purchaser or the Company, means any change, effect, development, event or occurrence that has an effect that is, or would reasonably be expected to cause, a Material Adverse Change with respect to such party and its subsidiaries taken as a whole;

“material fact” and **“material change”** have the meanings set out in the Securities Act;

“Meeting Deadline” means, subject to terms of this Agreement, with respect to the Company Meeting, June 13, 2025, unless otherwise agreed by the Parties;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**Mineral Rights**” means all rights, whether direct or indirect, contractual or otherwise, for the exploration for or exploitation or extraction of mineral resources and reserves together with surface rights, water rights, royalty interests, fee interests, net profit interests, joint venture interests, carried interests and other leases, rights of way and enurements related to any such rights;

“**Minas Shares**” means the 1,000,000 common shares in the capital of Minas Metals Ltd.. which are owned by the Purchaser;

“**misrepresentation**” has the meaning set out in the Securities Act;

“**NI 43-101**” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*;

“**Numberco**” means 1443904 B.C. Ltd., a wholly-owned subsidiary of the Purchaser;

“**Option Agreement**” means the option agreement between the Company and Atomic dated May 19, 2023, as amended on November 29, 2023;

“**Outside Date**” means the latest date by which the transactions contemplated by this Agreement are to be completed, which date, subject to the terms of this Agreement, shall be June 30, 2025, or such later date as may be agreed upon by the Parties;

“**Panerai**” means Panerai Capital Corp., a wholly-owned direct subsidiary of the Company;

“**Panerai USA**” means Panerai Capital USA Corp., a wholly-owned indirect subsidiary of the Company;

“**Parties**” means the Purchaser and the Company and “**Party**” means either one of them;

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

“**Plan of Arrangement**” means the plan of arrangement substantially in the form and content of Exhibit A hereto and any amendments or variations thereto made in accordance with this Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order and acceptable to each of the Parties hereto, acting reasonably;

“**Pre-Effective Date Period**” means the period from and including the date hereof to and including the earlier of the Effective Time and the date of termination of this Agreement pursuant to Article 7;

“**Purchaser**” means Aero Energy Limited;

“Purchaser Datasite Information” means the documents made available to the Company in the electronic data sites established by the Purchaser as in effect at 11:59 p.m. on March 31, 2025;

“Purchaser Information Record” means any annual information form, press release, material change report, information circular, financial statement, management’s discussion and analysis or other document of the Purchaser which has been publicly filed by it on SEDAR+;

“Purchaser Material Agreements” means any agreement that the Purchaser or the Purchaser Subsidiaries are a party to or bound by that provides for or is subject to any of the following:

- (a) any continuing contract for the purchase of materials, supplies, equipment or services involving, in the case of any such contract, an aggregate of more than \$25,000 over the life of the contract;
- (b) any contract that expires, or may be renewed at the option of any Person other than the Purchaser or the Purchaser Subsidiaries so as to expire, more than one year after the date of this Agreement;
- (c) any Debt Instrument;
- (d) any contract limiting the right of the Purchaser or the Purchaser Subsidiaries to engage in any line of business or to compete with any other Person;
- (e) any confidentiality, secrecy or non-disclosure contract;
- (f) any agreement or contract by virtue of which the Purchaser Material Properties were acquired or are held by the Purchaser or the Purchaser Subsidiaries or to which the Purchaser Material Properties are subject or which grant rights which are or may be used in connection therewith;
- (g) any contract pursuant to which the Purchaser or the Purchaser Subsidiaries leases any real property;
- (h) any contract pursuant to which the Purchaser or the Purchaser Subsidiaries lease any personal property involving payments by the Purchaser or the Purchaser Subsidiaries in excess of an aggregate of \$25,000 annually or involving rights or obligations which cannot be terminated without penalty on less than three months’ notice;
- (i) any agreement with an Aboriginal Group;
- (j) any Guarantee;
- (k) any employment contracts with employees and service contracts with independent contractors providing for annual compensation over \$10,000 or any agreements with any executive officer;

- (l) any agreement to indemnify, hold harmless or defend any other Person with respect to any assertion of personal injury, damage to property, misappropriation or violation or warranting the lack thereof; or
- (m) any other agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment which is or would reasonably be expected to be material to the Business, properties, assets, operations, condition (financial or otherwise) or prospects of the Purchaser;

“Purchaser Material Properties” means the Sun Dog project and the Strike and Murmac projects, all located in Saskatchewan;

“Purchaser Option Plan” means the Purchaser’s amended and restated stock option plan dated for reference December 8, 2022;

“Purchaser Shareholder” means a holder of one or more Purchaser Shares;

“Purchaser Shares” means the common shares in the authorized share structure of Purchaser;

“Purchaser Subsidiaries” means, collectively, Numberco, Federal Gold Corp., TY & Sons Explorations (Chile) Inc., Rio Explorations SpA and Angold Resources (USA) Ltd.;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of a notice without an objection being made) of Governmental Entities required in connection with the consummation of the Arrangement or any of the transactions contemplated hereby;

“Release” means any release, spill, emission, discharge, leaking, pumping, dumping, escape, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into the indoor or outdoor environment (including, ambient air, surface water, ground water, and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Substances through or in the air, soil, surface water, ground water or property;

“Replacement Option” has the meaning set out in the Plan of Arrangement;

“Representatives” means, collectively, with respect to a Party, the officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors) of that Party and its affiliates;

“SEC” means the U.S. Securities and Exchange Commission;

“Section 3(a)(10) Exemption” has the meaning set out in Section 2.8;

“Securities Act” means the *Securities Act* (British Columbia);

“**Securities Authority**” means the British Columbia Securities Commission and any other applicable securities commission or securities regulatory authority of a Province or Territory of Canada;

“**Securities Laws**” means the securities Laws of each of the Provinces and Territories of Canada, the policies and regulations of any Canadian or U.S. stock exchange on which the applicable Party’s securities are listed and posted for trading, the U.S. Securities Act and the U.S. Exchange Act and all other applicable state, federal and provincial securities Laws, rules, regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**SEDAR+**” means the System for Electronic Disclosure Analysis and Retrieval Plus;

“**subsidiary**” has the meaning set out in the BCBCA and includes, for greater certainty, an indirect subsidiary;

“**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Regulation S under the U.S. Securities Act;

“**Superior Proposal**” means an unsolicited *bona fide* written Acquisition Proposal (provided, however, that for the purposes of this definition, all references to “20%” shall be changed to “100%”) made by a third party or parties acting jointly (other than the Purchaser and its affiliates) that did not result from a breach of Section 5.1 and which:

- (a) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been obtained or demonstrated to the satisfaction of the Company Board acting in good faith (after receipt of advice from its financial advisors and outside legal counsel) to be reasonably likely to be obtained without undue delay;
- (b) is not subject to a due diligence condition and/or access condition;
- (c) is made available to all Company Shareholders on the same terms and conditions; and
- (d) in the good faith determination of the Company Board, after consultation with its financial advisors and outside legal counsel:
 - (i) is reasonably capable of being completed in accordance with its terms and without undue delay relative to the completion of the Arrangement, taking into account, all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal; and
 - (ii) would, if consummated and taking into account all of the terms and conditions of such Acquisition Proposal (but not assuming away the risk of non-completion), result in a transaction more favourable to the Company Shareholders from a financial point of view than the Arrangement

(including any adjustment to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4); and

- (e) in the event that the Company does not have the financial resources to pay the Termination Fee, the terms of such Acquisition Proposal provide that the person making such Superior Proposal shall advance or otherwise provide the Company the cash required for the Company to pay the Termination Fee and such amount shall be advanced or provided on or before the date such Termination Fee becomes payable;

“Supporting Shareholder” means each of the directors and executive officers of the Company;

“Tax Returns” means all returns, declarations, reports, information returns and statements, including any schedules or attachments thereto, required to be filed with any taxing authority relating to Taxes, including any amendment thereof;

“Taxes” means, with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, health taxes, employment taxes, Canada Pension Plan and Québec Pension Plan contributions, excise, severance, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, education tax, local improvement tax, development tax, stamp taxes, occupation taxes, premium taxes, property taxes, production taxes, severance taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties, mining duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, whether disputed or not, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“Termination Fee” means the amount of \$250,000;

“Termination Fee Event” means this Agreement shall have been terminated:

- (a) by either the Company or the Purchaser pursuant to Section 7.2(a)(ii)(E) or Section 7.2(a)(ii)(A), or by the Purchaser pursuant to Section 7.2(a)(ii)(C) or Section 7.2(a)(ii)(D), but only if, in these Termination Fee Events, (i) prior to such termination, a Acquisition Proposal for the Company shall have been made to the Company or made directly to any Company Shareholders or publicly announced by any person other than the Purchaser (or any of its affiliates or any person acting jointly or in concert with any of the foregoing) and not withdrawn and (ii) within 12 months following the date of such termination, the Company or one or more of the Company Subsidiaries enters into a definitive agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated (whether or not within such 12 month period); provided that

for purposes of this Termination Fee Event, the term “Acquisition Proposal” shall have the meaning ascribed to such term in this definition except that a reference to “20%” therein shall be deemed to be a reference to “50%”;

- (b) by the Purchaser pursuant to Section 7.2(a)(iii)(B), unless the Company Change of Recommendation was as a result of the occurrence of a Purchaser Material Adverse Effect;
- (c) by the Purchaser pursuant to Section 7.2(a)(iii)(C); or
- (d) by the Company pursuant to Section 7.2(a)(iv)(A);

“**Tribunal**” means:

- (a) any court (including a court of equity);
- (b) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality;
- (c) any securities commission, Canadian or U.S. stock exchange or other regulatory or self-regulatory body; and
- (d) any arbitrator or arbitration tribunal;

“**TSX-V**” means the TSX Venture Exchange;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

“**United States**” or “**U.S.**” means, as the context requires, the United States of America, its territories and possessions, any state of the United States, and/or the District of Columbia;

“**Voting and Support Agreements**” means the voting and support agreements entered into between the Purchaser and each Supporting Shareholder; and

“**Working Capital**” means the excess of the Current Assets over the Current Liabilities.

1.2 Interpretation Not Affected by Headings, etc. The division of this Agreement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto

1.3 Currency. Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

1.4 Number, Gender and Persons. In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.5 Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Entire Agreement. This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement among the Parties with respect to the Arrangement and other transactions contemplated hereby and supersedes all other prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect thereto, other than the Confidentiality Agreement. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties with respect thereto except as expressly set forth in this Agreement and the Confidentiality Agreement.

1.7 Accounting Matters. Unless otherwise indicated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS and past practice.

1.8 Construction. In this Agreement, unless otherwise indicated:

- (a) the words “include”, “including” or “in particular”, when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (b) a reference to a statute means that statute, as amended and in effect as of the date of this Agreement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof; and
- (c) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning.

1.9 Knowledge. In this Agreement, the phrase “to the knowledge of” any Person, “to the best knowledge of” any Person, “known to” any Person, “of which it is aware” or any similar phrase means, unless otherwise indicated, (a) with respect to any Person who is an individual, the actual knowledge of such Person, and (b) with respect to any Person who is not an individual, the actual knowledge of the senior officers and directors of such Person and its affiliates after reasonable enquiry, and to the extent that such reasonable enquiry was not conducted, includes the knowledge that a reasonable Person would have had if such reasonable enquiry had been conducted.

1.10 Ordinary Course of Business. In this Agreement the phrase “in the ordinary course of business” or “ordinary course” and similar expressions shall, as applicable, mean and refer to (a) those activities that are normally conducted by Persons engaged in the exploration for precious metals deposits in the applicable jurisdictions and in the development and production of such deposits, and/or (b) the ordinary course of business conduct of a Party (or its subsidiaries) in a commercially reasonable and business-like manner consistent with the past practices of the Party.

1.11 Exhibits. The following Exhibits are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form an integral part hereof:

Exhibit A - Plan of Arrangement

Exhibit B - Arrangement Resolution

ARTICLE 2 THE ARRANGEMENT

2.1 Plan of Arrangement. The Company and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement. From and after the Effective Time, the steps to be carried out pursuant to the Arrangement shall become effective in accordance with the Plan of Arrangement. The closing of the transactions contemplated hereby and by the Plan of Arrangement will take place remotely at 10:00 a.m. (Vancouver time) on the Effective Date, or at such other time on the Effective Date or such other place as may be agreed to by the Parties. The Effective Date shall occur following the satisfaction or waiver (subject to applicable Laws) of the last of the conditions set forth in Article 6 (excluding conditions that by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction or, when permitted, waiver of those conditions as of the Effective Date). The Arrangement shall be effective at the Effective Time on the Effective Date.

2.2 Interim Order. As soon as reasonably practicable following the execution of this Agreement, and in any event in sufficient time to hold the Company Meeting in accordance with Section 2.3, the Company shall apply to the Court in a manner acceptable to the Purchaser, acting reasonably, pursuant to Section 192 of the CBCA and prepare, file and diligently pursue an application to the Court for the Interim Order, which shall provide, among other things:

- (a) the class or classes (as applicable) of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

- (b) that the requisite approval for the Arrangement Resolution shall be:
 - (i) two-thirds of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or represented by proxy at the Company Meeting; and
 - (ii) if, and to the extent required, a majority of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or represented by proxy at the Company Meeting excluding for this purpose votes attached to Company Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101,

(the “**Company Shareholder Approval**”);
- (c) that, in all other respects, the terms, restrictions and conditions of the articles of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;
- (d) for the grant of the Dissent Rights;
- (e) that the Company Meeting may be adjourned or postponed from time to time by the Company Board, subject to the terms of this Agreement, without the need for additional approval of the Court;
- (f) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) or postponement(s) of the Company Meeting;
- (g) that the Purchaser intends to rely upon the exemption from registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder for the issuance of the Consideration Shares and Replacement Options, subject to and conditioned on the Court’s determination that the Arrangement is substantively and procedurally fair to Company Shareholders who are entitled to receive Consideration Shares and to the Company Optionholders who are entitled to receive Replacement Options, pursuant to the Arrangement, and based on the Court’s approval of the Arrangement;
- (h) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (i) for such other matters as the Purchaser may reasonably require, subject to obtaining the prior consent of Company, such consent not to be unreasonably withheld or delayed.

2.3 Company Meeting. Subject to receipt of the Interim Order and the terms of this Agreement:

- (a) the Company agrees to convene and conduct the Company Meeting in accordance with the Interim Order, the Company's articles and applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline;
- (b) the Company shall not, except as required for quorum purposes, as required by Law, or otherwise as permitted under this Agreement, adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Company Meeting without the Purchaser's prior written consent, acting reasonably;
- (c) the Company shall advise the Purchaser as the Purchaser may reasonably request, and at least on a daily basis on each of the last ten Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution;
- (d) the Company shall promptly advise the Purchaser of any written notice of dissent or purported exercise by any Company Shareholder of Dissent Rights received by the Company in relation to the Arrangement and any withdrawal of Dissent Rights received by the Company and any written communications sent by or on behalf of the Company to any Company Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement;
- (e) the Company shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of the Purchaser, acting reasonably;
- (f) the Company shall provide notice to the Purchaser of the Company Meeting and shall allow representatives of the Purchaser and its counsel to attend the Company Meeting; and
- (g) the Company shall not, without the prior written consent of the Purchaser, waive the deadline for the submission of proxies by Company Shareholders for the Company Meeting.

2.4 Circular.

- (a) As promptly as reasonably practicable following execution of this Agreement, the Company and the Purchaser shall cooperate in preparing a mutually acceptable Circular together with any other documents required by applicable Laws in connection with the Company Meeting.
- (b) As promptly as reasonably practicable following issuance of the Interim Order, and in any event prior to the close of business on the Mailing Deadline, the Company shall cause the Circular to be sent to the Company Shareholders and filed as required by the Interim Order and applicable Laws.
- (c) If the Company provides notice to the Purchaser regarding an Acquisition Proposal pursuant to this Agreement prior to the mailing of the Circular, then if so requested by the Purchaser, the Mailing Deadline will be extended by a period of time equal

to the number of days from the date on which the Company first provides notice of such Acquisition Proposal to the Purchaser until the earlier of:

- (i) written notification from the Company to the Purchaser that the Company Board has determined that the Acquisition Proposal is not a Superior Proposal; or
- (ii) the date on which the Company and the Purchaser enter into an amended agreement pursuant to Section 5.4 which results in the Acquisition Proposal in question not being a Superior Proposal.

If the Mailing Deadline is so extended, the Meeting Deadline and the Outside Date shall be extended by the same number of days as the Mailing Deadline has been extended.

- (d) Each of the Company and the Purchaser shall ensure that the Circular is complete and accurate in all material respects, complies in all material respects with all the Interim Order and applicable Laws, and shall contain sufficient detail to permit the Company Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Company Meeting. Without limiting the generality of the foregoing, each of the Company and the Purchaser shall ensure that the Circular does not contain any misrepresentation (other than in each case with respect to any information relating to and provided by the other Party). Each of the Company and the Purchaser acknowledges that the other Party shall not be responsible for ensuring the completeness, accuracy and sufficiency of any information relating to it.
- (e) Without limiting the generality of the foregoing, the Company shall disclose in the Circular:
 - (i) that the Company Board has received the Company Fairness Opinion and that, subject to the scope of review, assumptions and limitations set out in such opinion, the consideration to be received pursuant to the Plan of Arrangement is fair from a financial point of view to the Company Shareholders;
 - (ii) the complete text of the Company Fairness Opinion;
 - (iii) that the Company Board has determined, after receiving financial and legal advice, that the Arrangement is fair to the Company Shareholders and in the best interests of the Company;
 - (iv) a statement that each director and executive officer of the Company has entered into a Voting and Support Agreement pursuant to which such director or executive officer has agreed to vote all their Company Shares in favour of the Arrangement Resolution, subject to the other terms of this Agreement;

- (v) information on how Company Shareholders and proxyholders can vote electronically at the Company Meeting and any limitations on the ability to ask questions; and
 - (vi) all information that, in the reasonable judgment of the Parties and their legal counsel, is required to allow the Purchaser to rely on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares and the Replacement Options pursuant to the Arrangement.
- (f) Subject to the terms of this Agreement:
- (i) the Company shall solicit proxies in favour of the Arrangement Resolution and against any resolution submitted by a Company Shareholder, including, if so requested by the Purchaser, using the services of dealers and proxy solicitation services selected by the Purchaser and permitting the Purchaser to otherwise assist the Company in such solicitation, and take all other actions that are reasonably necessary or desirable to seek the approval of the Arrangement Resolution by the Company Shareholders; and
 - (ii) the Company Board shall recommend to the Company Shareholders that they vote in favour of the Arrangement Resolution and shall include in the Circular a statement to such effect.
- (g) Each of the Company and the Purchaser shall provide to the other Party all information regarding such Party and its affiliates as may be required by the Interim Order and applicable Law to be included in the Circular. Each of the Company and the Purchaser shall also use commercially reasonable efforts to obtain any necessary consents from any of their respective auditors and any other advisors (including the Financial Advisor) to the use of any financial, technical or other expert information required to be included in the Circular and to the identification in the Circular of each such advisor. Each of the Company and the Purchaser shall ensure that information provided with respect to that Party is complete and accurate in all material respects, complies in all material respects with applicable Laws and, without limiting the generality of the foregoing, does not include any misrepresentation. Each of the Company and the Purchaser shall indemnify and save harmless the other Party and its Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which such other Party or any of its Representatives may be subject or may suffer as a result of, or arising from, any misrepresentation or alleged misrepresentation contained in any information included in the Circular that was provided by such Party pursuant to this Section 2.4, including as a result of any order made, or any inquiry, investigation or proceeding instituted by any Securities Authority or other Governmental Entity based on such a misrepresentation or alleged misrepresentation.

- (h) The Purchaser and its legal counsel shall be given a reasonable opportunity to review and comment on the Circular prior to the Circular being printed or filed with any Governmental Entity, and reasonable consideration shall be given to any comments made by the Purchaser and its legal counsel, provided, however, that:
 - (i) all information relating solely to the Purchaser included in the Circular shall be in form and content satisfactory to the Purchaser, acting reasonably; and
 - (ii) all information relating solely to the Company included in the Circular shall be in form and content satisfactory to the Company, acting reasonably.
- (i) The Company and the Purchaser shall each promptly notify the other if, at any time before the Effective Date, either becomes aware that the Circular contains a misrepresentation, or that an amendment or supplement to the Circular is otherwise required and the Company and the Purchaser shall co-operate in the preparation of any amendment or supplement to the Circular as required or appropriate, and the Company shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Circular to the Company Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and any other Governmental Entity as required and, in such circumstances, the date of the Company Meeting shall be postponed if and to the extent required by applicable Law (and the Meeting Deadline shall, if necessary, be postponed to such date, in which event the Outside Date shall be extended by the same number of days as the Meeting Deadline has been extended).

2.5 Final Order. If the Interim Order is obtained and the Company Shareholder Approval and all other approvals contemplated by the Interim Order are obtained as provided for in the Interim Order, the Company shall, as soon as reasonably practicable thereafter and in any event within five Business Days thereafter, subject to the terms of this Agreement, diligently pursue Court approval of the Final Order, provided that in the event normal Court operations are disrupted, the application date for the Final Order may be extended until the earliest possible date on which the Court grants a hearing date for the application for the Final Order.

2.6 Court Proceedings. The Company will provide legal counsel to the Purchaser with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and the Company will give reasonable consideration to all such comments. Subject to applicable Law, the Company will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.6 or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that nothing herein shall require the Purchaser to agree or consent to any increase in consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations set forth in any such filed or served materials or under this Agreement or the Arrangement. The Company shall also provide to the Purchaser's legal counsel on a timely basis copies of any notice of appearance or other Court documents served on the Company in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. The Company will ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Purchaser making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; provided, however, that the Company is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also oppose any proposal from any party claiming that the Final Order contains any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall only do so after notice to, and in consultation and cooperation with, the Purchaser.

2.7 Public Announcements. The Company and the Purchaser shall make a joint public announcement of the transactions contemplated hereby promptly following the execution of this Agreement, the text and timing of such announcement to be approved by both Parties in advance, acting reasonably. No Party shall issue any press release or otherwise make public announcements with respect to this Agreement, the Arrangement, or any Acquisition Proposal without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed) provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure required under applicable Laws, and the Party making such disclosure shall use all commercially reasonable efforts to give prior notice to the other Party and reasonable opportunity to review or comment on the disclosure, and if prior notice is not possible, to give such notice immediately following the making of such disclosure.

2.8 United States Securities Law Matters. The Consideration Shares, the Replacement Options and the Purchaser Shares issuable upon exercise of the Replacement Options have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares and Replacement Options issued under the Arrangement to Company Shareholders and Company Optionholders in the United States will be issued by the Purchaser in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the “**Section 3(a)(10) Exemption**”) and in reliance upon exemptions from the registration or qualification requirements of applicable U.S. state securities laws. In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Purchaser to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Company Shareholders and Company Optionholders subject to the Arrangement;
- (d) the Court will have determined, prior to approving the Arrangement, that the terms and conditions of the exchanges of securities under the Arrangement are fair to the Company Shareholders and Company Optionholders pursuant to the Arrangement;
- (e) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Company Shareholders and Company Optionholders pursuant to the Arrangement;
- (f) the Company will ensure that each Person entitled to Consideration Shares and Replacement Options pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (g) the Interim Order will specify that each Person entitled to Consideration Shares and Replacement Options pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time;
- (h) each Person entitled to Consideration Shares and Replacement Options pursuant to the Arrangement will be advised that the same will be issued, distributed and exchanged, as applicable, pursuant to the Arrangement, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and will be issued, distributed and exchanged by the Purchaser in reliance on the Section 3(a)(10) Exemption and in reliance upon exemptions from the registration or qualification requirements of applicable U.S. state securities laws; and

- (i) the Final Order will expressly state that the Arrangement serves as a basis of a claim to the Section 3(a)(10) Exemption from the registration requirements otherwise imposed by the U.S. Securities Act regarding the distribution of Consideration Shares and Replacement Options pursuant to the Arrangement and is approved by the Court as being substantively and procedurally fair to Company Shareholders and Company Optionholders.

2.9 Arrangement and Effective Date.

- (a) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached to this Agreement as Exhibit A, as it may be amended as provided for in this Agreement.
- (b) Unless another time or date is agreed to in writing by the Parties, on the third Business Day after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions (excluding those conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date) set forth in Article 6 the Articles of Arrangement shall be filed by the Company with the Director. From and after the Effective Time, the Plan of Arrangement will have all of the effects provided by applicable Laws, including the CBCA.
- (c) The closing of the Arrangement will take place remotely by exchange of documents and signatures (or their electronic counterparts).

2.10 Lists of Shareholders.

- (a) At the reasonable request of the Purchaser from time to time, the Company shall provide the Purchaser with lists (in both written and electronic form) of (a) the names and addresses of all registered Company Shareholders, together with their respective holdings of Company Shares, (b) the names and addresses and holdings of all Persons having rights issued by the Company to acquire Company Shares (including Company Optionholders and Company Warrantholders), (c) the names of all participants and book based nominee registrants such as CDS & Co., CEDE & Co. and DTC, together with their respective holdings of Company Shares, and (d) the names of all non-objecting beneficial owners of Company Shares, together with their addresses and respective holdings of Company Shares. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Company Shareholders and lists of holdings and other assistance as the Company may reasonably request in order to be able to communicate with respect to the Arrangement with the Company Shareholders.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as disclosed in the Company Disclosure Letter (which, except as expressly stated therein, shall make reference to the applicable section below in respect of which such qualification is being made), the Company hereby represents and warrants to and in favour of the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions herein contemplated:

- (a) **Incorporation and Organization.** The Company is duly incorporated under the CBCA and each of the Company Subsidiaries is duly incorporated under the laws of its respective jurisdiction of incorporation, is validly subsisting, has full corporate and legal power and authority to own, lease and operate the properties currently owned, leased and operated by it and to conduct its business as currently conducted and is in good standing with respect to the filing of annual returns or the equivalent. Each of the Company and the Company Subsidiaries is duly qualified or licensed to do business and is in good standing as a foreign corporation or organization authorized to do business in all jurisdictions in which the character of the properties owned, leased or operated or the nature of the business conducted by it would make such qualification or licensing necessary. True and complete copies of the constating documents of the Company and the Company Subsidiaries have been provided to the Purchaser and no amendments to such constating documents have been authorized which have not been provided to the Purchaser.

- (b) **Capitalization.**
 - (i) The authorized capital of the Company consists of an unlimited number of Company Shares of which, as of the date hereof, 59,690,981 Company Shares are issued and outstanding. No Company Shares are held in treasury or authorized or reserved for issuance, other than upon the exercise of Company Options and Company Warrants, the details of which are disclosed in Schedule 3.1(b) of the Company Disclosure Letter. All outstanding Company Shares have been duly authorized and are validly issued, are fully paid and non-assessable and were issued in compliance with the articles of the Company and all applicable Laws. There are, and have been, no preemptive rights relating to the allotment or issuance of any of the issued and outstanding Company Shares. As of the date hereof, all outstanding Company Options, Company Warrants and contingent commitments to issue Company Shares are disclosed in Schedule 3.1(b) of the Company Disclosure Letter, and except for the holders thereof and the Purchaser under this Agreement, no Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for

the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of Company.

- (ii) There are no outstanding bonds, debentures or other evidences of indebtedness of Company having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the Company Shares on any matter.
- (iii) The Company has not, since the date of its incorporation, declared or paid any dividends or made any other distributions (in either case, in stock or property) on any of its shares.

(c) Company Subsidiaries.

- (i) The Company is the sole beneficial and registered owner of all of the outstanding shares in the capital of the Company Subsidiaries with good and marketable title thereto, free and clear of all Encumbrances. No Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the issued or unissued shares or any other securities of the Company Subsidiaries or the purchase or other acquisition from the Company Subsidiaries of any of their respective undertakings, business or assets.
- (ii) Other than the shares of the Company Subsidiaries, the Company does not own, beneficially, any shares in the capital of any corporation, and the Company does not hold any securities or obligations of any kind convertible into or exchangeable for shares in the capital of any corporation. The Company is not a party to any agreement to acquire any shares in the capital of any Person.

(d) Authority and No Violation.

- (i) The Company has all requisite corporate power and authority to enter into this Agreement and the documents required to be executed by it in connection with the transactions contemplated herein, to perform its obligations hereunder and, subject to obtaining the Company Shareholder Approval, the Interim Order and the Final Order as contemplated by Article 2, to consummate the Arrangement and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement and such other documents by the Company and the consummation by the Company of the transactions contemplated by this Agreement (including the Arrangement) and such other documents have been duly authorized by the Company Board and no other corporate

proceedings on the part of the Company are necessary to authorize this Agreement or the transactions contemplated hereby, other than:

- (A) with respect to the Circular and other matters relating solely thereto, including the implementation of the Arrangement, the approval of the Company Board; and
 - (B) with respect to the completion of the Arrangement, the receipt of the Company Shareholder Approval and such other corporate proceedings of the Company as may be required by the Interim Order.
- (ii) This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity. All documents required to be executed by the Company in connection with the transactions contemplated herein will be duly executed and delivered by the Company and, when so executed and delivered, will constitute a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.
- (iii) The approval of this Agreement and the other documents required to be executed by the Company in connection with the transactions contemplated herein, the execution and delivery by the Company of this Agreement and such other documents, and the performance by the Company of its obligations hereunder and the completion of the Arrangement and the transactions contemplated thereby, will not:
- (A) conflict with, result in a violation or breach of, constitute a default or require any consent (other than such as has already been obtained), to be obtained under, or give rise to any termination rights or payment obligation under, any provision of:
 - (1) its articles or incorporation, by-laws or any other agreement or understanding with any party holding an ownership interest in the Company;
 - (2) any resolutions of the Company Board (or any committee thereof) or Company Shareholders;
 - (3) any applicable Laws, subject to obtaining any required approval of the CSE to the transactions contemplated herein; or

- (4) subject to obtaining any consent, approval, permit or acknowledgement which may be required thereunder, details of which are set forth in Schedule 3.1(d) of the Company Disclosure Letter, any license or registration or any agreement, contract or commitment, written or oral, which the Company is a party to or bound by or subject to;
 - (B) give rise to any right of termination or acceleration of indebtedness of the Company, or cause any third party indebtedness of the Company to come due before its stated maturity;
 - (C) result in the imposition of any Encumbrance upon any of the assets of the Company or restrict, hinder, impair or limit the Company's ability to carry on its business as and where it is now being carried on or as and where it may be carried on in the future; or
 - (D) other than as described in Schedule 3.1(d) of the Company Disclosure Letter, result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any Person, or any increase in any Employee Benefits otherwise payable, or the acceleration of the time of payment, vesting or exercise of any Employee Benefits.
- (iv) No consent, approval, order, registration, notice, declaration or filing with, any Governmental Entity or other Person is required to be obtained by the Company in connection with the execution and delivery of this Agreement or any of the other documents contemplated hereby, or the consummation by the Company of the transactions contemplated hereby or thereby, other than:
- (A) any approvals required by the Interim Order;
 - (B) the Final Order;
 - (C) the Company Shareholder Approval;
 - (D) any required approval of the CSE to the transactions contemplated herein;
 - (E) the third party consents, approvals and notices listed in Schedule 3.1(d) of the Company Disclosure Letter; and
 - (F) any other consents, approvals, orders, authorizations, declarations or filings of or with a Governmental Entity which are purely of an administrative nature and which could be completed or obtained without Material Adverse Effect on the Company or the Business immediately after the Effective Date or which, if not obtained,

would not in the aggregate have a Material Adverse Effect on the Company.

- (e) **No Defaults.** Neither the Company nor the Company Subsidiaries are in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any contract, agreement, license or franchise to which it is a party which would, if terminated due to such default, cause a Material Adverse Effect on the Company.
- (f) **Reporting Issuer; Public Documents.**
 - (i) The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.
 - (ii) No securities of the Company are registered or required to be registered under Section 12 of the U.S. Exchange Act, the Company is not required to file reports under Section 13 or Section 15(d) of the U.S. Exchange Act, and the Company is not subject to any proceedings under or any order issued pursuant to section 12(j) of the U.S. Exchange Act.
 - (iii) The Company is not, nor has it ever been, an investment company registered or required to be registered under the 1940 Act.
 - (iv) The Company Shares are listed or posted for trading on the CSE under the symbol "UUSA", on the OTCQB under the symbol "UUSAF" and on the Frankfurt Stock Exchange under the symbol "F2C". The Company shares are not listed or quoted on any other market. The Company is in compliance in all material respects with the rules and policies of the CSE.
 - (v) The Company is not subject to any cease trade or other order of any Governmental Entity, and, to the knowledge of the Company, no inquiry, review or investigation (formal or informal) or other proceedings involving the Company that may operate to prevent or restrict trading of any securities of the Company are currently in progress or pending before any Governmental Entity.
 - (vi) The Company has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the CSE. The Company Information Record includes a true and complete copy of all forms, reports, statements, certifications, and other documents required to be filed by the Company. Such forms, reports, statements, certifications, and other documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation; and (ii) complied in all material respects with the requirements of applicable Securities Laws except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on the Company. The Company has not filed any confidential material change or other report or other document with any Securities Authorities, the CSE or

other self-regulatory authority which at the date hereof remains confidential.

(g) **Financial Matters.**

- (i) The Financial Statements of the Company have been, and all financial statements of the Company which are publicly disseminated by the Company in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS, applied on a basis consistent with prior periods (except as may be indicated in the notes to such financial statements) and all applicable Laws and present fairly or will present fairly, in all material respects:
 - (A) all the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of the Company and the Company Subsidiaries, as at the respective dates thereof; and
 - (B) the revenues, earnings, results of operations and cash flows of the Company and the Company Subsidiaries, for the respective periods covered thereby.
- (ii) The Company has no knowledge of any material adjustments, potential liabilities or obligations, which individually or in the aggregate have not been reflected in its Financial Statements, other than liabilities, indebtedness and obligations incurred by the Company in the ordinary course of business or as contemplated in this Agreement.

(h) **Business Carried on in Ordinary Course.** The Business has been carried on in the ordinary course since June 30, 2024 and since such date, except as disclosed in the Disclosure Letter:

- (i) there has not been any event, occurrence, development or state of circumstances or facts which has had or is reasonably likely to give rise to a Material Adverse Effect with respect to the Company or the Company Subsidiaries;
- (ii) there has not been any material write-down by the Company of any assets of the Company or the Company Subsidiaries;
- (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured) which has had or is reasonably likely to have a Material Adverse Effect with respect to the Company or the Company Subsidiaries has been incurred;
- (iv) there has been no increase in the Employee Benefits payable or to become payable by the Company or the Company Subsidiaries to any of their respective officers, directors, employees or advisors, other than in the ordinary course of business, and there has been no declaration, payment or

commitment or obligation of any kind for the payment or granting by the Company or the Company Subsidiaries of a bonus, stock option or other additional salary or compensation to any such Person, or any grant to any such Person of any increase in severance or termination pay, nor has the Company or either of the Company Subsidiaries agreed to do any of the foregoing;

- (v) neither the Company nor the Company Subsidiaries have acquired or sold, pledged, leased, encumbered or otherwise disposed of any material property or assets or incurred or committed to incur capital expenditures in excess of \$25,000 in the aggregate, as of the date hereof, nor have the Company or the Company Subsidiaries agreed to do any of the foregoing;
 - (vi) there has not been any acquisition or sale, lease, license, expiry or other disposition by the Company or the Company Subsidiaries of any interest in any Mineral Rights;
 - (vii) neither the Company nor the Company Subsidiaries have amended, modified, relinquished, terminated or failed to renew any Company Material Agreement, other than as publicly disclosed in the Company Information Record;
 - (viii) there has not been any satisfaction or settlement of any material claim, liability or obligation of the Company or the Company Subsidiaries;
 - (ix) the Company has not made any change in accounting policies, principles, methods, practices or procedures (including for bad debts, contingent liabilities or otherwise);
 - (x) there has been no waiver by the Company or the Company Subsidiaries or agreement to waive, any right of substantial value and neither the Company nor the Company Subsidiaries have entered into any commitment or transaction not in the ordinary course of business where such right, commitment or transaction is or would be material in relation to the Company, the Company Subsidiaries or the Business; and
 - (xi) neither the Company nor the Company Subsidiaries have agreed, announced, resolved or committed to do any of the foregoing.
- (i) **Partnerships or Joint Ventures.** Neither the Company nor the Company Subsidiaries are a partner or participant in any partnership, joint venture, profit-sharing arrangement or other business combination of any kind and is not party to any agreement under which it agrees to carry on any part of its Business or any other activity in such manner or by which it agrees to share any revenue or profit with any other Person.
- (j) **Minute Books and Corporate Records.** The minute and record books of the Company and the Company Subsidiaries contain complete and accurate minutes in

all material respects of all meetings of, and copies of all resolutions passed by, or consented to in writing by, its directors (and any committees thereof) and shareholders since its incorporation, all such meetings were duly called and held and all such resolutions were duly passed or enacted. The registers of shareholders, registers of transfers, registers of directors and other corporate registers of the Company and the Company Subsidiaries, as applicable, are complete and accurate in all material respects. Neither the Company nor the Company Subsidiaries are a party to or bound by or subject to any shareholder agreement or unanimous shareholder agreement governing its affairs or the relationships, rights and duties of shareholders and is not subject to a shareholder rights plan or “poison pill” or similar plan.

- (k) **Accuracy of Books and Records.** The financial books and records of the Company fairly and correctly set out and disclose in all material respects, in accordance with IFRS, its financial position as at the date hereof and all material financial transactions have been accurately recorded in such books and records on a consistent basis and in conformity with IFRS. All records, systems, controls, data or information (including any digital, electronic, mechanical, photographic or other technological process or device whether computerized or not) required to operate the Business are in the full possession and control of and are owned exclusively by the Company.
- (l) **Guarantees.** Neither the Company nor the Company Subsidiaries are a party to or bound by or subject to any Guarantee of the indebtedness of any other Person.
- (m) **Interested Persons.**
 - (i) No payment has been made or authorized by the Company or the Company Subsidiaries to or for the benefit of any Person who was at the applicable time an Interested Person, except Employee Benefits, management or other fees payable in the ordinary course of business and at the regular rates or as reimbursement of expenses incurred on behalf of the Company or the Company Subsidiaries.
 - (ii) Neither the Company nor the Company Subsidiaries are a party to or bound by or subject to any agreement, contract or commitment with any Interested Person, except for contracts of employment or contracts of service with independent contractors.
 - (iii) Neither the Company nor the Company Subsidiaries have any loan or indebtedness outstanding (except for obligations incurred in the ordinary course of business with respect to Employee Benefits, management or other fees and the reimbursement of expenses incurred on behalf of the Company or the Company Subsidiaries) to any Interested Person.
 - (iv) No Interested Person owns, directly or indirectly, in whole or in part, any property used in the operation of the Business as heretofore carried on.

- (v) No Interested Person has any cause of action or other claim whatsoever against, or owes any amount to, the Company or the Company Subsidiaries, except for any claims in the ordinary course of business such as claims for accrued vacation pay and accrued benefits under the Employee Benefits.
- (n) **Real Property.** Other than as disclosed in Schedule 3.1(n), neither the Company nor the Company Subsidiaries own, have any interest in, or are a party to or bound by or subject to any agreement, contract or commitment, or any option to purchase, any real or immovable property.
- (o) **Mineral Rights.**
 - (i) Schedule 3.1(o) to the Company Disclosure Letter contains a complete and accurate list of all Mineral Rights comprising the Company Material Properties.
 - (ii) The Company is the sole registered and beneficial owner of a 100% undivided interest in the Apex Property and no Person, other than the Company, has any option, agreement or right, including royalties or otherwise to acquire any interest in the Apex Property from the Company. To the knowledge of the Company, Atomic is the sole registered and beneficial owner of a 100% undivided interest in the Harts Point Property and no Person, other than the Company, has any option, agreement or right, including royalties or otherwise to acquire any interest in the Harts Point Property from Atomic.
 - (iii) There are no adverse claims against, or to the ownership of, or title to, the Apex Property or any challenge to the Company's right, title or interest in the Apex Property, nor is there any basis for any potential or future claims. To the knowledge of the Company, there are no adverse claims against, or to the ownership of, or title to, the Harts Point Property or any challenge to Atomic's right, title or interest in the Harts Point Property, nor is there any basis for any potential or future claims.
 - (iv) The Company has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of the Company or the Company Subsidiaries in the Apex Property. To the knowledge of the Company, Atomic has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Atomic in the Harts Point Property.
 - (v) The Apex Property has been properly located and recorded in compliance with applicable Law and is valid and subsisting. To the knowledge of the Company, the Harts Point Property has been properly located and recorded in compliance with applicable Law and is valid and subsisting.
 - (vi) The Company Material Properties are in good standing under applicable Law and, to the knowledge of the Company, all work required to be

performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid, incurred or accrued and all filings in respect thereof have been made.

- (vii) Neither the Company nor the Company Subsidiaries have elected or refused to participate in any exploration, development or other operations with respect to the Company Material Properties which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Company Material Properties.
- (viii) There is no material adverse claim against or challenge to the title to or ownership of the Company Material Properties. The Company is not aware of any defects, failures or impairments in the title of the Company to the Company Material Properties whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect in respect of the Company.
- (ix) Other than the Option Agreement, there are no back-in rights, earn-in rights, farm-in rights, streaming arrangements, purchase options, rights of first refusal or similar provisions or rights or any agency marketing fees, volume or production based payments or any other arrangements or payments (actual or contingent) which would affect or entitle any Person to receive any payment in connection with the Company's interest in the Company Material Properties or the production or sale of minerals therefrom.
- (x) The Company, Atomic and their respective agents have conducted all activities on or in respect of the Company Material Properties in compliance with all applicable Laws.
- (xi) There are no material restrictions on the ability of the Company, Atomic or the Company Subsidiaries to use or exploit the Company Material Properties, except pursuant to the applicable Laws and subject to the terms and conditions of the Option Agreement.
- (xii) The Company has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by the Company under any agreement pertaining to the Company Material Properties or to its other material assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.

- (xiii) Subject to the rights, covenants, conditions and stipulations in the title documents pertaining to the Company Material Properties and the Option Agreement, the Company may enter into and upon, hold and enjoy the Company Material Properties for its own use and benefit without any lawful interruption of or by any other Person.
 - (xiv) The Company has provided the Purchaser with access to full and complete copies of all material exploration information and data within its possession or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Company Material Properties, and the Company or the Company Subsidiaries have the sole right, title and ownership of all such information, data, reports and studies.
- (p) **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to the Company:
- (i) all rentals, royalties, overriding royalty interests, production payments, net profit interests, burdens, payments and obligations due and payable, or to be performed, as the case may be, on or prior to the date hereof under, with respect to, or on account of, the Company Material Properties have been duly paid, duly performed, or otherwise provided for prior to the date hereof;
 - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements relating to the Company Material Properties to which the Company or the Company Subsidiaries are directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business;
 - (iii) as of the date of this Agreement there are no operational, geotechnical, geochemical or structural issues, social conflicts or limitations to surface rights, relating to the exploration and development of the Company Material Properties; and
 - (iv) any and all operations of the Company and the Company Subsidiaries and, to the knowledge of the Company, any and all operations by third parties, on or in respect of the Company Material Properties have been conducted in accordance with reasonable and prudent Canadian mining industry practices and in compliance with applicable Laws.
- (q) **Employment and Employee Benefit Matters.**

- (i) As at the date hereof, the Company had no employees and 2 independent contractors or non-employees who supply their services under personal services contracts or other consulting agreements (whether written or oral).
- (ii) As at the date hereof, the Company Subsidiaries had no employees, and no independent contractors or other non-employees who supply their services under personal services contracts or other consulting agreements (whether written or oral).
- (iii) Other than as disclosed in Schedule 3.1(r) of the Company Disclosure Letter, neither the Company nor the Company Subsidiaries are a party to or bound by or subject to any agreement or arrangement with respect to Employee Benefits in excess of \$50,000 and no such agreement or arrangement contains any specific provision as to notice of termination of employment or severance pay in lieu thereof.
- (iv) Neither the Company nor the Company Subsidiaries have any obligations to amend any Employee Benefit and no amendments will be made or promised prior to the Effective Date, except with the prior written consent of the Purchaser.
- (v) All obligations of the Company and the Company Subsidiaries as of June 30, 2024, with respect to Employee Benefits are reflected in and have been fully accrued in the Annual Financial Statements of the Company.
- (vi) Neither the Company nor the Company Subsidiaries are a party to or bound by or subject to any collective bargaining agreement or other similar arrangement with any labour union or employee association nor has it made any commitment to or conducted any negotiation or discussion with any labour union or employee association with respect to any future agreement or arrangement and, to the knowledge of the Company, there is no current application for certification or other attempt to organize or establish any labour union or employee association with respect to employees of the Company or the Company Subsidiaries.
- (vii) Except as disclosed in Schedule 3.1(r) of the Company Disclosure Letter, no Person will, as a result of the transactions contemplated hereby, become entitled to (i) any retirement, severance, bonus or other such payment, (ii) the acceleration of the vesting or time to exercise of any outstanding stock options or other Employee Benefits (including the Company Options), (iii) the forgiveness or postponement of payment of any indebtedness owing to the Company or the Company Subsidiaries, or (iv) receive any additional payments or compensation under or in respect of any Employee Benefits.
- (viii) All accruals for unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan, accrued wages, salaries and

commissions and other Employee Benefits have been reflected in the books and records of the Company.

- (r) **Debt Instruments.** Neither the Company nor the Company Subsidiaries are bound by or subject to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument.
- (s) **Leases and Leased Property.**
 - (i) Except as disclosed in Schedule 3.1(t) of the Company Disclosure Letter, neither the Company nor the Company Subsidiaries are a party to or bound by or subject to nor have the Company or the Company Subsidiaries agreed or become bound to enter into, any real or personal property lease or sublease or other right of occupancy relating to real property, whether as lessor or lessee. The Company or the Company Subsidiaries occupy and have the exclusive right to occupy and use all immovable Leased Property and has the exclusive right to use all movable Leased Property.
 - (ii) Each of the Leases is valid and subsisting and in good standing, all rental and other payments required to be paid by the Company or the Company Subsidiaries, as lessee or sublessee and due and payable pursuant to the Leases have been duly paid to date and neither the Company nor the Company Subsidiaries are otherwise in default in meeting its obligations under any of the Leases and is entitled to all rights and benefits thereunder. No event exists which, but for the passing of time or the giving of notice, or both, would constitute a default by the Company or the Company Subsidiaries, or to the knowledge of the Company, any other party to any Lease and no party to any Lease is claiming any such default or taking any action purportedly based upon any such default.
- (t) **Insurance.** Neither the Company nor the Company Subsidiaries maintain any insurance coverage except as disclosed in Schedule 3.1(u) of the Company Disclosure Letter. The policies and the coverage disclosed in Schedule 3.1(u) of the Company Disclosure Letter are in full force and effect and the Company or the Company Subsidiaries are in good standing under each policy and there is no claim outstanding under any such policy.
- (u) **Material Agreements.** All of the Company Material Agreements are listed in Schedule 3.1(v) of the Company Disclosure Letter.
- (v) **No Breach of Material Agreements.**
 - (i) The Company and the Company Subsidiaries have performed all of the material obligations required to be performed by them and are entitled to all benefits under, and are not in default in respect of, any Company Material Agreement to which it is a party. Each of the Company Material Agreements is:

- (A) enforceable by the Company or the Company Subsidiaries in accordance with its terms (subject to any limitation under bankruptcy, insolvency or other Laws affecting creditors' rights generally and to general principals of equity); and
- (B) in full force and effect, unamended, and there exists no breach thereof or default or event of default or event, occurrence, condition or act with respect to the Company or the Company Subsidiaries or, to the Company's knowledge, with respect to the other contracting party or otherwise that, with or without the giving of notice, the lapse of time or the happening of any other event or conditions and but for any waiver or extension granted by the other contracting party, would
 - (1) become a default or event of default under any Company Material Agreement, or
 - (2) result in the loss or expiration of any right or option by the Company or the Company Subsidiaries (or the gain thereof by any third party) under any Company Material Agreement.
- (ii) The Company has not received any notice of default from the other contracting party or otherwise pursuant to any Company Material Agreement.
- (iii) The Company has delivered a true, correct and complete copy of each of the Company Material Agreements to the Purchaser.
- (w) **Legal Proceedings.** There are no claims, actions, suits, complaints, investigations or proceedings (whether private, governmental or otherwise, and whether or not purportedly on behalf of the Company or the Company Subsidiaries) in progress, pending, or to the knowledge of the Company, threatened, against or affecting the Company or the Company Subsidiaries (including actions, suits, investigations or proceedings against any directors, officers or employees of the Company or the Company Subsidiaries which relate to the Business, affairs, assets or operations of the Company or the Company Subsidiaries), at law or in equity, or before or by any Governmental Entity which, individually or in the aggregate, may reasonably be expected to have a Material Adverse Effect with respect to the Company. There is no judgment, decree, injunction, ruling, order or award of any Tribunal outstanding against or affecting the Company or the Company Subsidiaries. The Company is not aware of any grounds on which any such action, suit, investigation or proceeding might be commenced with any reasonable likelihood of success, and does not have any present plans or intentions to initiate any litigation, arbitration or other proceedings against any third party.
- (x) **Compliance with Applicable Laws.** The Company and the Company Subsidiaries have conducted and are conducting the Business in compliance in all material

respects with all applicable Laws, are not in material breach of any of such Laws and are duly licensed or registered in each jurisdiction in which they own or lease property and assets or carries on the Business, so as to enable the Business to be carried on as now conducted and their property and assets to be so owned or leased. Neither the Company nor the Company Subsidiaries have received notice of any violation of applicable Laws in any jurisdiction.

(y) **Banking Information.** Schedule 3.1(z) of the Company Disclosure Letter sets forth and describes:

- (i) the name and location (including municipal address) of each bank, trust company or other institution in which the Company or the Company Subsidiaries have an account, money on deposit or a safety deposit box and the name of each Person authorized to draw thereon or to have access thereto; and
- (ii) the name of each Person holding a general or special power of attorney from the Company or the Company Subsidiaries and a summary of the terms thereof.

(z) **Insolvency.** No act or proceeding has been taken by or against the Company or the Company Subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Company or the Company Subsidiaries or for the appointment of a trustee, receiver, manager or other administrator of the Company or any of its properties or assets nor, to the knowledge of the Company, is any such act or proceeding threatened. Neither the Company nor the Company Subsidiaries have sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither the Company, the Company Subsidiaries nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of the Company or the Company Subsidiaries to conduct the Business in all material respects as it has been carried on prior to the date hereof, or that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

(aa) **Tax Matters.**

- (i) The Company and the Company Subsidiaries have duly filed with each appropriate Governmental Entity, in the prescribed manner and within the prescribed time, all Tax Returns required to be filed by them on or before the date hereof and each such Tax Return was true, correct and complete in all respects.

- (ii) The Company and the Company Subsidiaries have duly and timely paid all Taxes and installments on account of Taxes that are due and payable by them (whether or not shown due on any Tax Returns and whether or not assessed or reassessed by the appropriate Governmental Entity).
- (iii) The Company has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including all goods and services, harmonized sales, value added, provincial and territorial taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
- (iv) The Financial Statements of the Company fully reflect accrued liabilities for all Taxes which were not yet then due and payable and for which Tax Returns were not yet then required to be filed.
- (v) There are no actions, suits, investigations or proceedings and no assessment, reassessment or request for information in progress, and the Company has not received written notice of any actions, suits, investigations, assessments or reassessments pending, threatened against or affecting the Company or the Company Subsidiaries in respect of Taxes, nor are any issues under discussion with any taxing authority relating to any matters which could result in claims for additional Taxes.
- (vi) There are no agreements, waivers or other arrangements made by the Company or the Company Subsidiaries providing for an extension of time with respect to any assessment, reassessment, or collection of Tax, the filing of any Tax Return or the payment or remission of any Tax by the Company, and no request for any such agreement, waiver or other arrangement is currently pending.
- (vii) The Company and the Company Subsidiaries have duly and timely withheld or collected the proper amount of all Taxes and other deductions required under any applicable Laws to be withheld or collected by them (including Taxes and other amounts required to be withheld by them in respect of any amount paid or credited or deemed to be paid or credited by them to or for the account or benefit of any Person, including any employee, officer or director and any non-resident Person) and have duly and timely paid or remitted to the appropriate Governmental Entity such Taxes and other amounts required to be remitted or paid by them.
- (viii) The Company and the Company Subsidiaries have complied with and satisfied all obligations to incur expenses, make required disbursements and renounce any Canadian exploration expense or Canadian development expense with respect to any flow-through shares of the Company or the Company Subsidiaries issued in connection with a “flow-through share”

(within the meaning of the ITA) financing of the Company or the Company Subsidiaries.

- (ix) As of the date hereof, the Company does not have any outstanding obligations under agreements pertaining to “flow-through shares” (within the meaning of the ITA).
- (x) Neither the Company nor the Company Subsidiaries are a party to, or bound by, any Tax indemnity, Tax-sharing or Tax-allocation agreement.
- (xi) The Company is registered for GST purposes under Part IX of the *Excise Tax Act* (Canada) under registration number 80517 8803 RT0001.
- (xii) No written claim has been made to the Company or the Company Subsidiaries by any Governmental Entity in a jurisdiction where Company and the Company Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction.
- (xiii) None of sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the Tax legislation of any Province, Territory, or any other jurisdiction, have applied or will apply to the Company or the Company Subsidiaries at any time up to and including the Effective Time.
- (xiv) Neither the Company nor the Company Subsidiaries have acquired property from, or transferred property to, a non-arm's length Person, within the meaning of the ITA, for consideration the value of which is less than the fair market value of the property acquired or transferred.
- (xv) The Company and the Company Subsidiaries have complied with the transfer pricing provisions of any applicable Law relating to Taxes, including the contemporaneous documents and disclosure requirements thereunder.
- (xvi) Neither the Company nor the Company Subsidiaries claimed any amount under the Canada Emergency Wage Subsidy or any other COVID-19 related assistance or subsidies in respect of any period (or portion thereof) ending on or prior to the Effective Date that they were not otherwise entitled to in accordance with the ITA and satisfied at all times all relevant criteria and conditions entitling them to such amounts and, for greater certainty, section 125.7(6) of the ITA did not apply in respect of such amounts.
- (xvii) Except pursuant to this Agreement or as specifically disclosed in writing to the Purchaser, no person or group of persons has ever acquired or had the right to acquire control of the Company or the Company Subsidiaries for purposes of the ITA or any other applicable Tax statute.
- (xviii) The Company has made available to Purchaser (i) copies of all T2 corporate income Tax Returns filed by the Company and the Company Subsidiaries

for each fiscal year ending on or after June 30, 2024 and (ii) all material written communication to or from any Governmental Entity relating to the Taxes of the Company and the Company Subsidiaries.

- (xix) For purposes of the ITA:
 - (A) the Company is resident in Canada; and
 - (B) at no time has either of the Company Subsidiaries been resident in a country other than Canada.
- (xx) There are no Encumbrances for Taxes upon any properties or assets of the Company or the Company Subsidiaries (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Financial Statements).
- (bb) **Licenses.** Schedule 3.1(cc) of the Company Disclosure Letter sets out a complete and accurate list of all material licenses, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or similar type) relating to the Business (the “**Company Licenses**”), and there are no other material licenses, permits, approvals, consents, certificates, registrations, or authorizations, necessary to carry on its Business as presently carried on or to own or lease any of the material property or assets utilized by the Company. Each Company License is valid and subsisting and in good standing and there is no default or breach of any Company License and, to the knowledge of the Company, no proceeding is pending or threatened to revoke or limit any Company License. Except as disclosed in Schedule 3.1(cc) of the Company Disclosure Letter, no Company License is non-renewable, expires within 12 months or contains any burdensome term, provision, condition or limitation which has or could have a Material Adverse Effect on the Company or the Business.
- (cc) **No Business Restrictions.** There is no agreement (non-compete or otherwise), commitment, judgment, injunction, order or decree to which the Company or the Company Subsidiaries are party or which is otherwise binding upon the Company or the Company Subsidiaries which has or reasonably could be expected to have the effect of prohibiting or impairing any business practice of the Company or the Company Subsidiaries, any acquisition of property (tangible or intangible) by the Company or the Company Subsidiaries or the conduct of business by the Company, as currently conducted or proposed to be conducted.
- (dd) **Liabilities.** There are no material liabilities of the Company of any kind (whether accrued, absolute, contingent or otherwise and whether matured or unmatured) existing on the date hereof except for:
 - (i) liabilities (including liabilities for unpaid Taxes) disclosed on, reflected in or provided for in the Financial Statements;

- (ii) liabilities disclosed or referred to in this Agreement;
 - (iii) liabilities incurred in the ordinary course of business and attributable to the period since June 30, 2024, none of which, individually or in the aggregate, has a Material Adverse Effect on the Company; and
 - (iv) liabilities incurred in connection with this Agreement or the transactions contemplated in this Agreement.
- (ee) **Environmental.**
- (i) The operation of the Business by the Company, the property and assets owned or used by the Company and the use, maintenance and operation thereof have been and are in compliance with all Environmental Laws. The Company has complied with all reporting and monitoring requirements under all Environmental Laws. The Company has not received any notice of any non-compliance with any Environmental Laws or Environmental Permits, and the Company has not been convicted of an offence of non-compliance with any Environmental Laws or Environmental Permits or been fined or otherwise sentenced or settled such prosecution short of conviction.
 - (ii) The Company or the Company Subsidiaries have obtained all material Environmental Permits necessary to conduct its Business and to own, use and operate its properties and assets, all such Environmental Permits are in full effect, no appeal or other action is pending to revoke any such Environmental Permit and the operation of the Business of the Company, the property and assets owned by the Company and the Company Subsidiaries and the use, maintenance and operation thereof have been and are in compliance with all Environmental Permits. To the extent required by applicable Environmental Laws, the Company or the Company Subsidiaries have filed all applications necessary to renew or obtain any necessary permits, licenses, or authorizations in a timely fashion so as to allow it to continue to operate its Business in compliance with applicable Environmental Laws, and the Company does not expect such new or renewed licenses, permits or other authorizations to include any terms or conditions that will have a Material Adverse Effect in respect of the Company.
 - (iii) The Company and the Company Subsidiaries have, at all times, used, generated, treated, stored, transported, disposed of or otherwise handled its Hazardous Substances in compliance with all Environmental Laws and Environmental Permits.
 - (iv) Neither the Company nor the Company Subsidiaries are, and, to the knowledge of the Company, there is no reasonable basis upon which the

Company or the Company Subsidiaries could become, responsible for any material clean up or corrective action under any Environmental Laws.

- (v) All audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health and safety matters relating to the Company or the Company Subsidiaries have been made available to the Purchaser and are listed in Schedule 3.1(ff) of the Company Disclosure Letter.
- (vi) There are no past or present (or, to the Company's knowledge, future) events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance by the Company or the Company Subsidiaries with the Environmental Laws as in effect on the date hereof or which may give rise to any liability under the Environmental Laws, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, notice of violation, study or investigation, based on or related to the manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport or handling, or the Release or threatened Release into the indoor or outdoor environment by the Company or the Company Subsidiaries of any Hazardous Substances.
- (ff) **Working Capital.** The Company's Working Capital as at February 28, 2024, is set forth in Schedule 3.1(gg) of the Company Disclosure Letter.
- (gg) **Intellectual Property.**
 - (i) The Company or the Company Subsidiaries own or have the valid right to use all trade-marks, service marks, and trade names used by the Company in connection with the Business.
 - (ii) To the knowledge of the Company, the operation of the Business does not infringe or misappropriate the intellectual property rights of any Person, violate the rights of any Person (including rights to privacy or publicity) or constitute unfair competition or trade practices under the Laws of any applicable jurisdiction.
- (hh) **Advisory Fees; Third Party Expenses.** Except for the accountants, lawyers and investment bankers of the Company retained to negotiate, advance, carry out and complete the transactions contemplated herein, there is no investment banker, broker, finder, or other intermediary or advisor that has been retained by or is authorized to act on behalf of the Company, or any of its directors, officers or shareholders who might be entitled to any fee, commission or reimbursement of expenses from the Company upon consummation of the transactions contemplated by this Agreement.
- (ii) **Corrupt Practices.** Neither the Company nor the Company Subsidiaries, nor to the knowledge of the Company, any of their respective Representatives has taken,

directly or indirectly any action which would cause the Company or the Company Subsidiaries to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (and the regulations promulgated thereunder), or any applicable Laws of similar effect of any other jurisdiction (collectively, the “**Anti-Corruption Laws**”) and to the knowledge of the Company no such action has been taken by any of its Representatives or affiliates. The Company and the Company Subsidiaries have conducted their business in compliance with Anti-Corruption Laws.

- (jj) **OFAC.** The Company has not had and, to the knowledge of the Company, no director, officer, agent, employee or affiliate of the Company has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”) imposed upon such Person; and the Company is not in violation of any of the economic sanctions of the United States administered by OFAC or any Laws or executive order relating thereto (the “**U.S. Economic Sanctions**”) or conducting business with any Person subject to any U.S. Economic Sanctions.
- (kk) **Aboriginal Affairs.**
- (i) There is no Aboriginal Claim of which the Company has received notice, which has been made or, to the knowledge of the Company, threatened with respect to the Company Material Properties or any authorization issued by any Governmental Entity in respect of, or otherwise related to the Company, the Company Subsidiaries or the Company Material Properties.
- (ii) To the knowledge of the Company, no other Person, including Persons representing or purporting to represent an Aboriginal Group, and no Aboriginal Group, has asserted any right or interest of any kind whatsoever, relating to the Company Material Properties.
- (iii) Schedule 3.1(kk) of the Company Disclosure Letter sets out all agreements between the Company, the Company Subsidiaries and any Aboriginal Group. To the knowledge of the Company, all existing agreements, memoranda of understanding and similar arrangements with Aboriginal Groups are in full force and effect and there has been no assertion that the Company or the Company Subsidiaries are in breach or default under any such arrangements. There are no material ongoing or outstanding discussions, negotiations or similar communications with or by any Aboriginal Group concerning the Company, the Company Subsidiaries or their business, operations or assets.
- (iv) Neither the Company nor the Company Subsidiaries have received any notice, whether written or oral from any Governmental Entity, Aboriginal

Group or any Persons representing or purporting to represent an Aboriginal Group of the exercise or assertion of any Aboriginal Claim in the area of the Company Material Properties or of an impact on any asserted Aboriginal Claim involving any works on the Company Material Properties.

- (v) There has not been any blockade or other program of civil disobedience undertaken by any Aboriginal Group with respect to the Company Material Properties or otherwise affecting the Company Material Properties, nor to the knowledge of the Company has any responsible official of any Aboriginal Group threatened the Company or the Company Subsidiaries with any blockade or other program of civil disobedience with respect to the Company Material Properties or which could reasonably be expected to affect the Company Material Properties.
- (ll) **Non-Governmental Organizations and Community Groups.** No material dispute between the Company or the Company Subsidiaries and any non-governmental organization, community, community group, civil organization or Aboriginal Group exists or, to the Company's knowledge, is threatened or imminent with respect to any of the Company's or the Company Subsidiaries' properties or exploration activities. The Company has provided the Purchaser and its Representatives with full and complete access to all material correspondence received by the Company, the Company Subsidiaries or their Representatives from any non-governmental organization, community, community group, civil organization or Aboriginal Group.
- (mm) **No Option on Assets.** No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from the Company or the Company Subsidiaries of any of the material assets of the Company other than pursuant to the transactions contemplated in this Agreement.
- (nn) **Recommendation.** As of the date hereof:
 - (i) the Company Board has determined, after receiving financial and legal advice, that the Arrangement is fair to the Company Shareholders and in the best interests of the Company;
 - (ii) the Company Board has decided to recommend that the Company Shareholders vote in favour of the Arrangement Resolution; and
 - (iii) all of the Company's directors have advised the Company that they intend to vote the Company Shares held by them in favour of the Arrangement and will, accordingly, so represent in the Circular.
- (oo) **Other Negotiations.** The Company (a) has not entered into any agreement that conflicts with any of the transactions contemplated by this Agreement, and (b) has not entered into any agreement or had any discussions with any Person regarding any transaction involving the Company which could reasonably be expected to result in any of the Purchaser, the Company or to the knowledge of the Company

any of their respective officers, directors or employees being subject to any claim for liability to such Person as a result of entering into this Agreement or consummating the transactions contemplated hereby.

- (pp) **No Collateral Benefits.** Except as set out in Schedule 3.1(pp) of the Company Disclosure Letter, to the knowledge of the Company, no related party of the Company or the Company Subsidiaries:
- (i) is a party to any connected transaction to the Arrangement; or
 - (ii) is entitled to receive as a consequence of the Arrangement or the other transactions contemplated by this Agreement any collateral benefit.
 - (iii) The terms “**related party**”, “**connected transaction**”, and “**collateral benefit**” are used in this paragraph as defined in MI 61-101.
- (qq) **Full Disclosure.** The Company Information Record, the Company Datasite Information and the Company Disclosure Letter taken together disclose all material facts related to Company, the Company Subsidiaries and their respective businesses, financial conditions, assets, liabilities and operations. The representations and warranties of Company contained in this Agreement, the statements of the Company contained in the Company Disclosure Letter and in any certificate furnished to the Purchaser pursuant to any provision of this Agreement and the information included in the Company Datasite Information, taken together with the Company Information Record, are true and correct in all material respects and do not contain any misrepresentation. All information provided by the Company to the Purchaser in relation to the Purchaser’s due diligence requests are true and correct in all material respects, do not contain any misrepresentations and there are no material omissions.

3.2 Representations and Warranties of the Purchaser. The Purchaser represents and warrants to and in favour of the Company as follows and acknowledges that the Company is relying upon such representations and warranties in connection with the transactions herein contemplated:

- (a) **Incorporation and Organization.** The Purchaser is a corporation duly incorporated under the BCBCA, is validly subsisting, has full corporate and legal power and authority to own, lease and operate the properties currently owned, leased and operated by it and to conduct its business as currently conducted, and is in good standing with respect to the filing of annual returns. The Purchaser is duly qualified or licensed to do business and is in good standing as a foreign corporation or organization authorized to do business in all jurisdictions in which the character of the properties owned, leased or operated or the nature of the business conducted by it would make such qualification or licensing necessary. True and complete copies of the constating documents of the Purchaser have been provided to the Company and no amendments to such constating documents have been authorized

which have not been provided to the Company. No proceedings have been instituted or are pending for the dissolution or liquidation of the Purchaser.

(b) **Capitalization.**

- (i) The authorized capital of the Purchaser consists of an unlimited number of Purchaser Shares, of which, as of the date hereof, 121,927,277 Purchaser Shares are issued and outstanding. All outstanding Purchaser Shares have been duly authorized and are validly issued, are fully paid and non-assessable and were issued in compliance with the articles of the Purchaser and all applicable Laws. Except for employee stock options granted by the Purchaser pursuant to employment compensation plans and outstanding warrants or as otherwise disclosed in the Purchaser Information Record, no Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of the Purchaser or the purchase or other acquisition from the Purchaser of any of its undertakings, business or assets. The Consideration Shares to be issued pursuant to the Arrangement and the Purchaser Shares issuable upon exercise from time to time of the Replacement Options and outstanding Company Warrants in accordance with their respective terms, will, when issued and delivered be duly and validly issued by the Purchaser on their respective dates of issue as fully paid and non-assessable shares and will not be issued in violation of the terms of any agreement or other understanding binding upon the Purchaser at the time that such shares are issued and will be issued in compliance with the constating documents of the Purchaser and all applicable Laws. As of the Effective Date, all of the Replacement Options will be outstanding as duly authorized and validly existing options to acquire Purchaser Shares which will not be issued in violation of the terms of any agreement or other understanding binding upon the Purchaser at the time at which they are issued and will be issued in compliance with the Purchaser Option Plan.
- (ii) There are no outstanding bonds, debentures or other evidences of indebtedness of the Purchaser having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the Purchaser Shares on any matter.

(c) **Purchaser Subsidiaries.**

- (i) The Purchaser is the sole beneficial and registered owner of all of the outstanding shares in the capital of the Purchaser Subsidiaries with good and marketable title thereto, free and clear of all Encumbrance. No Person has any other agreement, option, commitment, arrangement, or any other

right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the issued or unissued shares or any other securities of the Purchaser Subsidiaries or the purchase or other acquisition from the Purchaser Subsidiaries of any of their respective undertakings, business or assets.

- (ii) Other than the shares of the Purchaser Subsidiaries and the Minas Shares, the Purchaser does not own, beneficially, any shares in the capital of any corporation, and the Purchaser does not hold any securities or obligations of any kind convertible into or exchangeable for shares in the capital of any corporation. The Purchaser is not a party to any agreement to acquire any shares in the capital of any Person.
- (iii) All of the Purchaser's interests in the Purchaser Material Properties are held directly or indirectly by the Purchaser. Other than Numberco, none of the Purchaser Subsidiaries are material to the Purchaser.

(d) **Authority and No Violation.**

- (i) The Purchaser has all requisite corporate power and authority to enter into this Agreement and the documents required to be executed by it in connection with the transactions contemplated herein, to perform its obligations hereunder and to consummate the Arrangement and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement by the Purchaser and such other documents by the Purchaser and the consummation by the Purchaser of the transactions contemplated by this Agreement (including the Arrangement) and such other documents have been duly authorized by its board of directors and no other corporate proceedings on its part are necessary to authorize this Agreement or the transactions contemplated hereby.
- (ii) This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity. All documents required to be executed by the Purchaser in connection with the transactions contemplated herein will be duly executed and delivered by the Purchaser and, when so executed and delivered, will constitute a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.

- (iii) The approval of this Agreement and the other documents required to be executed by the Purchaser in connection with the transactions contemplated herein, the execution and delivery by the Purchaser of this Agreement and such other documents, the performance by it of its obligations hereunder and the completion of the Arrangement and the transactions contemplated thereby, will not:
 - (A) conflict with, result in a violation or breach of, constitute a default, or require any consent (other than such as has already been obtained) to be obtained under, or give rise to any termination rights or payment obligation under any provision of:
 - (1) its notice of articles or articles or any other agreement or understanding with any party holding an ownership interest in the Purchaser;
 - (2) any resolutions of its board of directors (or any committee thereof) or shareholders;
 - (3) any applicable Laws, subject to obtaining authorization for listing of the Consideration Shares and the Purchaser Shares issuable upon exercise of the Replacement Options and outstanding Company Warrants on the TSX-V; or
 - (4) any license or registration or any agreement, contract or commitment, written or oral, which the Purchaser is a party to or bound by or subject to;
 - (B) give rise to any right of termination or acceleration of indebtedness of the Purchaser, or cause any third-party indebtedness to come due before its stated maturity; or
 - (C) result in the imposition of any Encumbrance upon any of its assets or restrict, hinder, impair or limit its ability to carry on its business as and where it is now being carried on or as and where it may be carried on in the future.
- (iv) No consent, approval, order, registration, notice, declaration or filing with, any Governmental Entity or other Person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or any of the other documents contemplated hereby, or the consummation by the Purchaser of the transactions contemplated hereby or thereby other than:
 - (A) obtaining authorization for listing of the Consideration Shares and the Purchaser Shares issuable and upon exercise of the Replacement Options and the Company Warrants on the TSX-V;

- (B) any approvals required by the Interim Order;
 - (C) the Final Order; and
 - (D) any other consents, approvals, orders, authorizations, declarations or filings of or with a Governmental Entity which are purely of an administrative nature and which could be completed or obtained without Material Adverse Effect on the Purchaser immediately after the Effective Date or which, if not obtained, would not in the aggregate have a Material Adverse Effect on the Purchaser.
- (e) **No Defaults.** The Purchaser is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any contract, agreement, license or franchise to which it is a party which would, if terminated due to such default, cause a Material Adverse Effect on the Purchaser.
- (f) **Reporting Issuer; Public Documents.**
- (i) The Purchaser is a reporting issuer in each of the Provinces and Territories of Canada and is not on the list of reporting issuers in default under applicable Securities Laws.
 - (ii) The Purchaser is not subject to the reporting requirements of the U.S. Exchange Act.
 - (iii) The Purchaser Shares are listed and posted for trading on the TSX-V under the symbol “AERO” and on the Frankfurt Stock Exchange under the symbol “97E0” and are also quoted on the OTC Pink under the symbol “AAUGF”. The Purchaser Shares are not listed or quoted on any other market. The Purchaser is in compliance in all material respects with the rules and policies of the TSX-V.
 - (iv) The Purchaser is not subject to any cease trade or other order of any Governmental Entity, and, to the knowledge of the Purchaser, no inquiry, review or investigation (formal or informal) or other proceedings involving the Purchaser that may operate to prevent or restrict trading of any securities of the Purchaser are currently in progress or pending before any Governmental Entity.
 - (v) The Purchaser has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the TSX-V. The Purchaser Information Record includes a true and complete copy of all forms, reports, statements, certifications, and other documents required to be filed by the Purchaser. Such forms, reports, statements, certifications, and other documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation; and (ii) complied in all material respects with the requirements of applicable

Securities Laws except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on the Purchaser. The Purchaser has not filed any confidential material change or other report or other document with any Securities Authorities, the TSX-V or other self-regulatory authority which at the date hereof remains confidential.

(g) **Financial Matters.**

- (i) The Financial Statements of the Purchaser have been, and all financial statements of the Purchaser which are publicly disseminated by the Purchaser in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS, applied on a basis consistent with prior periods (except as may be indicated in the notes to such financial statements) and all applicable Laws and present fairly or will present fairly, in all material respects:
 - (A) all the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of the Purchaser, as at the respective dates thereof; and
 - (B) the revenues, earnings, results of operations and cash flows of the Purchaser and the Purchaser Subsidiaries, for the respective periods covered thereby.
- (ii) The Purchaser has no knowledge of any material adjustments, potential liabilities or obligations, which individually or in the aggregate have not been reflected in its Financial Statements other than liabilities, indebtedness and obligations incurred by the Purchaser in the ordinary course of business, or as contemplated in this Agreement.

(h) **Business Carried on in Ordinary Course.** The Business has been carried on in the ordinary course since April 30, 2024 and since such date:

- (i) there has not been any event, occurrence, development or state of circumstances or facts which has had or is reasonably likely to give rise to a Material Adverse Effect with respect to the Purchaser;
- (ii) there has not been any material write-down by the Purchaser of any assets of the Purchaser;
- (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured) which has had or is reasonably likely to have a Material Adverse Effect with respect to the Purchaser has been incurred;

- (iv) the Purchaser has not made any change in accounting policies, principles, methods, practices or procedures (including for bad debts, contingent liabilities or otherwise); and
 - (v) the Purchaser has not agreed, announced, resolved or committed to do any of the foregoing.
- (i) **Minute Books and Corporate Records.** The minute and record books of the Purchaser and the Purchaser Subsidiaries contain complete and accurate minutes in all material respects of all meetings of, and copies of all resolutions passed by, or consented to in writing by, its directors (and any committees thereof) and shareholders since its incorporation, all such meetings were duly called and held and all such resolutions were duly passed or enacted. The registers of shareholders, registers of transfers, registers of directors and other corporate registers of the Purchaser and the Purchaser Subsidiaries, as applicable, are complete and accurate in all material respects. Neither the Purchaser nor the Purchaser Subsidiaries are a party to or bound by or subject to any shareholder agreement or unanimous shareholder agreement governing its affairs or the relationships, rights and duties of shareholders.
- (j) **Mineral Rights.**
- (i) Numberco has the right to earn up to a 100% interest in the Mineral Rights comprising the Sun Dog project and up to a 70% of the Mineral Rights comprising the Murmac and Strike projects. No Person, other than the Purchaser or Numberco, has any option, agreement or right, including royalties or otherwise to acquire any interest in the Purchaser Material Properties.
 - (ii) There are no adverse claims against, or to the ownership of, or title to, the Purchaser Material Properties or any challenge to the Purchaser's right, title or interest in the Purchaser Material Properties, nor is there any basis for any potential or future claims.
 - (iii) The Purchaser has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of the Purchaser or the Purchaser Subsidiaries in the Purchaser Material Properties.
 - (iv) The Purchaser Material Properties have been properly located and recorded in compliance with applicable Law and is valid and subsisting.
 - (v) The Purchaser Material Properties are in good standing under applicable Law and, to the knowledge of the Purchaser, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid, incurred or accrued and all filings in respect thereof have been made.

- (vi) Neither the Purchaser nor the Purchaser Subsidiaries have elected or refused to participate in any exploration, development or other operations with respect to the Purchaser Material Properties which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Purchaser Material Properties.
- (vii) There is no material adverse claim against or challenge to the title to or ownership of the Purchaser Material Properties. The Purchaser is not aware of any defects, failures or impairments in the title of the Purchaser to the Purchaser Material Properties whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect in respect of the Purchaser.
- (viii) There are no back-in rights, earn-in rights, farm-in rights, streaming arrangements, purchase options, rights of first refusal or similar provisions or rights or any agency marketing fees, volume or production based payments or any other arrangements or payments (actual or contingent) which would affect or entitle any Person to receive any payment in connection with the Purchaser's interest in the Purchaser Material Properties or the production or sale of minerals therefrom.
- (ix) The Purchaser has conducted all activities on or in respect of the Purchaser Material Properties in compliance with all applicable Laws.
- (x) There are no material restrictions on the ability of the Purchaser or the Purchaser Subsidiaries to use or exploit the Purchaser Material Properties, except pursuant to the applicable Laws.
- (xi) The Purchaser has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by the Purchaser under any agreement pertaining to the Purchaser Material Properties or to its other material assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.
- (xii) Subject to the rights, covenants, conditions and stipulations in the title documents pertaining to the Purchaser Material Properties, the Purchaser may enter into and upon, hold and enjoy the Purchaser Material Properties for its own use and benefit without any lawful interruption of or by any other Person.
- (xiii) The Purchaser has provided the Company with access to full and complete copies of all material exploration information and data within its possession

or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Purchaser Material Properties, and the Purchaser or the Purchaser Subsidiaries have the sole right, title and ownership of all such information, data, reports and studies.

- (k) **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to the Purchaser:
- (i) all rentals, royalties, overriding royalty interests, production payments, net profit interests, burdens, payments and obligations due and payable, or to be performed, as the case may be, on or prior to the date hereof under, with respect to, or on account of, the Purchaser Material Properties have been duly paid, duly performed, or otherwise provided for prior to the date hereof;
 - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements relating to the Purchaser Material Properties to which the Purchaser or the Purchaser Subsidiaries are directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business;
 - (iii) as of the date of this Agreement there are no operational, geotechnical, geochemical or structural issues, social conflicts or limitations to surface rights, relating to the exploration and development of the Purchaser Material Properties; and
 - (iv) any and all operations of the Purchaser and the Purchaser Subsidiaries and, to the knowledge of the Purchaser, any and all operations by third parties, on or in respect of the Purchaser Material Properties have been conducted in accordance with reasonable and prudent Canadian mining industry practices and in compliance with applicable Laws.
- (l) **No Breach of Material Agreements.** The Purchaser has performed all of the material obligations required to be performed by it, and is entitled to all benefits under, and is not in default in respect of, any Purchaser Material Agreement. Each Purchaser Material Agreement is: (a) enforceable by the Purchaser in accordance with its terms (subject to any limitation under bankruptcy, insolvency or other Laws affecting creditors' rights generally and to general principals of equity); (b) is in full force and effect, unamended, and there exists no breach thereof or default or event of default or event, occurrence, condition or act with respect to the Purchaser or, to the Purchaser's knowledge, with respect to the other contracting party or otherwise that, with or without the giving of notice, the lapse of time or the happening of any other event or conditions, would (i) become a default or event of

default under any Purchaser Material Agreement, or (ii) result in the loss or expiration of any right or option by the Purchaser (or the gain thereof by any third party) under any Purchaser Material Agreement. The Purchaser has not received any notice of default from the other contracting party or otherwise pursuant to any Purchaser Material Agreement. The Purchaser has delivered a true, correct and complete copy of each of the Purchaser Material Agreements to the Company.

- (m) **Legal Proceedings.** There are no claims, actions, suits, complaints, investigations or proceedings (whether private, governmental or otherwise, and whether or not purportedly on behalf of the Purchaser) in progress, pending, or to the knowledge of the Purchaser, threatened, against or affecting the Purchaser (including actions, suits, investigations or proceedings against any directors, officers or employees of the Purchaser which relate to the business, affairs, assets or operations of the Purchaser), at law or in equity, or before or by any Governmental Entity which, individually or in the aggregate, may reasonably be expected to have a Material Adverse Effect on the Purchaser. There is no judgment, decree, ruling, order or award of any Tribunal outstanding against or affecting the Purchaser. The Purchaser is not aware of any grounds on which any such action, suit, investigation or proceeding might be commenced with any reasonable likelihood of success.
- (n) **Compliance with Applicable Laws.** The Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable Laws, in each jurisdiction in which its business is carried on, is not in material breach of any of such Laws and is duly licensed or registered in each jurisdiction in which it owns or leases its property and assets or carries on its business, so as to enable its business to be carried on as now conducted and its property and assets to be so owned or leased. Neither the Purchaser nor the Purchaser Subsidiaries have received notice of any violation of applicable Laws in any jurisdiction.
- (o) **Environmental.**
 - (i) The operation of the Purchaser Material Properties by the Purchaser and the use, maintenance and operation thereof have been and are in compliance with all Environmental Laws. The Purchaser has complied with all reporting and monitoring requirements under all Environmental Laws. The Purchaser has not received any notice of any non-compliance with any Environmental Laws or Environmental Permits, and the Purchaser has not been convicted of an offence of non-compliance with any Environmental Laws or Environmental Permits or been fined or otherwise sentenced or settled such prosecution short of conviction.
 - (ii) The Purchaser has obtained all material Environmental Permits necessary to conduct its Business and to own, use and operate its properties and assets, all such Environmental Permits are in full effect, no appeal or other action is pending to revoke any such Environmental Permit and the operation of the Business of the Purchaser, the property and assets owned by the Purchaser and the use, maintenance and operation thereof have been and are

in compliance with all Environmental Permits. To the extent required by applicable Environmental Laws, the Purchaser has filed all applications necessary to renew or obtain any necessary permits, licenses, or authorizations in a timely fashion so as to allow it to continue to operate its Business in compliance with applicable Environmental Laws, and the Purchaser does not expect such new or renewed licenses, permits or other authorizations to include any terms or conditions that will have a Material Adverse Effect in respect of the Purchaser.

- (iii) The Purchaser has, at all times, used, generated, treated, stored, transported, disposed of or otherwise handled its Hazardous Substances in compliance with all Environmental Laws and Environmental Permits.
- (iv) The Purchaser is not, and, to the knowledge of the Purchaser, there is no reasonable basis upon which the Purchaser could become, responsible for any material clean up or corrective action under any Environmental Laws.
- (v) There are no past or present (or, to the Purchaser's knowledge, future) events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance by the Purchaser with the Environmental Laws as in effect on the date hereof or which may give rise to any liability under the Environmental Laws, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, notice of violation, study or investigation, based on or related to the manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport or handling, or the Release or threatened Release into the indoor or outdoor environment by the Purchaser of any Hazardous Substances.

(p) **Aboriginal Affairs.**

- (i) Other than as disclosed to the Company, there is no Aboriginal Claim of which the Purchaser has received notice, which has been made or, to the knowledge of the Purchaser, threatened with respect to the Purchaser Material Properties or any authorization issued by any Governmental Entity in respect of, or otherwise related to the Purchaser or the Purchaser Material Properties.
- (ii) To the knowledge of the Purchaser, no other Person, including Persons representing or purporting to represent an Aboriginal Group, and no Aboriginal Group, has asserted any right or interest of any kind whatsoever, relating to the Purchaser Material Properties.
- (iii) To the knowledge of the Purchaser, all existing agreements, memoranda of understanding and similar arrangements with Aboriginal Groups are in full force and effect and there has been no assertion that the Purchaser is in breach or default under any such arrangements. There are no material

ongoing or outstanding discussions, negotiations or similar communications with or by any Aboriginal Group concerning the Purchaser or its business, operations or assets.

- (iv) The Purchaser has not received any notice, whether written or oral from any Governmental Entity, Aboriginal Group or any Persons representing or purporting to represent an Aboriginal Group of the exercise or assertion of any Aboriginal Claim in the area of the Purchaser Material Properties or of an impact on any asserted Aboriginal Claim involving any works on the Purchaser Material Properties.
- (v) There has not been any blockade or other program of civil disobedience undertaken by any Aboriginal Group with respect to the Purchaser Material Properties or otherwise affecting the Purchaser Material Properties, nor to the knowledge of the Purchaser has any responsible official of any Aboriginal Group threatened the Purchaser with any blockade or other program of civil disobedience with respect to the Purchaser Material Properties or which could reasonably be expected to affect the Purchaser Material Properties.
- (q) **Corrupt Practices.** None of the Purchaser, nor to the knowledge of the Purchaser, any of its Representatives has taken, directly or indirectly any action which would cause the Purchaser or affiliates to be in violation of Anti-Corruption Laws and to the knowledge of the Purchaser no such action has been taken by any of its Representatives or affiliates. The Purchaser have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.
- (r) **Non-Governmental Organizations and Community Groups.** No material dispute between the Purchaser and any non-governmental organization, community, community group, civil organization or Aboriginal Group exists or, to the Purchaser's knowledge, is threatened or imminent with respect to any of the Purchaser's properties or exploration activities.
- (s) **OFAC.** The Purchaser has not had and, to the knowledge of the Purchaser, no director, officer, agent, employee or affiliate of the Purchaser has had any sanctions administered by the OFAC imposed upon such Person; and the Purchaser is not in violation of any U.S. Economic Sanctions or conducting business with any person subject to any U.S. Economic Sanctions.
- (t) **Other Negotiations.** The Purchaser (a) has not entered into any agreement that conflicts with any of the transactions contemplated by this Agreement, and (b) has not entered into any agreement or had any discussions with any Person regarding any transaction involving the Purchaser which could reasonably be expected to result in any of the Company, the Purchaser or to the knowledge of the Purchaser any of their respective officers, directors or employees being subject to any claim

for liability to such Person as a result of entering into this Agreement or consummating the transactions contemplated hereby.

- (u) **Insolvency.** No act or proceeding has been taken by or against the Purchaser in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Purchaser or for the appointment of a trustee, receiver, manager or other administrator of the Purchaser or any of its respective properties or assets nor, to the knowledge of the Purchaser, is any such act or proceeding threatened. The Purchaser has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither the Purchaser nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of the Purchaser to conduct its Business in all material respects as it has been carried on prior to the date hereof, or that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Purchaser or would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

- (v) **Tax Matters.**
 - (i) The Purchaser and the Purchaser Subsidiaries have duly filed with each appropriate Governmental Entity, in the prescribed manner and within the prescribed time, all Tax Returns required to be filed by them on or before the date hereof and each such Tax Return was true, correct and complete in all respects.
 - (ii) The Purchaser and the Purchaser Subsidiaries have duly and timely paid all Taxes and installments on account of Taxes that are due and payable by them (whether or not shown due on any Tax Returns and whether or not assessed or reassessed by the appropriate Governmental Entity).
 - (iii) The Purchaser has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including all goods and services, harmonized sales, value added, provincial and territorial taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
 - (iv) The Financial Statements of the Purchaser fully reflect accrued liabilities for all Taxes which were not yet then due and payable and for which Tax Returns were not yet then required to be filed.
 - (v) There are no actions, suits, investigations or proceedings and no assessment, reassessment or request for information in progress, and the Purchaser has not received written notice of any actions, suits, investigations, assessments or reassessments pending, threatened against or affecting the Purchaser or

the Purchaser Subsidiaries in respect of Taxes, nor are any issues under discussion with any taxing authority relating to any matters which could result in claims for additional Taxes.

- (vi) There are no agreements, waivers or other arrangements made by the Purchaser and the Purchaser Subsidiaries providing for an extension of time with respect to any assessment, reassessment, or collection of Tax, the filing of any Tax Return or the payment or remission of any Tax by the Purchaser, and no request for any such agreement, waiver or other arrangement is currently pending.
- (vii) The Purchaser and the Purchaser Subsidiaries have duly and timely withheld or collected the proper amount of all Taxes and other deductions required under any applicable Laws to be withheld or collected by them (including Taxes and other amounts required to be withheld by them in respect of any amount paid or credited or deemed to be paid or credited by them to or for the account or benefit of any Person, including any employee, officer or director and any non-resident Person) and have duly and timely paid or remitted to the appropriate Governmental Entity such Taxes and other amounts required to be remitted or paid by them.
- (viii) The Purchaser and the Purchaser Subsidiaries have complied with and satisfied all obligations to incur expenses, make required disbursements and renounce any Canadian exploration expense or Canadian development expense with respect to any flow-through shares of the Purchaser or the Purchaser Subsidiaries issued in connection with a “flow-through share” (within the meaning of the ITA) financing of the Purchaser or the Purchaser Subsidiaries.
- (ix) As of the date hereof, the Purchaser does not have any outstanding obligations under agreements pertaining to “flow-through shares” (within the meaning of the ITA).
- (x) Neither the Purchaser nor the Purchaser Subsidiaries are a party to, or bound by, any Tax indemnity, Tax-sharing or Tax-allocation agreement.
- (xi) The Purchaser is registered for GST purposes under Part IX of the *Excise Tax Act* (Canada) under registration number 848081345RT0001.
- (xii) Federal Gold Corp. is registered for GST purposes under Part IX of the *Excise Tax Act* (Canada) under registration number 742279110 RT0001.
- (xiii) No written claim has been made to the Purchaser or the Purchaser Subsidiaries by any Governmental Entity in a jurisdiction where Purchaser and the Purchaser Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction.

- (xiv) None of sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the Tax legislation of any Province, Territory, or any other jurisdiction, have applied or will apply to the Purchaser or the Purchaser Subsidiaries at any time up to and including the Effective Time.
- (xv) Neither the Purchaser nor the Purchaser Subsidiaries have acquired property from, or transferred property to, a non-arm's length Person, within the meaning of the ITA, for consideration the value of which is less than the fair market value of the property acquired or transferred.
- (xvi) The Purchaser and the Purchaser Subsidiaries have complied with the transfer pricing provisions of any applicable Law relating to Taxes, including the contemporaneous documents and disclosure requirements thereunder.
- (xvii) Neither the Purchaser nor the Purchaser Subsidiaries claimed any amount under the Canada Emergency Wage Subsidy or any other COVID-19 related assistance or subsidies in respect of any period (or portion thereof) ending on or prior to the Effective Date that they were not otherwise entitled to in accordance with the ITA and satisfied at all times all relevant criteria and conditions entitling them to such amounts and, for greater certainty, section 125.7(6) of the ITA did not apply in respect of such amounts.
- (xviii) Except pursuant to this Agreement or as specifically disclosed in writing to the Company, no person or group of persons has ever acquired or had the right to acquire control of the Purchaser or the Purchaser Subsidiaries for purposes of the ITA or any other applicable Tax statute.
- (xix) For purposes of the ITA:
 - (A) the Purchaser is resident in Canada; and
 - (B) at no time have any of the Purchaser Subsidiaries been resident in a country other than Canada.
- (xx) There are no Encumbrances for Taxes upon any properties or assets of the Purchaser or the Purchaser Subsidiaries (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Financial Statements).
- (w) **Liabilities.** There are no material liabilities of the Purchaser of any kind (whether accrued, absolute, contingent or otherwise and whether matured or unmatured) existing on the date hereof except for:
 - (i) liabilities (including liabilities for unpaid Taxes) disclosed on, reflected in or provided for in the Financial Statements;

- (ii) liabilities disclosed or referred to in this Agreement;
 - (iii) liabilities incurred in the ordinary course of business and attributable to the period since April 30, 2024, none of which, individually or in the aggregate, has a Material Adverse Effect on the Purchaser; and
 - (iv) liabilities incurred in connection with this Agreement or the transactions contemplated in this Agreement.
- (x) **U.S. Securities Law Matters.**
- (i) The Purchaser is a “foreign issuer” within the meaning of Regulation S under the U.S. Securities Act and reasonably believes that there is no Substantial U.S. Market Interest in the Consideration Shares.
 - (ii) No securities of the Purchaser are registered or required to be registered under Section 12 of the U.S. Exchange Act, the Purchaser is not required to file reports under Section 13 or Section 15(d) of the U.S. Exchange Act, and the Purchaser is not subject to any proceedings under or any order issued pursuant to section 12(j) of the U.S. Exchange Act
 - (iii) The Purchaser is not registered, or required to be registered, as an “investment company” as defined in the 1940 Act.
- (y) **Full Disclosure.** The Purchaser Information Record and the Purchaser Datasite Information taken together disclose all material facts related to Purchaser, the Purchaser Subsidiaries and their respective businesses, financial conditions, assets, liabilities and operations. The representations and warranties of Purchaser contained in this Agreement, and in any certificate furnished to the Company pursuant to any provision of this Agreement and the information included in the Purchaser Datasite Information, taken together with the Purchaser Information Record, are true and correct in all material respects and do not contain any misrepresentation. All information provided by the Purchaser to the Company in relation to the Company’s due diligence requests are true and correct in all material respects, do not contain any misrepresentations and there are no material omissions.

3.3 Non-Waiver. No investigations made by or on behalf of any of the Parties at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by any other Party herein or pursuant hereto, unless disclosure of the fact at issue is expressly made in writing to the other Party prior to the execution hereof and such disclosure contains no material untrue statement.

3.4 Survival. For greater certainty, the representations and warranties of the Company and the Purchaser contained herein shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination of this Agreement in accordance with its terms and the Effective Date.

ARTICLE 4 COVENANTS

4.1 Retention of Goodwill. During the Pre-Effective Date Period, the Company will, having regard to its financial position and resources, and subject to the fact that the Arrangement and related transactions are contemplated hereby, continue to carry on the Business in the ordinary course of business, working to preserve the attendant goodwill of the Company and to contribute to retention of that goodwill to and after the Effective Date, but subject to the following provisions of this Article 4. The following provisions of this Article 4 are intended to be in furtherance of this general commitment, subject to the fact that the Arrangement and related transactions are contemplated hereby.

4.2 Covenants of the Company.

- (a) The Company covenants and agrees that, during the Pre-Effective Date Period, except with respect to any matter contemplated by this Agreement, the Plan of Arrangement or otherwise required by Law, or with the consent of the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed, the Company and the Company Subsidiaries will:
 - (i) carry on the Business in, and only in, the ordinary and regular course in substantially the same manner as heretofore conducted and, to the extent consistent with the Business, use all commercially reasonable efforts to preserve intact its present business organization and keep available the services of its present officers and employees and others having business dealings with it to the end that its goodwill and Business shall be maintained;
 - (ii) pay all ordinary course liabilities as they come due consistent with past practice;
 - (iii) use all commercially reasonable efforts to maintain and the Option Agreement in good standing and maintain, preserve and keep in good standing all of its rights under each of its Licenses;
 - (iv) not split, combine or reclassify any of its outstanding shares, nor declare or pay any dividends on or make any other distributions (in either case, in stock or property) on or in respect of its outstanding shares;
 - (v) not amend its articles or other constating documents;
 - (vi) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or the Company Subsidiaries;
 - (vii) not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose or agree to the sale, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose or agree to the purchase or redemption of, any shares in its authorized share structure

or any class of securities convertible or exchangeable into, or rights, warrants or options to acquire, any such shares or other convertible or exchangeable securities, except for the issuance of Company Shares pursuant to the valid exercise of Company Options or Company Warrants granted prior to the date hereof;

- (viii) not amend, vary or modify the Company Option Plan or any Company Options;
- (ix) not amend, vary or modify any Company Warrants;
- (x) not reorganize, amalgamate or merge with any other Person, nor acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business of any corporation, partnership, association or other business organization or division thereof;
- (xi) not guarantee the payment of indebtedness by a third party or incur or repay any indebtedness for money borrowed prior to its maturity date or issue or sell any Debt Instruments;
- (xii) except as required by Law or by the terms of the Employee Benefits in effect as of the date of this Agreement, not enter into or modify any employment, severance, collective bargaining or other Employee Benefits, policies or arrangements with, or grant any bonuses, salary increases, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or make any loan to, any officers, directors or employees of the Company;
- (xiii) not, except in the ordinary course of business, satisfy or settle any claims or liabilities prior to the same being due (except such as have been reserved against in its Financial Statements) which are, individually or in the aggregate, material;
- (xiv) not settle or compromise any claim brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement or the Arrangement;
- (xv) comply with the terms of all Company Material Agreements;
- (xvi) not enter into any material contract, agreement, license, franchise, lease transaction, commitment or other right or obligation or amend, modify, relinquish, grant any waiver under, terminate or fail to renew in any material respect any Company Material Agreement;
- (xvii) not make any expenditure outside of the ordinary course and, in any event, exceeding \$50,000 without the prior consent of the Purchaser, which shall

not be unreasonably withheld provided that, notwithstanding the foregoing, the Company shall be entitled to incur expenditures for professional fees incurred in connection with the Arrangement provided that invoices for all professional fees incurred in excess \$100,000 shall be provided to the Purchaser;

- (xviii) not acquire or sell, pledge, encumber or otherwise dispose of any material property or assets or incur or commit to incur capital expenditures prior to the Effective Date, other than in the ordinary course of business, and not, in any event, exceeding \$25,000 in the aggregate and without the prior consent of the Purchaser, which shall not be unreasonably withheld;
- (xix) not make any changes to existing accounting practices, except as required by applicable Law or required by IFRS;
- (xx) promptly advise the Purchaser orally and, if then requested, in writing, with the full particulars of any:
 - (A) event occurring subsequent to the date of this Agreement that would render any representation or warranty of the Company contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the date of this Agreement), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (B) Material Adverse Change in respect of the Company; and
 - (C) breach by the Company of any covenant or agreement contained in this Agreement;
- (xxi) duly and timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it;
- (xxii) not make or rescind any material express or deemed election relating to Taxes;
- (xxiii) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
- (xxiv) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes;
- (xxv) not amend any Tax Return or change any of its methods of reporting income or deductions or its method of accounting, in each case, for income Tax purposes, from those employed in the preparation of its income Tax Return for the tax year ended June 30, 2024, except as may be required by applicable Laws;

- (xxvi) co-operate with Purchaser and use commercially reasonable efforts to provide support for all non-capital loss, net capital loss, adjusted cost base and other tax attributes of the Company and the Company Subsidiaries and their respective assets that may be necessary in connection with a pre-acquisition reorganization or the Arrangement and the Company will co-operate with Purchaser to allow the Purchaser and its advisors to determine the nature of any pre-acquisition reorganizations that might be undertaken and the manner in which they may most effectively be undertaken; and
 - (xxvii) not knowingly take any action or enter into any transaction, other than a transaction contemplated by this Agreement or a transaction undertaken in the ordinary course of business consistent with past practice, that could reasonably be expected to have the effect of reducing or eliminating the amount of the tax cost “bump” pursuant to paragraphs 88(1)(c) and (d) of the ITA otherwise available to Purchaser and its successors and assigns in respect of the non-depreciable capital properties owned by the Company or the Company Subsidiaries as of the date of this Agreement or acquired by the Company or the Company Subsidiaries subsequent to the date of this Agreement in accordance with the terms of this Agreement, without first consulting with Purchaser on same. The Company will use commercially reasonable efforts to address the reasonable concerns of Purchaser in regards to such provisions before entering into such transaction.
- (b) The Company covenants and agrees that, during the Pre-Effective Date Period, the Company will fully cooperate and consult through meetings with the Purchaser, as the Purchaser may reasonably request, to allow the Purchaser to monitor, and provide input with respect to the direction and control of the Business.
 - (c) The Company shall perform all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, the Company shall:
 - (i) use commercially reasonable efforts to obtain the Company Shareholder Approval in accordance with the terms of this Agreement;
 - (ii) use commercially reasonable efforts to obtain, on or before the Effective Date, all Regulatory Approvals required by Governmental Entities for the Company;
 - (iii) apply for and use commercially reasonable efforts to obtain the Interim Order and the Final Order;
 - (iv) carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all

requirements which applicable Laws may impose on the Company with respect to the transactions contemplated hereby and by the Arrangement;

- (v) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (vi) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;
- (vii) on or before the Effective Date, effect all necessary registrations, filings, notices and submissions of information required by Governmental Entities from the Company relating to the transactions contemplated hereby;
- (viii) in connection with the Arrangement and other transactions contemplated hereby, use commercially reasonable efforts to obtain, before the Effective Date, all waivers, consents and approvals required to be obtained by the Company from other parties pursuant to the Company Material Agreements;
- (ix) use commercially reasonable efforts to obtain, on or before the Effective Date, written resignations effective as at the Effective Time, from all directors, administrators and officers of the Company and the Company Subsidiaries, such resignations to be subject to obtaining the mutual releases provided for in Section 4.6(d); and
- (x) use commercially reasonable efforts to satisfy all conditions precedent set forth in Section 6.1 and Section 6.2 of this Agreement.

4.3 Covenants of the Purchaser.

- (a) The Purchaser covenants and agrees that, during the Pre-Effective Date Period, except with respect to any matter contemplated by this Agreement, the Plan of Arrangement or otherwise required by Law, or with the consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed, the Purchaser will:
 - (i) not reorganize, amalgamate or merge the Purchaser with any other Person, provided for greater certainty, that the foregoing shall not prohibit the Purchaser from completing other business combinations or acquisitions if such business combinations or acquisitions do not have a Material Adverse Effect on the Purchaser or materially delay the transactions contemplated hereby; and
 - (ii) promptly advise the Company orally and, if then requested, in writing with the full particulars of any:

- (A) event occurring subsequent to the date of this Agreement that would render any representation or warranty of the Purchaser contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the occurrence of such event), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (B) Material Adverse Change in respect of the Purchaser; or
 - (C) breach by the Purchaser of any covenant or agreement contained in this Agreement.
- (b) The Purchaser shall perform all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, the Purchaser shall:
- (i) use commercially reasonable efforts to obtain, on or before the Effective Date, all Regulatory Approvals, required by Governmental Entities for the Purchaser;
 - (ii) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (iii) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to the Purchaser which may adversely affect the ability of the Purchaser to consummate the transactions contemplated hereby;
 - (iv) on or before the Effective Date, effect all necessary registrations, filings and submissions of information required by Governmental Entities from the Purchaser relating to the transactions contemplated hereby;
 - (v) on or before the Effective Date reserve a sufficient number of Purchaser Shares for issuance upon the completion of the Arrangement and the exercise from time to time of Replacement Options and the Company Warrants;
 - (vi) carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on the Purchaser with respect to the transactions contemplated hereby and by the Arrangement;
 - (vii) in connection with the Arrangement and other transactions contemplated hereby, use commercially reasonable efforts to obtain, before the Effective

Date, all necessary waivers, consents and approvals required to be obtained the Purchaser from other parties to all Purchaser Material Agreements; and

- (viii) use commercially reasonable efforts to satisfy all conditions precedent set forth in Section 6.1 and Section 6.3 of this Agreement.

4.4 Access to Information.

- (a) Subject to the terms of the Confidentiality Agreement and applicable Laws, upon reasonable notice, the Company shall afford the Purchaser's Representatives access, during normal business hours in the Pre-Effective Date Period to such properties, books, contracts and records and other documents, information or data relating to the Company which the Purchaser or its Representatives deem necessary or advisable to review in making an examination of the Company and the Business, as well as to its management personnel, and, during such period, the Company shall furnish promptly to the Purchaser all information concerning the Company and its Business, properties and personnel as the Purchaser or its Representatives may reasonably request. At the request of the Purchaser, the Company will execute or cause to be executed such consents, authorizations and directions as may be necessary to enable the Purchaser or its Representatives to obtain full access to all files and records relating to the Company or its respective assets maintained by any Governmental Entity.
- (b) Subject to the terms of the Confidentiality Agreement and applicable Laws, during the Pre-Effective Date Period, the Purchaser shall furnish promptly to the Company all information respecting material changes in the Purchaser's business, properties and personnel as the Company may reasonably request.

4.5 Covenant Regarding Representations and Warranties. Each of the Company and the Purchaser covenants that it will use commercially reasonable efforts to ensure that the representations and warranties given by it and contained in Article 3 are true and correct on and as at the Effective Date (except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by the other Party) or if not true, do not have a Material Adverse Effect on such Party.

4.6 Indemnification, Insurance and Mutual Releases.

- (a) The Purchaser hereby covenants and agrees that, unless prohibited by applicable Laws, all rights to indemnification or exculpation in favour of the current and former directors and officers of the Company provided in the current articles or by-laws (or the equivalent) of the Company and any directors' and officers' insurance now existing in favour of the directors or officers of the Company shall survive the completion of the Arrangement (or, with the consent of the Purchaser, be replaced with substantially equivalent coverage from another provider of at least equivalent standing to the current provider) and shall continue in full force and effect (either directly or, with the consent of the Purchaser, via run-off insurance or insurance provided by an alternative provider of at least equivalent standing to the current

provider) for a period of not less than six years from the Effective Date and the Purchaser undertakes to ensure that this covenant shall remain binding upon its successors and assigns. In the event such insurance coverage is not currently in place, the Purchaser shall, as of the Effective Date, purchase run-off directors' and officers' liability insurance, at a cost not exceeding 200% of the Company's current annual aggregate premium for directors' and officers' liability policies currently maintained by the Company, providing for coverage for a period of up to six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date.

- (b) The Company shall act as agent and trustee of the benefits of the foregoing for its directors and officers for the purpose of this Section 4.6 and this Section 4.6 shall survive the execution and delivery of this Agreement and the completion of the Arrangement and shall be enforceable against the Purchaser by the Persons described in Section 4.6(a) hereof.
- (c) The Purchaser acknowledges and agrees that the Company may enter into indemnification agreements with each director and officer of the Company prior to the Effective Date, such agreements to be in a form acceptable to the Purchaser, acting reasonably. The Purchaser agrees that from and after the Effective Date it will, subject to the terms of such agreement, cause the Company to honour all rights to indemnification or exculpation in such agreements in favour of present and former officers and directors of the Company and acknowledges that such rights will survive the Effective Date and will continue in full force and effect for a period of not less than six years from the Effective Date.
- (d) The Purchaser and the Company shall use commercially reasonable efforts to enter into a mutual release on or before the Effective Date with each director and officer of the Company and the Company Subsidiaries, such release to be effective as at the Effective Time and in a form acceptable to the Company and the Purchaser, acting reasonably.

ARTICLE 5

ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

5.1 Company Non-Solicitation.

- (a) Except as expressly provided in this Article 5, from the date of this Agreement until the earlier of the Effective Time or the time at which this Agreement is terminated in accordance with its terms, the Company shall not, and shall cause its Representatives to not, directly or indirectly:
 - (i) make, initiate, solicit, encourage or otherwise facilitate (including by way of furnishing information or according access to information or any site visit) any inquiries or proposals or offers that constitute an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;

- (ii) participate in any discussions or negotiations with, furnish information to, or otherwise cooperate in any way with, any Person (other than the Purchaser and its affiliates) regarding an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (iii) effect any Change of Recommendation; or
 - (iv) accept, enter into, or propose publicly to accept or enter into, any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding related to any Acquisition Proposal.
- (b) The Company shall, and shall cause its Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Person (other than the Purchaser and its Representatives) conducted heretofore by the Company or any of its Representatives with respect to, or which may reasonably be expected to lead to, an Acquisition Proposal. To the extent it has not already done so, the Company shall discontinue or deny access to all parties other than the Purchaser and its Representatives to any and all data rooms which may have been opened. To the extent that it is entitled to do so, the Company shall immediately request the return or destruction of all confidential non-public information provided to any third parties (other than the Purchaser and its Representatives) who have entered into a confidentiality agreement with the Company relating to a potential Acquisition Proposal, shall use all reasonable efforts to ensure that such requests are honoured and shall immediately advise the Purchaser orally and in writing of any responses or action (actual or threatened) by any recipient of such request which could hinder, prevent, delay or otherwise adversely affect the completion of the Arrangement.
- (c) The Company shall:
- (i) not release any Persons from, or terminate, amend, modify, waive or fail to enforce on a timely basis any obligation of any other Person under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between the Company and a third party entered into prior to the date hereof;
 - (ii) promptly and diligently enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants of any other Person in any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding that it has entered into prior to the date hereof or enters into after the date hereof; and
 - (iii) not accept or enter into any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding requiring the Company to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break,

termination or other fees or expenses to any Person proposing an Acquisition Proposal in the event that the Company completes the transactions contemplated hereby or any other transaction with the Purchaser or any of its affiliates.

- (d) The Company shall not become a party to any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding with any Person subsequent to the date hereof that limits or prohibits the Company from providing the Purchaser and its affiliates and Representatives with any information required to be given to them by the Company under this Article 5.
- (e) The Company shall ensure that its Representatives are aware of the provisions of this Section 5.1, and it shall be responsible for any breach of this Section 5.1 by any such Representatives.

5.2 Notice by the Company of Acquisition Proposal.

- (a) The Company shall promptly (and, in any event, within 24 hours of receipt) notify the Purchaser, at first orally and then in writing, of any Acquisition Proposal (whether or not in writing) and any enquiry that may reasonably be expected to lead to an Acquisition Proposal, or any amendments to the foregoing, or any request for non-public information relating to the Company in connection with an Acquisition Proposal or for access to the properties, books or records of the Company by any Person that informs the Company that it is considering making, or has made, a proposal that constitutes, or may reasonably be expected to lead to an Acquisition Proposal. Such notice shall include a description of the material terms and conditions of any proposal and the identity of the Person making such proposal, enquiry or contact, and a copy of any written form of Acquisition Proposal and any other documents representing such Acquisition Proposal. The Company shall:
 - (i) keep the Purchaser fully informed of the status including any change to the material terms of any such Acquisition Proposal or enquiry;
 - (ii) provide to the Purchaser as soon as practicable after receipt or delivery thereof with copies of all correspondence and other written material sent or provided to the Company from any Person in connection with any Acquisition Proposal or sent or provided by the Company to any Person in connection with any Acquisition Proposal; and
 - (iii) provide to the Purchaser as soon as practicable such other information concerning the Acquisition Proposal as the Purchaser may reasonably request.

5.3 Responding to an Acquisition Proposal

- (a) Notwithstanding anything to the contrary contained in this Article 5, in the event that the Company receives a bona fide written Acquisition Proposal from any

Person after the date hereof and prior to the Company Meeting that was not solicited by the Company and that did not otherwise result from a breach of Section 5.1, and subject to the Company's compliance with Section 5.2, the Company and its Representatives may:

- (i) contact such Person to clarify the terms and conditions of such Acquisition Proposal (the "**Clarifying Statements**");
- (ii) furnish information with respect to it to such Person pursuant to an Acceptable Confidentiality Agreement, provided that (A) the Company provides a copy of such Acceptable Confidentiality Agreement to the Purchaser promptly upon its execution, and (B) the Company contemporaneously provides to the Purchaser a list of all non-public information concerning the Company that is provided to such Person and provides to the Purchaser copies of any such non-public information which was not previously provided to the Purchaser or its Representatives; and
- (iii) participate in any discussions or negotiations regarding such Acquisition Proposal,

provided, however, that, prior to taking any action described in clauses (ii) or (iii) above, the Company Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal, together with any Clarifying Statements, would be reasonably likely, if consummated in accordance with its terms, to be a Superior Proposal and failure to take such action would be inconsistent with its fiduciary duties under applicable Law. After the date of the Company Meeting, the Company shall not consider, negotiate, accept or recommend an Acquisition Proposal or furnish any information with respect to it to any Person who has made an Acquisition Proposal.

5.4 Notice by the Company of Superior Proposal Determination.

- (a) Notwithstanding Section 5.1, the Company may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal if, and only if:
 - (i) the Company shall have complied with all of its other obligations under Section 5.1
 - (ii) such Acquisition Proposal constitutes a Superior Proposal;
 - (iii) the Company Meeting has not occurred;
 - (iv) the Company has provided the Purchaser with:
 - (A) a copy of the Superior Proposal document and any other documents representing the Superior Proposal;

- (B) written notice advising the Purchaser of the determination of the Company Board that the Acquisition Proposal is a Superior Proposal and that the Company Board has resolved, subject only to compliance with this Section 5.4 and termination of this Agreement, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal; and
 - (C) written notice from the Company Board regarding the value or range of values in financial terms that the Company Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;
 - (v) five full Business Days shall have elapsed from the date the Purchaser received the documentation referred to in Section 5.4(a)(iv) (the “**Match Period**”); and
 - (vi) the Company has previously or concurrently will have terminated this Agreement pursuant to Section 7.2.
- (b) Any information provided by the Company to the Purchaser pursuant to this Section 5.4 or pursuant to Section 5.2 shall be subject to the provisions of the Confidentiality Agreement.
- (c) During the Match Period, the Company agrees that the Purchaser shall have the right, but not the obligation, to offer to amend the terms of this Agreement and the Company shall co-operate with the Purchaser with respect thereto, including negotiating in good faith with the Purchaser during the Match Period. The Company Board will review in good faith any offer by the Purchaser to amend the terms of this Agreement in order to determine, in consultation with its financial advisors and outside legal counsel, whether the Purchaser’s offer upon acceptance by the Company would result in such Acquisition Proposal ceasing to be a Superior Proposal. The Company agrees that, subject to its disclosure obligations under applicable Securities Laws, the fact of the making of, and each of the terms of, any such proposed amendments shall be kept strictly confidential and shall not be disclosed to any Person (including without limitation, the Person having made the Superior Proposal), other than the Company’s Representatives, without the Purchaser’s prior written consent. If the Company Board determines that such Acquisition Proposal would cease to be a Superior Proposal as a result of the amendments proposed by the Purchaser, the Company will forthwith so advise the Purchaser and will promptly thereafter accept the offer by the Purchaser to amend the terms of this Agreement and the Arrangement and the Parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. If the Company Board continues to believe, in good faith and after consultation with financial advisors and outside legal counsel, that such Acquisition Proposal

remains a Superior Proposal and therefore rejects the Purchaser's amended proposal, the Company may terminate this Agreement pursuant to Section 7.2(a)(iv)(A); provided, however, that the Company must prior to or concurrently with such termination enter into a binding agreement, understanding or arrangement with respect to such Acquisition Proposal.

- (d) The Company Board shall reaffirm its recommendation of the Arrangement by press release: (i) promptly after any Acquisition Proposal (which is determined not to be a Superior Proposal) is publicly announced or made; (ii) promptly after the Company Board determines that a proposed amendment to the provisions of this Agreement would result in the Acquisition Proposal not being a Superior Proposal; or (iii) as soon as practicable after receipt of any reasonable request from the Purchaser to do so. The Purchaser and its legal advisors shall be given a reasonable opportunity to review and comment on the form and content of any such press release and the Company shall incorporate all reasonable comments made by the Purchaser and its legal advisors. Such press release shall state that the Company Board has determined that such Acquisition Proposal is not a Superior Proposal.
- (e) If the Company Meeting is to be held during the Match Period, subject to applicable Laws, at the Purchaser's request, the Company will postpone or adjourn the Company Meeting to a date acceptable to the Purchaser and the Company, acting reasonably, which shall not be less than six Business Days and not more than 12 Business Days after the scheduled date of the Company Meeting and shall, in the event that the Purchaser and the Company amend the terms of this Agreement pursuant to this Section 5.4, ensure that the details of such amended Agreement are communicated to the Company Shareholders at or prior to the resumption of the adjourned Company Meeting.
- (f) The Company acknowledges and agrees that each successive amendment or modification to any material terms or conditions of any Acquisition Proposal or that results in an increase in, amendment or modification of the consideration (or value of such consideration) to be received by the Company or the Company Shareholders or which otherwise results in the Company Board determining that such Acquisition Proposal is a Superior Proposal shall constitute a new Acquisition Proposal for purposes of the requirement under Section 5.4(a)(v) to initiate an additional five Business Day Match Period.
- (g) Nothing contained in this Article 5 or elsewhere in this Agreement shall prohibit the Company Board from:
 - (i) responding through a directors' circular or otherwise as required by Law to an Acquisition Proposal that it determines is not a Superior Proposal, provided that the Company shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure and provided that such circular or other disclosure recommends that Company Shareholders reject such Acquisition Proposal; or

- (ii) calling and/or holding a meeting of Company Shareholders requisitioned by Company Shareholders in accordance with the BCBCA or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law and provided that any information circular or other document required in connection with such meeting recommends that Company Shareholders vote against any proposed resolution in favour of or necessary to complete such Acquisition Proposal.

5.5 Termination Fee and Expenses.

- (a) If a Termination Fee Event occurs, the Company shall pay to the Purchaser the Termination Fee by wire transfer in immediately available funds to an account specified by the Purchaser:
 - (i) if the Termination Fee is payable pursuant to paragraph (a) of the definition of Termination Fee Event, the Termination Fee shall be payable within three Business Days after the consummation of an Acquisition Proposal referred to in paragraph (a) of definition of Termination Fee Event; or
 - (ii) if the Termination Fee is payable pursuant to paragraphs (b), (c) or (d) of the definition of Termination Fee Event, the Termination Fee shall be payable within three Business Days following termination of this Agreement.
- (b) Except as set out in this Section 5.5, or as otherwise specified herein, each Party will pay its respective legal and accounting costs, fees and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs, fees and expenses whatsoever and howsoever incurred, and will indemnify and save harmless the others from and against any claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions hereunder. If a Termination Fee is payable by the Company, under no circumstance will a second or further Termination Fee be payable by the Company.
- (c) Each Party acknowledges that all of the payment amounts set out in this Section 5.5 are payments in consideration for the disposition of the Purchaser's rights under this Agreement and represent liquidated damages which are a genuine pre-estimate of the damages which the Purchaser will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. The Company irrevocably waives any right that it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of an amount pursuant to this Section 5.5 in the manner provided herein is the sole and exclusive remedy of the Purchaser in respect of the event giving rise to such payment, provided, however, that nothing contained in this Section 5.5, and no payment of any such amount, shall relieve or

have the effect of relieving the Company in any way from liability for damages incurred or suffered by the Purchaser as a result of a wilful breach of this Agreement, including the intentional or wilful making of a misrepresentation in this Agreement and nothing contained in this Section 5.5 shall preclude the Purchaser from seeking injunctive relief in accordance with Section 7.4 to restrain the breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the necessity of posting a bond or security in connection therewith.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions Precedent. The respective obligations of the Parties to complete the transactions 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 only be waived by the mutual consent of the Purchaser and the Company:

- (a) the Arrangement Resolution shall have been approved by the Company Shareholders at the Company Meeting in accordance with the Interim Order and applicable Laws;
- (b) the Interim Order and the Final Order shall each have been obtained in form and terms satisfactory to each of the Company and the Purchaser, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either Party, acting reasonably, on appeal or otherwise;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and there shall be no proceeding (other than an appeal made in connection with the Arrangement), of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated by this Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by this Agreement in accordance with the terms hereof or would otherwise be inconsistent with the Regulatory Approvals which have been obtained;
- (d) this Agreement shall not have been terminated pursuant to Article 7;
- (e) the Company shall have received any required approval of the CSE to the transactions contemplated herein;
- (f) the Purchaser shall have received any required approval of the TSX-V to the transactions contemplated herein;
- (g) the Consideration Shares and the Purchaser Shares issuable upon exercise of the Replacement Options and the Company Warrants from time to time shall have been authorized for listing on the TSX-V, subject to official notice of issuance;

- (h) the issuance of the Consideration Shares and Replacement Options will be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption and the registration or qualification requirements of all applicable U.S. state securities laws, and the issuance of the Consideration Shares and the Replacement Options will be exempt from the prospectus requirements of applicable Securities Laws in each of the Provinces of Canada in which holders of the Company Shares are resident; and such securities will not be subject to hold periods under the Securities Laws of Canada or the United States except as may be imposed by Rule 144 under the U.S. Securities Act with respect to “affiliates” or except as disclosed in the Circular or except by reason of the existence of any controlling interest in the Purchaser pursuant to the Securities Laws of any applicable jurisdiction; and
- (i) all other consents, waivers, permits, orders and approvals of any Governmental Entity, and the expiry of any waiting periods, in connection with, or required to permit the consummation of the Arrangement and the other transactions contemplated herein, the failure of which to obtain or the non-expiry of which would have a Material Adverse Effect on the Purchaser or the Company shall have been obtained or received on terms that will not have a Material Adverse Effect on the Purchaser and/or the Company.

6.2 Additional Conditions Precedent to the Obligations of the Purchaser. The obligations of the Purchaser to complete the transactions 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 the Purchaser and may be waived by the Purchaser):

- (a) all covenants and agreements of the Company under this Agreement to be performed or observed on or before the Effective Date shall have been duly performed and observed by the Company in all material respects and the Purchaser shall have received a certificate of the Company addressed to the Purchaser and dated the Effective Date, signed on behalf of the Company by two directors or senior executive officers of the Company, confirming the same as at the Effective Date;
- (b) the representations and warranties of the Company:
 - (i) set forth in Sections 3.1(a), 3.1(b), 3.1(c), 3.1(d), 3.1(n), 3.1(o), 3.1(u), 3.1(aa) and 3.1(bb) shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by the Purchaser);

- (ii) set forth in Section 3.1 (other than those referenced in clause (i) above) shall be true and correct in all respects (it being understood that, for the purposes of determining the accuracy of such representations and warranties, all “Material Adverse Effect” qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded) as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by the Purchaser), except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Company; and
 - (iii) the Purchaser shall have received a certificate of the Company addressed to the Purchaser and dated the Effective Date, signed on behalf of the Company by two directors or senior executive officers of the Company, confirming the items in paragraphs (i) and (ii) as at the Effective Date;
- (c) between the date hereof and the Effective Date, there shall not have occurred, in the judgment of the Purchaser, acting reasonably, a Material Adverse Change to the Company;
- (d) the Company Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by the Company to permit the consummation of the Arrangement;
- (e) holders of more than 5% of the issued and outstanding Company Shares shall not have exercised the Dissent Rights in respect of the Arrangement;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, in each case that has a reasonable likelihood of success:
 - (i) seeking to restrain or prohibit the consummation of the Plan of Arrangement or any of the transactions contemplated by this Agreement or seeking to obtain from any of the Parties any damages that are material in relation to the Company;
 - (ii) seeking to prohibit or materially limit the ownership or operation by the Purchaser or any subsidiary of the Purchaser of any material portion of the business or assets of the Company or to compel the Purchaser or any subsidiary of the Purchaser to dispose of or hold separate any material portion of the business or assets of the Company;
 - (iii) seeking to impose limitations on the ability of the Purchaser to acquire or hold or exercise full rights of ownership of any Company Shares, including

the right to vote the Company Shares on all matters properly presented to the shareholders of the Company;

- (iv) seeking to prohibit the Purchaser or any subsidiary of the Purchaser from effectively controlling in any material respect the business or operations of the Company; or
 - (v) which otherwise is reasonably likely to have a Material Adverse Effect on the Company or the Purchaser;
- (g) all consents, approvals, authorizations and waivers of any Persons (other than Governmental Entities) which are required or necessary for the completion of the Arrangement and other transactions contemplated hereby (including all consents, approvals, authorizations and waivers required under the Company Material Agreements) shall have been obtained or received on terms which are acceptable to the Purchaser, acting reasonably;
- (h) the Company shall be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and shall not be on the list of reporting issuers in default under applicable Securities Laws; and
- (i) the Company shall have provided to the Purchaser, on or before the Effective Date, written resignations effective as of the Effective Time, from all directors and officers of the Company and the Company Subsidiaries as the Purchaser may request, acting reasonably.

The Purchaser may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by it with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by the Purchaser in complying with its obligations hereunder.

6.3 Additional Conditions Precedent to the Obligations of the Company. The obligations of the Company to complete the transactions 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 the Company and may be waived by the Company):

- (a) all covenants and agreements of the Purchaser under this Agreement to be performed or observed on or before the Effective Date shall have been duly performed by the Purchaser in all material respects and the Company shall have received a certificate of the Purchaser addressed to the Company and dated the Effective Date, signed on behalf of the Purchaser by two directors or senior executive officers of the Purchaser confirming the same as at the Effective Date;
- (b) the representations and warranties of the Purchaser:
 - (i) set forth in Section 3.2(a), 3.2(b) and 3.2(c) shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such

representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all material respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by the Company); and

- (ii) set forth in Section 3.2 (other than those references in clause (i) above) shall be true and correct in all material respects (it being understood that, for the purposes of determining the accuracy of such representations and warranties, all “Material Adverse Effect” qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded) as of the date of this Agreement and as of Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement), except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Purchaser; and
- (iii) the Company shall have received a certificate of the Purchaser addressed to the Company and dated the Effective Date, signed on behalf of the Purchaser by two directors or senior executive officers of the Purchaser confirming the items in paragraphs (i) and (ii) as at the Effective Date;
- (c) between the date hereof and the Effective Date, there shall not have occurred, in the judgment of the Company, acting reasonably, a Material Adverse Change to the Purchaser;
- (d) the board of directors of the Purchaser shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by the Purchaser to permit the consummation of the Arrangement and the issue of the Consideration Shares, Replacement Options and the Purchaser Shares issuable upon the exercise of the Replacement Options and the Company Warrants from time to time;
- (e) the board of directors of the Purchaser shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by the Purchaser to reconstitute the board of directors of the Purchaser to comprise three nominees of the Purchaser and two nominees of the Company;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, in each case that has a reasonable likelihood of success:

- (i) seeking to restrain or prohibit the consummation of the Plan of Arrangement or any of the transactions contemplated by this Agreement or seeking to obtain from any of the Parties any damages that are material in relation to the Purchaser; or
 - (ii) which otherwise is reasonably likely to have a Material Adverse Effect on the Company or the Purchaser; and
- (g) all consents, approvals, authorizations and waivers of any Persons (other than Governmental Entities) which are required or necessary for the completion of the Arrangement and other transactions contemplated hereby (including all consents, approvals, authorizations and waivers required under the Purchaser Material Agreements) shall have been obtained or received on terms which are acceptable to the Company, acting reasonably.

The Company may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by the Company with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by the Company in complying with its obligations hereunder.

6.4 Notice and Cure Provisions. Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party hereto contained in Section 6.1, 6.2 and 6.3, as the case may be.

Subject as herein provided, a Party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Sections 6.1, 6.2 and 6.3 in favour of such Party, or exercise any termination right arising therefrom, if forthwith, and in any event prior to the Effective Date, such Party has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered and the Party receiving such notice is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the Party delivering such notice may not terminate this Agreement until the earlier of the Outside Date and the expiration of a period of ten Business Days from such notice. If such notice has been delivered prior to the date of the Company Meeting, such meeting shall be postponed until the expiry of such period. If such notice has been delivered prior to the making of the application for the Final Order, such application shall be postponed until the expiry of such

period. For greater certainty, in the event that such matter is cured within the time period referred to herein, this Agreement may not be terminated as a result of such matter.

6.5 Satisfaction of Conditions. The conditions precedent set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Director.

ARTICLE 7 AMENDMENT AND TERMINATION

7.1 Amendment. Subject to the terms of the Interim Order, the Plan of Arrangement and applicable Laws, this Agreement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Date, be amended by mutual written agreement of the Parties hereto provided, however, that any such change, waiver or modification does not invalidate any required approval of the Company Shareholders to the Arrangement.

7.2 Termination.

- (a) This Agreement may, at any time before the Effective Date:
 - (i) be terminated by the mutual agreement of the Company and the Purchaser;
 - (ii) be terminated by either the Company or the Purchaser, if:
 - (A) the Company Meeting is held and the Arrangement Resolution is not approved by the Company Shareholders in accordance with applicable Laws and the Interim Order;
 - (B) there shall be passed any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or if any Governmental Entity shall have issued any injunction, order, decree or ruling enjoining the Company or the Purchaser from consummating the transactions contemplated by this Agreement and such injunction, order, decree or ruling shall become final and non-appealable;
 - (C) subject to Section 6.4, the other Party is in default of a covenant or obligation hereunder such that the conditions contained in Section 6.2(a) or 6.3(a), as applicable, would be incapable of satisfaction, provided the Party seeking to terminate this Agreement is not then in breach of this Agreement so as to cause any condition in favour of all Parties or in favour of the other Party not to be satisfied;
 - (D) subject to Section 6.4, any representation or warranty of the other Party under this Agreement is untrue or incorrect and shall have become untrue or incorrect such that the condition contained in Section 6.2(b) or 6.3(b), as applicable, would be incapable of satisfaction, provided that the Party seeking to terminate this

Agreement is not then in breach of this Agreement so as to cause any condition in favour of both Parties or in favour of the other Party not to be satisfied; or

(E) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(a)(ii)(E) if the failure of the Effective Time to occur has been a principal cause of, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(iii) be terminated by the Purchaser if:

(A) through no fault of the Purchaser the Arrangement shall not have been submitted for the approval of the Company Shareholders on or before the Meeting Deadline in the manner provided for in Article 2 and in the Interim Order;

(B) the Company shall have effected a Change of Recommendation;

(C) the Company breaches any of the provisions of Section 5.1 or Section 5.2; or

(D) a Material Adverse Effect has occurred with respect to Company; or

(iv) be terminated by the Company:

(A) in order to enter into a definitive written agreement with respect to a Superior Proposal, subject to compliance with Section 5.1 or Section 5.2; or

(B) if a Material Adverse Effect has occurred with respect to the Purchaser.

(b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 7.2, no Party shall have any further liability to perform its obligations hereunder, except as otherwise contemplated hereby, and provided that, subject to Section 7.4, neither the termination of this Agreement nor anything contained in this Section 7.2(b) shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

7.3 Liquidated Damages. Each of the Parties irrevocably waives any right it may have to raise as a defence in any proceedings that any such damages are excessive, punitive or abusive.

7.4 Remedies. Subject to Section 8.11, the Parties hereto acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its Representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Parties hereto agree that, in the event of any breach or threatened breach of this Agreement by one of the Parties, the non-breaching Party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to the Parties.

ARTICLE 8 GENERAL

8.1 Notices. All notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by email, in each case addressed to the particular party at:

- (a) If to the Purchaser:

Aero Energy Limited
Suite 918, 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3

Attention: Galen McNamara
Email: [REDACTED]

with a copy to:

Forooghian + Company Law Corporation
Suite 401 – 353 Water Street
Vancouver, British Columbia V6B 1B8

Attention: Farzad Forooghian
Email: [REDACTED]

- (b) If to the Company:

Kraken Energy Corp.
Suite 918, 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3

Attention: Brian Goss
E-mail: [REDACTED]

with a copy to:

McMillan LLP
Royal Centre, Suite 1500

1055 West Georgia Street, PO Box 11117
Vancouver, British Columbia V6E 4N7

Attention: Mark Neighbor

Email: [REDACTED]

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing. Any notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic mail, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next Business Day if not given during such hours on any day.

8.2 Assignment. The Company agrees that the Purchaser may assign all or any part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, a wholly-owned direct or indirect subsidiary of the Purchaser, provided that the Purchaser shall continue to be liable jointly and severally with such subsidiary for all obligations hereunder. Subject to the foregoing, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party without the prior written consent of the other Party.

8.3 Binding Effect. This Agreement will enure to the benefit of and be binding upon the respective successors (including any successor by reason of amalgamation or statutory arrangement) and permitted assigns of the Parties.

8.4 Time of Essence. Time is of the essence of this Agreement.

8.5 Waiver and Modification. Any Party may (a) waive, in whole or in part, any inaccuracy of, or consent to the modification of, any representation or warranty made to it hereunder or in any document to be delivered pursuant hereto, (b) extend the time for the performance of any of the obligations or acts of the other Party, (c) waive or consent to the modification of any of the covenants herein contained for its benefit or waive or consent to the modification of any of the obligations of the other Party hereto, or (d) waive the fulfillment of any condition to its own obligations contained herein. No waiver or consent to the modifications of any of the provisions of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach or condition waived. The rights and remedies of the Parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects any further exercise of such right or remedy or the exercise of any other right or remedy to which that Party may be entitled. No waiver or partial waiver of any nature, in any one or more instances, will be deemed or construed a continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

8.6 Third Party Beneficiaries. Except as provided in Section 4.6 which, without limiting its terms, is intended as stipulations for the benefit of the third parties mentioned in such provisions (such third parties referred to in this Section 8.6 as the “**Covered Persons**”) and except for the rights of the Company Shareholders to receive the Consideration Shares following the Effective Time pursuant to the Arrangement, the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Purchaser acknowledges to each of the Covered Persons their direct rights against it under Section 4.6 of this Agreement, which are intended for the benefit of, and shall be enforceable by, each Covered Person, his or her heirs and his or her legal representatives, and for such purpose, the Company confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.

8.7 Severability. If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated herein is not affected in any material manner or would prevent or significantly impede or materially delay the completion of the Arrangement.

8.8 Mutual Interest. Notwithstanding the fact that any part of this Agreement has been drafted or prepared by or on behalf of one of the Parties, all Parties confirm that they and their respective counsel have reviewed and negotiated this Agreement and that the Parties have adopted this Agreement as the joint agreement and understanding of the Parties, and the language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and the Parties waive the application of any Laws or rule of construction providing that ambiguities in any agreement or other document will be construed against the Party drafting such agreement or other document and agree that no rule of construction providing that a provision is to be interpreted in favour of the Person who contracted the obligation and against the Person who stipulated it will be applied against any Party.

8.9 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 things 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 of this Agreement and, in the event the Arrangement becomes effective, to document or evidence any of the transactions or events set out in the Plan of Arrangement.

8.10 No Personal Liability. No director, officer or employee of the Purchaser will have any personal liability to the Company under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of the Purchaser. No director, officer or employee of the Company will have any personal liability to the Purchaser under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of the Company.

8.11 Expenses. All fees and expenses of the Parties incurred in connection with the preparation, execution and delivery of this Agreement and the Arrangement will be borne by the Party incurring such expenses.

8.12 Governing Law; Attornment; Service of Process. This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement or the Arrangement and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

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

[Remainder of page has been left intentionally blank]

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

AERO ENERGY LIMITED

/s/ Galen McNamara

Name: Galen McNamara

Title:CEO

KRAKEN ENERGY CORP.

/s/ Brian Goss

Name: Brian Goss

Title: Interim CEO

Exhibit A
PLAN OF ARRANGEMENT

[Attached]

**PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized will have the meanings ascribed to them below:

- (a) “**Arrangement**” means the arrangement of the Company under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Purchaser and the Company, each acting reasonably;
- (b) “**Arrangement Agreement**” means the arrangement agreement dated as of April 1, 2025, between the Purchaser and the Company, together with the disclosure letter delivered by the Company in connection with the Arrangement Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (c) “**Arrangement Resolution**” means the special resolution of the Company Shareholders approving the Arrangement to be considered at the Company Meeting;
- (d) “**Business Day**” means any day other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada applicable therein;
- (e) “**CBCA**” means the *Canada Business Corporations Act*;
- (f) “**Company**” means Kraken Energy Corp., a company existing under the CBCA;
- (g) “**Company Meeting**” means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order for the purposes of considering and, if thought fit, approving the Arrangement Resolution;
- (h) “**Company Option Plan**” means the Company’s stock option plan dated March 29, 2022;
- (i) “**Company Optionholder**” means a holder of one or more Company Options;
- (j) “**Company Options**” means options to acquire Company Shares granted pursuant to or otherwise subject to the Company Option Plan;

- (k) “**Company Shareholder**” means a holder of one or more Company Shares;
- (l) “**Company Shares**” means the common shares in the capital of Company;
- (m) “**Company Warrantholder**” means a holder of one or more Company Warrants;
- (n) “**Company Warrants**” means all of the issued and outstanding common share purchase warrants of the Company;
- (o) “**Consideration**” means 0.97037 Purchaser Shares for each Company Share;
- (p) “**Depository**” means Computershare Investor Services Inc. or any other trust company, bank or other financial institution agreed to in writing by each of the Parties;
- (q) “**Director**” shall have the meaning ascribed to such term in the CBCA;
- (r) “**Dissent Rights**” has the meaning set out in Section 4.1;
- (s) “**Dissenting Company Shareholder**” means a registered Company Shareholder who has duly exercised a Dissent Right and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Company Shares in respect of which Dissent Rights are validly exercised by such Company Shareholder;
- (t) “**DRS**” means a statement issued under the Direct Registration System;
- (u) “**Effective Date**” means the date shown on the Certificate of Arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;
- (v) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as Parties may agree upon in writing;
- (w) “**Exchange Ratio**” means 0.97037;
- (x) “**Final Order**” means the order of the Court approving the Arrangement under 192(4) of the CBCA, after being informed of the intention to rely upon the exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act with respect to the Consideration Shares and Replacement Options issued pursuant to the Arrangement, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of each of the Parties, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to each of the

Parties, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

- (y) “**Former Company Shareholders**” means the Company Shareholders immediately prior to the Effective Time;
- (z) “**Interim Order**” means the interim order of the Court to be issued following the application therefor submitted to the Court pursuant to Section 192(4) of the CBCA as contemplated by the Arrangement Agreement, after being informed of the intention to rely upon the exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act with respect to the Consideration Shares and Replacement Options issued pursuant to the Arrangement, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of each of the Parties, each acting reasonably;
- (aa) “**Liens**” means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (bb) “**Parties**” means the parties to the Arrangement Agreement;
- (cc) “**Purchaser Option Plan**” means the Purchaser’s amended and restated stock option plan dated for reference December 8, 2022;
- (dd) “**Purchaser Shares**” means common shares in the capital of the Purchaser;
- (ee) “**Replacement Option**” has the meaning set out in Section 3.2;
- (ff) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- (gg) “**United States**” or “**U.S.**” means, as the context requires, the United States of America, its territories or possessions, any state of the United States, and/or the District of Columbia; and
- (hh) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder.

Any capitalized terms used but not defined herein will have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA

and not otherwise defined herein or in the Arrangement Agreement will have the same meaning herein as in the CBCA unless the context otherwise requires.

1.2 Interpretations not Affected by Headings

The division of this Plan of Arrangement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and will not affect its construction or interpretation. Unless stated otherwise, all references to an “Article” and “Section” followed by a number and/or a letter refer to the specified Article or Section of this Plan of Arrangement.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular will include the plural and *vice versa* and the word person and words importing persons will include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

ARTICLE 2 ARRANGEMENT AGREEMENT AND BINDING EFFECT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of the Arrangement Agreement, except in respect of the steps, transactions and events comprising the Arrangement, which will occur in the order set forth in Section 3.1.

2.2 Binding Effect

This Plan of Arrangement will become effective at the Effective Time and will be binding upon the Purchaser, the Company, the Company Shareholders, the Dissenting Company Shareholders, the Company Optionholders, the Company Warrantholders, the Depository and all other persons

at and after the Effective Time without any further act or formality required on the party of any person.

ARTICLE 3 ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, each of the steps, transactions and events set out below will occur and be deemed to occur in the following sequence, in each case effective at one-minute intervals starting at the Effective Time, without any further authorization, act or formality or by the Company, the Purchaser or any other person:

- (a) each Company Share held by a Dissenting Company Shareholder will be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to the Company for cancellation and the Company will thereupon be obliged to pay (using its own funds and not funds provided directly or indirectly by the Purchaser) the amount therefor determined and payable in accordance with Article 4, less applicable withholdings pursuant to Section 5.4, and:
 - (i) each such Dissenting Company Shareholder will cease to be the holder of such Company Shares and to have any rights as a Company Shareholder other than the right to be paid the fair value for such Company Shares as set out in Article 4;
 - (ii) the name of such holder will be removed from the central securities register of the Company as a Company Shareholder and such Company Shares will be cancelled; and
 - (iii) the capital account maintained by the Company in respect of the Company Shares will be reduced by an amount equal to the product obtained when (A) the amount of the capital account in respect of the Company Shares immediately prior to the Effective Time, is multiplied by (B) a fraction, the numerator of which is the number of Company Shares transferred and cancelled pursuant to this Section 3.1 and the denominator of which is the number of Company Shares outstanding immediately prior to the Effective Time; and
- (b) each Company Share held by a Former Company Shareholder (other than the Purchaser, any subsidiary of the Purchaser or a Dissenting Company Shareholder) immediately prior to the Effective Time will be, and will be deemed to be, transferred to the Purchaser (free and clear of any Liens), in exchange for the Consideration, and:
 - (i) the holders of such Company Shares will cease to be the holders thereof and to have any rights as holders of such Company Shares other than the right

to be paid the Consideration per Company Share in accordance with this Plan of Arrangement;

- (ii) such holders' names will be removed from the register of Company Shareholders maintained by or on behalf of the Company; and
- (iii) the Purchaser will be deemed to be the transferee and the legal and beneficial holder of such Company Shares (free and clear of any Liens) and the register of Company Shareholders maintained by or on behalf of the Company will be, and will be deemed to be, revised accordingly.

3.2 Company Options

In accordance with and under the terms of each of the Company Options and the Company Option Plan, each Company Option which is outstanding and has not been duly exercised prior to the Effective Time will be exchanged (the time of such exchange being the “**Option Exchange Time**”) for an option (each, a “**Replacement Option**”) to purchase from the Purchaser such number of Purchaser Shares, in each case equal to (A) that number of Company Shares that were issuable upon exercise of such Company Option immediately prior to the Option Exchange Time, multiplied by (B) the Exchange Ratio, rounded down to the nearest whole number of Purchaser Shares. Each Replacement Option will provide for an exercise price per Purchaser Share (rounded up to the nearest whole cent) equal to the exercise price per Company Share that would otherwise be payable pursuant to the Company Option it replaces, divided by the Exchange Ratio. All terms and conditions of a Replacement Option, including conditions to and manner of exercising, will be the same as the Company Option for which it was exchanged, and will be governed by the terms of the Purchaser Option Plan and any document previously evidencing the Company Option will thereafter evidence and be deemed to evidence such Replacement Option (when read with all necessary modifications to give effect to this Arrangement).

3.3 Company Warrants

In accordance with and under the terms of each of the Company Warrants, each Company Warrantholder will be entitled to receive (and such Company Warrantholder will accept) upon the exercise of such Company Warrantholder's Company Warrant, in lieu of Company Shares to which such Company Warrantholder was theretofore entitled upon such exercise, and for the same aggregate consideration payable therefor, the Consideration which the Company Warrantholder would have been entitled to receive as a result of the transactions contemplated by this Arrangement if, immediately prior to the Effective Date, such Company Warrantholder had been the registered holder of the number of Company Shares to which such Company Warrantholder would have been entitled if such Company Warrantholder had exercised such holder's Company Warrants immediately prior to the Effective Time. Each Company Warrant will continue to be governed by and be subject to the terms of the applicable Company Warrant certificate, subject to any supplemental exercise documents issued by the Purchaser to holders of Company Warrants to facilitate the exercise of the Company Warrants and the payment of the corresponding portion of the exercise price thereof. Company Warrantholders will be advised that securities issuable upon the exercise of the Company Warrants, if any, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may be issued only pursuant to an

effective registration statement or a then available exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, if any.

3.4 Effective Time Procedures

- (a) Following the receipt of the Final Order and prior to the Effective Date, the Purchaser will deliver or arrange to be delivered to the Depositary, certificates or DRS representing the Consideration required to be issued to Former Company Shareholders, which certificates or DRS will be held by the Depositary as agent and nominee for such Former Company Shareholders, for distribution to such Former Company Shareholders, in accordance with the provisions of Article 5.
- (b) Subject to the provisions of Article 5, and upon return of a properly completed Letter of Transmittal by a registered Former Company Shareholder, together with certificates or DRS representing Company Shares and such other documents as the Depositary may require, Former Company Shareholders will be entitled to receive delivery of the certificates or DRS representing the Consideration, to which they are entitled pursuant to Section 3.1.

3.5 No Fractional Shares

In no event will any holder of Company Shares be entitled to a fractional Purchaser Share and no cash will be paid in lieu thereof. Where the aggregate number of Purchaser Shares to be issued to a Company Shareholder as Consideration under the Arrangement would result in a fraction of a Purchaser Share being issuable, the number of Purchaser Shares to be received by such Company Shareholder will be rounded down to the nearest whole Purchaser Share and no person will be entitled to any compensation in respect of a fractional share.

3.6 Purchaser Shares

All Purchaser Shares issued pursuant hereto will be deemed to be validly issued and outstanding as fully paid and non-assessable shares.

3.7 Effective Time of Arrangement

The exchanges, issuances and cancellations provided for in Section 3.1 will be deemed to occur on the Effective Date at the time and in the order specified in Section 3.1, notwithstanding that certain of the procedures related thereto are not completed until after such time.

ARTICLE 4 DISSENT RIGHTS

4.1 Dissent Rights

Pursuant to the Interim Order, registered Company Shareholders as of the record date for the Company Meeting may exercise rights of dissent (“**Dissent Rights**”) in respect of all Company Shares held by such holder as a registered holder thereof as of such date in connection with the Arrangement pursuant to and in strict compliance with the procedures set forth in Section 190 of

the CBCA, as modified by this Section 4.1, the Interim Order and the Final Order, provided that the written notice of dissent to the Arrangement Resolution must be received by the Company from registered Company Shareholders that wish to dissent not later than 5:00 p.m. (Vancouver time) on the date that is two Business Days before the date of the Company Meeting or any date to which the Company Meeting may be postponed or adjourned and provided further that holders who purport to exercise such rights of dissent and who:

- (a) are ultimately determined to be entitled to be paid fair value for their Company Shares by the Company will (i) be deemed not to have participated in the transaction in Article 3 (other than Section 3.1(a)), (ii) be deemed to have transferred such Company Shares (free and clear of all Liens) to the Company in accordance with Section 3.1(a), (iii) be paid only an amount in cash equal to such fair value by the Company less applicable withholdings pursuant to Section 5.4, and (iv) not be entitled to any other payment or consideration, including payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Shares; and
- (b) are ultimately determined to be not entitled, for any reason, to be paid fair value for their Company Shares in which they have purported to exercise Dissent Rights will be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting Company Shareholder and will be entitled to receive only the consideration contemplated in Section 3.1(b) that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights,

but in no case will the Purchaser, the Company or any other person be required to recognize Company Shareholders who exercise Dissent Rights as Company Shareholders immediately prior to the Effective Time, and the names of such registered Company Shareholders who exercise Dissent Rights (and have not withdrawn such exercise of Dissent Rights prior to the Effective Time) will be deleted from the central securities register as Company Shareholders at the Effective Time and Purchaser will be recorded as the registered Company Shareholder so transferred and will be deemed to be the legal owner of such Company Shares.

For greater certainty, (a) no holder of Company Options or Company Warrants will be entitled to Dissent Rights in respect of such holder's Company Options or Company Warrants, as applicable, and (b) no person who has voted Company Shares, or instructed a proxyholder to vote such person's Company Shares, in favour of the Arrangement Resolution will be entitled to exercise Dissent Rights with respect to the Arrangement.

ARTICLE 5 CERTIFICATES AND PAYMENTS

5.1 Delivery of Consideration

- (a) On the Effective Date, each Former Company Shareholder (other than Dissenting Company Shareholders) will, following completion of the transactions described in Section 3.1, be entitled to receive, and the Depositary will, subject to Section 5.1(b),

deliver to such Former Company Shareholder following the Effective Time, certificates or DRS representing the Consideration that such Former Company Shareholder is entitled to receive in accordance with Section 3.1.

- (b) Upon surrender to the Depository of a certificate or DRS that immediately before the Effective Time represented one or more outstanding Company Shares that were exchanged for Consideration in accordance with Section 3.1, together with such other documents and instruments as would have been required to effect the transfer of the Company Shares formerly represented by such certificate or DRS under the terms of such certificate or DRS, the CBCA or the articles of Company and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate or DRS will be entitled to receive in exchange therefor, and the Depository will deliver to such holder following the Effective Time, certificates or DRS representing the Consideration that such holder is entitled to receive in accordance with Section 3.1.
- (c) After the Effective Time and until surrendered as contemplated by Section 5.1(b), each certificate or DRS that immediately prior to the Effective Time represented one or more Company Shares following completion of the transactions described in Section 3.1, will be deemed at all times to represent only the right to receive in exchange therefor certificates representing the Consideration that the holder of such certificate or DRS is entitled to receive in accordance with Section 3.1.

5.2 Lost Certificates

In the event any certificate, that immediately prior to the Effective Time represented one or more outstanding Company Shares that were exchanged for Consideration in accordance with Section 3.01, will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository will deliver in exchange for such lost, stolen or destroyed certificate, certificates representing the Consideration that such holder is entitled to receive in accordance with Section 3.1. When authorizing such delivery of a certificate or DRS representing the Consideration that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom certificates or DRS representing such Consideration is to be delivered will, as a condition precedent to the delivery of certificates representing such Consideration, give a bond satisfactory to the Purchaser and the Depository in such amount as the Purchaser and the Depository may direct, or otherwise indemnify the Purchaser and the Depository in a manner satisfactory to the Purchaser and the Depository, against any claim that may be made against the Purchaser or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and will otherwise take such actions as may be required by the articles of Company.

5.3 Distributions with respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Purchaser Shares with a record date after the Effective Time will be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Company Shares unless and until the holder of such certificate will have complied with the

provisions of Section 5.2. Subject to applicable law and to Section 5.4, at the time of such compliance, there will, in addition to the delivery of a certificate or DRS representing the Consideration to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Purchaser Shares.

5.4 Withholding Rights

Notwithstanding any provision of this Plan of Arrangement to the contrary, the Company, the Purchaser and the Depositary will be entitled to deduct or withhold from any consideration otherwise payable to any Company Shareholder and any other securityholder of the Company under the Plan of Arrangement (including any payment to Dissenting Company Shareholders) such amounts as the Company, the Purchaser or the Depositary (as the case may be) is required or permitted to deduct or withhold with respect to such payment under the Tax Act, and the rules and regulations promulgated thereunder, or any provision of any federal, provincial, territorial, state, local or foreign tax law as counsel may advise is required to be so deducted or withheld by the Company, the Purchaser or the Depositary, as the case may be. For the purposes hereof, all such deducted or withheld amounts will be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity by or on behalf of the Company, the Purchaser or the Depositary, as the case may be. To the extent necessary, such deductions or withholdings may be effected by selling, on behalf of the Company Shareholder or other securityholder, any Purchaser Shares to which any such person may otherwise be entitled under the Plan of Arrangement, and any amount remaining following the sale (including all fees, commissions or costs in respect of such sale), deduction or withholding and remittance will be paid to the person entitled thereto as soon as reasonably practicable. None of the Company, Purchaser or the Depositary will be under any obligation to obtain or indemnify any such Company Shareholder or other securityholder in respect of a particular price for the Purchaser Shares so sold.

5.5 Limitation and Proscription and Extinction of Rights

To the extent that a Former Company Shareholder will not have complied with the provisions of Section 5.1 or Section 5.2 on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Consideration that such Former Company Shareholder was entitled to receive will cease to represent a claim of any nature whatsoever and be automatically cancelled without any repayment of capital in respect thereof and the certificates representing such Consideration will be delivered to the Purchaser by the Depositary, without any further action required on the part of the Purchaser or any successor corporation, and the interest of the Former Company Shareholder in such Consideration to which it was formerly entitled will be terminated and the Former Company Shareholder will be deemed to have donated and forfeited to the Purchaser or any successor such Consideration as of such final proscription date.

5.6 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any Liens or other claims of third parties of any kind.

5.7 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement will take precedence and priority over any and all Company Shares, Company Options and Company Warrants issued prior to the Effective Time, (b) the rights and obligations of the Company Shareholders, Company Optionholders, Company Warrantholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, will be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares, Company Options or Company Warrants will be deemed to have been settled, compromised, released and determined without liability of the Company or the Purchaser except as set forth in this Plan of Arrangement.

ARTICLE 6 AMENDMENTS

6.1 Amendments to Plan of Arrangement

- (a) The Purchaser and the Company reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by the Purchaser and the Company, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to Company Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting provided that the Purchaser will have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Company Meeting (other than as may be required under the Interim Order), will become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Company Meeting will be effective only if: (i) it is consented to in writing by each of the Purchaser and the Company, and (ii) if required by the Court, it is consented to by the Company Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Purchaser and the Company without the approval of or communication to the Court or the Company Shareholders and holders of Company Options and Company Warrants, provided that it concerns a matter which, in the reasonable opinion of the Purchaser and the Company is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Company Shareholders and holders of Company Options and Company Warrants.

**ARTICLE 7
FURTHER ASSURANCES**

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

**ARTICLE 8
U.S. SECURITIES LAW EXEMPTION**

8.1 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, the Company and the Purchaser each agree that the Plan of Arrangement will be carried out with the intention that, and they will use their commercially reasonable efforts to ensure that, the Consideration and Replacement Options received under the Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof, and in reliance on exemptions from the registration or qualification requirements of applicable U.S. state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement. The Consideration and Replacement Options (unless issued to persons who are, or have been within 90 days of when such Consideration or Replacement Options are issued, “affiliates” as defined under rule 144 thereunder), will not be “restricted securities” as defined in Rule 144 thereunder and will not bear a U.S. restrictive legend. The issuance of the Consideration and Replacement Options is subject to and conditioned on the Court’s determination that the Arrangement is substantively and procedurally fair to those entitled to receive Consideration and Replacement Options pursuant to the Arrangement, and based on the Court’s approval of the Arrangement after being informed of the intention of the Purchaser to rely upon the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof for the issuance under the Arrangement of such securities. The Purchaser Shares issuable upon exercise of the Replacement Options have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may be issued only pursuant to an effective registration statement or a then available exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Exhibit B
ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (as it may be modified or amended, the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* involving Kraken Energy Corp. (the “**Company**”), shareholders of the Company (the “**Company Shareholders**”), and Aero Energy Limited (the “**Purchaser**”), all as more particularly described and set forth in the plan of arrangement (as it may be modified or amended, the “**Plan of Arrangement**”) attached as Appendix <@> to the Management Information Circular of the Company dated <@>, 2025 (the “**Information Circular**”), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The Arrangement Agreement dated as of April 1, 2025, between the Company and the Purchaser, as it may be amended, modified or supplemented from time to time (the “**Arrangement Agreement**”), and the transactions contemplated therein, the actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and causing the performance by the Company of its obligations thereunder are hereby confirmed, ratified, authorized and approved.
3. The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed to) by the Company Shareholders or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered without further notice to or approval of the Company Shareholders (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or Plan of Arrangement, and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).
5. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person’s opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.