

VALDOR TECHNOLOGY INTERNATIONAL INC.

and

1423618 B.C. LTD.

and

1000175307 ONTARIO LTD.

ARRANGEMENT AGREEMENT

July 7, 2023

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of July 7, 2023

AMONG:

VALDOR TECHNOLOGY INTERNATIONAL INC., a corporation
incorporated under the laws of the Province of British Columbia

(the "**Parent**"),

AND

1423618 B.C. LTD., a corporation incorporated under the laws of
the Province of British Columbia

(the "**Purchaser**"),

AND

1000175307 ONTARIO LTD., a corporation existing under the
laws of the Province of Ontario

(the "**Company**").

WHEREAS:

- A. The Parent proposes to acquire, through the Purchaser, all of the issued and outstanding Company Shares;
- B. The Board has unanimously determined, after receiving financial and legal advice, that the Arrangement is in the best interests of the Company, and the Board has unanimously resolved to recommend that the Company Shareholders vote in favour of the Arrangement Resolution, all subject to the terms and the conditions contained in this Agreement; and
- C. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transaction herein provided for.

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

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

“Acquisition Proposal” means, other than the transactions contemplated by this Agreement, any oral or written offer, proposal, expression of interest or inquiry from any Person or group of Persons other than the Purchaser (or an affiliate of the Purchaser or any Person acting jointly or in concert with the Purchaser or any of its affiliates) received by the Company after the date of this Agreement relating to, in each case, whether in a single transaction or a series of transactions: (i) any direct or indirect sale or disposition (or any lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale or disposition) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Company; (ii) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company; or (iii) any acquisition, plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding-up or exclusive license, or other similar transaction involving the Company that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (including securities convertible into or exchangeable for voting or equity securities) of the Company that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of the Company.

“Action” means, with respect to any Person, any litigation, legal action, lawsuit, claim, audit or other proceeding (whether civil, administrative, quasi-criminal or criminal) before any Governmental Entity against or involving such Person or its business or affecting its assets.

“affiliate” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions* except that, for the purposes of this definition, a person (first person) is also considered to control another person (second person) if the second person is a trust and the first person is a trustee.

“Agreement” means this arrangement agreement, as it may be amended, modified or supplemented from time to time in accordance with the terms hereof.

“Amalgamation” has the meaning specified in 4.10.1.

“Arrangement” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement 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 Company and the Purchaser, each acting reasonably.

“Arrangement Resolution” means the special resolution of the Company Shareholders approving the Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders, substantially in the form set out in Schedule B.

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

“associate” has the meaning ascribed thereto in the *Securities Act* (Ontario).

“Authorization” means with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person, or its business, assets or securities.

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

“Board” means the board of directors of the Company as constituted from time to time.

“Board Recommendation” means the unanimous recommendation of the Board (with interested directors abstaining from voting) to Company Shareholders that they vote in favour of the Arrangement Resolution.

“Books and Records” means: (a) all of the Company’s books of account, accounting records and other financial data and information, including copies of Tax records; (b) the corporate records of the Company; (c) all sales and purchase records, lists of suppliers and customers, credit and pricing information and business and consulting reports; and (d) all other books, documents, files, records, correspondence, data and information, financial or otherwise, that are in the possession or under the control of the Company, including all data and information stored electronically or on computer related media.

“Breaching Party” has the meaning ascribed thereto in Section 4.8.3.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia or Toronto, Ontario.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Change in Recommendation” means (i) any modification or qualification in a manner adverse to or the withdrawal, or public proposal to modify or qualify in a manner adverse to the Purchaser or withdraw, the Board Recommendation, (ii) any approval, endorsement or recommendation (or public proposal to do so) by the Board of any tender offer, take-over bid or other Acquisition Proposal (other than a recommendation against such offer, bid or Acquisition Proposal), (iii) any failure to include the Board Recommendation in the Circular, (iv) any failure by the Board to publicly reaffirm the Board Recommendation within five (5) Business Days after the Purchaser reasonably requests in writing after a material event or development (other than an event described in clause (v) below) (or within such fewer number of days as remains before the day that is two (2) Business Days before the Company Meeting), or (v) taking no position or a neutral position with respect to an Acquisition Proposal for more than five (5) Business Days after the public announcement of such Acquisition Proposal (it being understood that taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five (5) Business Days after the public announcement of such Acquisition Proposal will not

be considered to be a Change in Recommendation provided the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five (5) Business Day period).

“**Closing**” has the meaning ascribed thereto in Section 2.9.2.

“**Company**” has the meaning ascribed thereto in the preamble hereto.

“**Company Assets**” means all undertakings, property, assets, rights and interests of the Company of every kind and description wherever located.

“**Company Business**” means the business carried on currently and prior to the date of this Agreement by the Company.

“**Company Circular**” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

“**Company’s Constating Documents**” means the articles of incorporation and by-laws of the Company and all amendments to such articles or by-laws.

“**Company Disclosure Letter**” means the disclosure letter dated the date of this Agreement and all schedules, exhibits and appendices thereto, delivered by the Company to the Purchaser and the Parent with this Agreement.

“**Company Intellectual Property Rights**” means any statutory or common law rights of the Company in any jurisdiction in regards to the Company Assets and the Company Business, including the registration or application for registration of such rights, provided under:

- (a) patent law;
- (b) copyright law;
- (c) trade-mark law, including trade names;
- (d) design patent or industrial design law; and
- (e) any other statutory provision or common law principle applicable hereto which may provide a right in either: (i) ideas, formulae, algorithms, concepts, inventions or know-how generally, including confidential information or trade secret law; or (ii) the expression of such ideas, formulae, algorithms, concepts, inventions or know-how.

“**Company Material Adverse Effect**” means any change, event, occurrence, effect, circumstance or development that, individually or in the aggregate, with other such changes, events, occurrences, effects, circumstances or developments, does or would reasonably be expected to have a material and adverse effect on the business, affairs, operations, capitalization, assets, liabilities (contingent or otherwise), financial condition or results of operations of the Company taken as a whole, except any such change, event, occurrence, effect or circumstance arising out of, relating to, resulting from or attributable

to:

- (a) any change, development or condition generally affecting one or more of the industries in which the Company;
- (b) any change, development or condition in or relating to global, national or regional political conditions (including any protest, riot, the outbreak or escalation of war or acts of terrorism) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial or capital markets conditions;
- (c) any change, development or condition resulting from any act of sabotage or terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of sabotage, terrorism, hostilities or war;
- (d) any epidemic, pandemic or outbreak of illness or health crisis or public health event, or any worsening of any of the foregoing;
- (e) any change in applicable generally accepted accounting principles, including IFRS;
- (f) any earthquake, flood or other natural disaster or other acts of God;
- (g) any adoption, proposal, implementation or change in Law or any interpretation, application or non-application of any Laws by any Governmental Entity;
- (h) any action taken (or omitted to be taken) by the Company which is required to be taken (or omitted to be taken) pursuant to this Agreement (other than Section 4.1.1) or that is consented to by the Parent or the Purchaser in writing; or
- (i) the failure of the Company to meet any internal, published or public projections, forecasts, guidance or estimates, including without limitation of revenues, earnings, cash flows or other financial operating metrics before, on or after the date of this Agreement (it being understood that the causes underlying such failure may be taken into account in determining whether a Company Material Adverse Effect has occurred, provided that such causes are not otherwise excluded from the definition of "Company Material Adverse Effect");

provided, however, (i) if any event, change, occurrence, effect, state of facts or circumstances referred to in clauses (a) through to and including (o) above, has a materially disproportionate effect on the Company, relative to other comparable companies and entities operating in the industries in which the Company operate, such effect may be taken into account in determining whether a "Company Material Adverse Effect" has occurred; and (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Company Material Adverse Effect" has occurred.

"Company Meeting" means the special meeting of the Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser, acting reasonably.

"Company Share" means a common share in the capital of the Company.

“Company Shareholders” means the registered and/or beneficial holders of the Company Shares, as the context requires.

“Consideration” means one (1) Parent Share for each one (1) Company Share.

“Contract” means any legally binding agreement, commitment, engagement, contract, licence, lease, obligation or undertaking to which the Company is a party or by which the Company is bound or to which any of its assets is subject.

“Court” means the Ontario Superior Court of Justice (Commercial List).

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

“Depository” means such Person as the Company may appoint to act as depository for the Parent Shares in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“Director” means the Director appointed pursuant to Section 278 of the OBCA.

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

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” has the meaning set out in the Plan of Arrangement.

“Employee Plans” means all employee benefit plans, including without limitation, all health, dental, vision, prescription drug, accidental death and dismemberment, critical illness, emergency travel, life, short term disability, long term disability or other medical insurance (whether insured by contract or self-insured), mortgage insurance, employee loan, employee assistance, supplemental unemployment benefit, post-employment benefit, post-retirement benefit, bonus, profit sharing, option, incentive, performance, equity, equity-based, phantom, deferred compensation, severance, termination, pension, retirement, saving, and supplemental retirement, plans, programs, practices, policies, agreements, arrangements or undertakings (whether written or unwritten, funded or unfunded, registered or unregistered), that is established, administered, funded, contributed to, or required to be contributed to by the Company for the benefit of one or more current or former employees, or current or former directors of the Company, or its respective dependents or beneficiaries, or in respect of which the Company has any actual or potential liability, but, for the avoidance of doubt, shall not include the Canada Pension Plan, any health or drug plan established and administered by a Province and workers' compensation insurance provided by federal or provincial Laws in Canada, or a comparable government program established and administered outside Canada.

“Environmental Laws” means all Laws and agreements with Governmental Entities and all other statutory requirements relating to public health and safety, noise control, pollution, reclamation or the protection of the environment, and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements, in each case, to the extent that they have the force of Law.

“Fairness Opinion” means the opinion of RWE Growth Partners, Inc. to the effect that, as of the date of this Agreement, the Consideration to be received by the Company Shareholders pursuant to the Plan of Arrangement is fair, from a financial point of view, to

such holders.

“Final Order” means the final order of the Court, in a form acceptable to the Parties, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the Exchange.

“GSA” means the general security agreement dated December 21, 2022 between the Parent and the Company respecting the Loan.

“IFRS” means the International Financial Reporting Standards defined in the CPA Canadian Handbook – Accounting Part I, as applicable from time to time.

“Intellectual Property” means all intellectual property and all domestic and foreign intellectual property rights, whether registered or unregistered, including: (a) inventions, patents, applications for patents and reissues, divisions, continuations, re-examinations, renewals, extensions and continuations-in-part of patents or patent applications; (b) copyrights, copyright registrations and applications for copyright registration and any works of authorship; (c) mask works, mask work registrations and applications for mask work registrations; (d) designs and similar rights, design registrations, design registration applications, industrial designs, industrial design registrations, industrial design applications, and integrated circuit topographies and similar rights, and reissues, divisions, continuations, re-examinations, renewals, extensions and continuations-in-part of design registrations, industrial design registrations, industrial design application, integrated circuit topography registrations, or integrated circuit topography applications; (e) trade names, business names, corporate names, domain names, website names and world wide web addresses, social media accounts, common law trademarks, trademark registrations, trademark applications, trade dress and logos; (f) the goodwill and moral rights associated with any of the foregoing; and (g) trade secrets, confidential information and know how.

“Interim Order” means the interim order of the Court, in a form acceptable to the Parties, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, award, Order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated, rendered, issued, ordered or applied by a Governmental Entity that is binding upon or otherwise applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“Letter of Intent” means the letter of intent between the Parent and the Company dated December 1, 2022, as amended.

“Liens” means with respect to any property or asset, any mortgage, deed of trust, lien, charge, pledge, encumbrance, hypothecation, security interest, prior claim, easement, conditional sale or other title retention agreement or other similar adverse claim (statutory or otherwise), in each case, whether contingent or absolute.

“Listing Statement” means the Exchange Form 2A to be prepared for the Parent assuming completion of the Arrangement in accordance with the policies of the Exchange.

“Loan” means the “line of credit” loan for up to \$100,000 made by the Parent to the Company pursuant to the Loan Agreement and the GSA.

“Loan Agreement” means the loan agreement dated December 21, 2022 between the Parent and the Company respecting the Loan.

“Matching Period” has the meaning ascribed thereto in Section 5.4.1(e).

“Material Contract” means:

- (j) any Contract that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Company Material Adverse Effect;
- (k) any Contract relating directly or indirectly to the guarantee of any liabilities or obligations or relating directly or indirectly to indebtedness for borrowed money in excess of \$150,000, in the aggregate, of a Person;
- (l) restricting the incurrence of indebtedness by the Company (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of the Company (other than on a specifically described vehicle or equipment in the case of a capital lease, vehicle or equipment lease or similar Contract), or restricting the payment of dividends by the Company;
- (m) any Contract under which indebtedness in excess of \$150,000, in the aggregate, is or may become outstanding;
- (n) any Contract under which the Company has made or received payments in excess of \$100,000 over the last twelve months or pursuant to which it is obligated to make or expects to receive payments in excess of \$100,000 over the next twelve months;
- (o) any Contract that provides for obligations or entitlements or termination payments of any Person or which has an economic value to any Person, or could result in liabilities to the Company, whether or not on a contingent basis, in excess of \$150,000 in total;
- (p) any shareholders or stockholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments with respect to any shares or other equity interests of the Company or any other Contract relating to disposition, voting or dividends with respect to any shares or other equity securities of the Company;
- (q) any Contract that involves, with respect to either the Company, an exclusive dealing arrangement; exclusive pricing arrangement; right of first offer or refusal or

“most favoured nation” obligation; volume obligations;

- (r) any Contract providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$150,000;
- (s) any Contract that limits or restricts in any material respect (A) the ability of the Company to engage in any line of business or carry on business in any geographic area, or (B) the scope of Persons to whom the Company may sell products or services;
- (t) any standstill or similar Contract currently restricting the ability of the Company to offer to purchase or purchase the assets or equity securities of another person other than in the ordinary course of business;
- (u) any Contract providing for the establishment, investment in, organization or formation of any joint venture, partnership or other revenue sharing arrangements;
- (v) any Contract which requires the Company to pay an amount to any financial advisor, bank, dealer or broker as a consequence of the consummation of the transactions contemplated hereby; or
- (w) any Contract that is otherwise material to the Company.

“**Misrepresentation**” has the meaning ascribed thereto under the Securities Laws.

“**Money Laundering Laws**” has the meaning ascribed thereto in paragraph 27 of Schedule C.

“**OBCA**” means the Business Corporations Act (Ontario).

“**officer**” has the meaning ascribed thereto in the *Securities Act* (Ontario).

“**Order**” means, all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, reports, awards or decrees of any Governmental Entity (in each case whether temporary, preliminary or permanent);

“**Ordinary Course**” means, with respect to an action taken by the Company, that such action is consistent with past practices of the Company and is taken in the ordinary course of the normal day-to-day operations of the business of the Company, as applicable.

“**Outside Date**” means November 7, 2023, or such later date as may be agreed to in writing by the Parties.

“**Paraguayan Option Agreement**” means the option dated March 24, 2023 between the Company and Minera Atenea S.A. pursuant to which the Company has the option to acquire from Minera Atenea S.A. up to 85% interest in and to certain mining rights located in Paraguay.

“**Paraguayan Transaction**” means the transaction that is the subject of the Paraguayan Option Agreement.

“**Parent**” has the meaning ascribed thereto in the preamble hereto.

“Parent Amalco” has the meaning specified in 4.10.1.

“Parent Amalco Shares” has the meaning specified in 4.10.1(i).

“Parent Board” means the board of directors of the Parent as constituted from time to time.

“Parent Board Recommendation” has the meaning ascribed thereto in 2.6.3.

“Parent Change in Recommendation” means if, prior to the Parent Shareholder Approval having been obtained, the Parent Board fails to make the Parent Board Recommendation or withdraws, amends, modifies or qualifies, or publicly states an intention to withdraw, amend, modify or qualify, in a manner adverse to the Company, the Parent Board Recommendation.

“Parent Circular” means the notice of the Parent Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Parent Shareholders in connection with the Parent Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

“Parent Meeting” means the special meeting of the Parent Shareholders, including any adjournment or postponement thereof, to be convened to vote on the Parent Resolution (and for any other purpose as may be set out in the Parent Circular);

“Parent Resolution” means an ordinary resolution of the Parent Shareholders approving the acquisition of all of the issued and outstanding Company Shares in accordance with the terms of the Arrangement and all ancillary matters related thereto.

“Parent Shares” means shares in the capital stock of the Parent.

“Parent Shareholder Approval” means the approval of the Parent Resolution by the Parent Shareholders at the Parent Meeting by a simple majority of votes eligible to vote and voting (either in person or by proxy).

“Parent Shareholders” means the registered and/or beneficial holders of the Parent Shares, as the context requires.

“Parent Warrant” has the meaning specified in 4.10.1(j).

“Parties” means, collectively, the Company, the Parent and the Purchaser and **“Party”** means any of them.

“Permitted Liens” means, as of any particular time and in respect of any Person, each of the following Liens:

- (a) the reservations, limitations, provisos and conditions expressed in the original grant from the Crown and any statutory exceptions to title;
- (b) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of real or personal property up to a maximum of \$150,000 in the aggregate;

- (c) easements, servitudes, restrictions, restrictive covenants, party wall agreements, rights of way, licenses, permits and other similar rights in real property (including, without limiting the generality of the foregoing, easements, rights of way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) that do not, individually or in the aggregate, materially adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used);
- (d) encroachments that do not materially impair or affect the current use or value of any real property and minor defects or irregularities in title to any real property;
- (e) Liens for Taxes not yet due or in respect of which an applicable reserve has been made;
- (f) Liens imposed by Law for obligations not yet due or delinquent;
- (g) Liens in respect of pledges or deposits under workers' compensation, social security or similar Laws, other than with respect to any amounts which are due or delinquent, unless such amounts are being contested in good faith by appropriate proceedings;
- (h) zoning and building by-laws and ordinances, airport zoning regulations, regulations made by public authorities and other restrictions affecting or controlling the use or development of any real property;
- (i) agreements affecting real property with any municipal, provincial or federal governments or authorities and any public utilities, including (without limitation) subdivision agreements, development agreements, and site control agreements, in each case that do not, individually or in the aggregate, materially and adversely impair the current use and operation thereof (assuming its continued use in the manner in which it is currently used);
- (j) any notices of leases registered on title and licenses of occupation;
- (k) purchase money liens and liens securing rental payments under capital lease arrangements;
- (l) customary Liens of landlords, sublandlords or licensors arising under leases or license arrangements;
- (m) Liens which affect each fee owner's, superior lessor's, landlord's or sublandlord's right, title or interest in or to a leased property of the Company;
- (n) Liens that will be terminated prior to the Closing;
- (o) Liens as listed and described in Section 1.1 of the Company Disclosure Letter; and
- (p) such other imperfections or irregularities of title or Lien that, in each case, do not materially adversely affect the use of the properties or assets subject thereto or otherwise materially adversely impair business operations of such properties.

"Person" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including

Governmental Entity), syndicate or other entity, whether or not having legal status.

“Personal Information” means information about an identifiable individual governed and regulated by Privacy Laws and Processed by the Company or third parties on behalf of Company, including any factual or subjective information (whether recorded or not) regarding any of their customers, suppliers, employees, consultants, officers, directors, executives, and agents, such as an individual’s name, address, age, gender, identification number, income, family status, citizenship, employment, assets, liabilities, payment records, credit information, personal references and health records.

“Plan of Arrangement” means the plan of arrangement, substantially in the form set out in Schedule A, subject to any amendments or variations to such plan made in accordance with 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 Company and the Purchaser, each acting reasonably.

“Privacy Laws” mean all applicable Laws governing the Processing of any Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada).

“Processed” or **“Processing”** means any operation or set of operations performed on Personal Information or sets of Personal Information, whether or not by automated means, including accessing, collecting, recording, organization, structuring, storing, adapting or altering, retrieval, consultation, using, disclosing by transmission, dissemination or otherwise making available, aligning or combining, restriction, erasing, deleting or destroying.

“Purchaser” has the meaning ascribed thereto in the preamble hereto.

“Regulatory Approval” means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case required in connection with the transactions that are the subject of the Arrangement.

“Replacement Warrant” has the meaning specified in 4.10.1(j).

“Representatives” means, with respect to any Person, any, and all, directors, officers, employees, consultants, financial advisors, lawyers, accountants and other advisors or agents of such Person.

“Securities Authority” means the Ontario Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

“Securities Laws” means the *Securities Act* (Ontario) and any other applicable Canadian provincial and territorial securities Laws, rules, regulations and published policies thereunder.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Subsidiary” has the meaning ascribed thereto in Section 1.1 of National Instrument 45-106 *Prospectus Exemptions*.

“Superior Proposal” means any *bona fide* written Acquisition Proposal made by third party after the date hereof to acquire, directly or indirectly, not less than all of the outstanding Company Shares (provided that, for further clarity, any Company Shares subject to a rollover or similar arrangement will be considered acquired for this purpose) or all or substantially all of the assets of the Company on a consolidated basis:

- (a) that did not result from a breach of Article 5;
- (b) that complies with Securities Laws;
- (c) that is reasonably capable of being completed in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal;
- (d) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Board that adequate arrangements have been made to ensure that the required funds will be available to effect payment in full for all of the Company Shares or assets, as the case may be;
- (e) that is not subject to a due diligence or access to information condition; and
- (f) in respect of which the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and its financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal, that such Acquisition Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Company Shareholders (other than the Management Shareholders) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4.2).

“Superior Proposal Notice” has the meaning ascribed thereto in Section 5.4.1(c).

“Tax Act” means the *Income Tax Act* (Canada) and all regulations promulgated thereunder, including any amendments made thereto.

“Tax Returns” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes.

“Taxes” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity (whether Canadian or foreign), whether computed on a separate, consolidated, unitary, combined or other basis, including, without limitation, those levied on, or measured by, or described with respect to or referred to as, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social

services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

“Terminating Party” has the meaning ascribed thereto in Section 4.8.3.

“Termination Notice” has the meaning ascribed thereto in Section 4.8.3.

“Transaction Personal Information” has the meaning ascribed thereto in Section 8.9.1.

“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.

“U.S. Securities Act” has the meaning ascribed thereto in Section 2.12.

“wilful breach” means a material breach of this Agreement that is a consequence of any act undertaken or failure to act by the Breaching Party with the knowledge that the taking of such act or failure to act would, or would be reasonably expected to, cause a material breach of this Agreement.

Section 1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

(a) **Headings, etc.**

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.

(b) **Currency**

All references to dollars, to \$ or CA\$ are references to Canadian dollars, unless specified otherwise. Any reference to US\$ is to United States dollars.

(c) **Gender and Number**

Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Phrasing**

The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, “paragraph”

and "Schedule" followed by a number or letter mean and refer to the specified Article, Section paragraph of or Schedule to this Agreement. The term "Agreement" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it.

(e) **Capitalized Terms**

All capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings ascribed to them in this Agreement.

(f) **Knowledge**

Any reference in this Agreement to the "knowledge" of the Company shall be deemed to refer to the actual knowledge of Jessica Patterson, after reasonable and diligent inquiry. Any reference in this Agreement to the "knowledge" the Parent or the Purchaser shall be deemed to refer to the actual knowledge of Jessica Patterson, after reasonable and diligent inquiry.

(g) **Statutes**

Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(h) **Computation of Time**

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(i) **Time References**

References to time are to local time, Toronto, Ontario.

(j) **Schedules**

The schedules attached to this Agreement and the Company Disclosure Letter form an integral part of this Agreement for all purposes of it.

(k) **Company Disclosure Letter**

The Company Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

ARTICLE 2 THE ARRANGEMENT

Section 2.1 Arrangement

The Parties 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. The Arrangement will become effective at the Effective Time on the Effective Date.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement, the Company shall apply in a manner reasonably acceptable to the Purchaser pursuant to Section 182 of the OBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

- (a) for the classes 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 required level of approval for the Arrangement Resolution shall be two-thirds of the votes cast on such resolution by the Company Shareholders present in person or represented by proxy at the Company Meeting;
- (c) confirmation of the record date for the Company Shareholders entitled to receive notice of and vote at the Company Meeting and that the record date for the Company Shareholders entitled to receive notice of and to vote at the Company Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Company Meeting, unless required by Law or the Court;
- (d) that, in all other respects, the terms, restrictions and conditions of the Company's Constatng Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;
- (e) for the grant of Dissent Rights to those Company Shareholders who are registered Company Shareholders as contemplated in the Plan of Arrangement;
- (f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (g) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court; and
- (h) for such other matters as the Parties may reasonably require, subject to obtaining the prior consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, and subject to approval by the Court.

Section 2.3 Company Meeting

The Company shall:

- (a) in consultation with the Purchaser and subject to and in accordance with the Interim Order, the Company's Constatng Documents and Law, convene and

conduct the Company Meeting as soon as reasonably practicable and, in any event, on the date of the Parent Meeting, and set the record date for the Company Shareholders entitled to vote at the Company Meeting as promptly as practicable, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser, except as required or permitted under Section 4.8.3 or Section 5.4.6, as required for quorum purposes (in which case, the Company Meeting shall be adjourned and not cancelled), for adjournments for not more than 10 Business Days in the aggregate for the purposes of soliciting proxies to obtain the requisite approval of the Arrangement Resolution or as required by Law or by a Governmental Entity;

- (b) subject to the terms of this Agreement and compliance by the directors and officers of the Company with their fiduciary duties, use commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, and at the sole expense of the Purchaser and/or any of its affiliates, using proxy solicitation services firms to solicit proxies in favour of the approval of the Arrangement Resolution;
- (c) provide the Purchaser with copies or access to information regarding the Company Meeting generated by any proxy solicitation services firm retained by the Company, as reasonably requested from time to time by the Purchaser;
- (d) give notice to the Purchaser of the Company Meeting and allow the Purchaser's Representatives and legal counsel to attend the Company Meeting;
- (e) as promptly as reasonably practicable, advise the Purchaser, at such times 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, and promptly following receipt of proxy tallies over the last three 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;
- (f) promptly advise the Purchaser of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Arrangement;
- (g) promptly notify and provide the Purchaser with details of any purported exercise or withdrawal of Dissent Rights by Company Shareholders;
- (h) not change the record date for the Company Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by Law or as otherwise contemplated under the terms of this Agreement; and
- (i) not make any payment or settlement offer, or agree to any such settlement, before the Effective Time with respect to any such notice of dissent or purported exercise of Dissent Rights or any other claim in opposition of the Arrangement unless the Purchaser has given its prior written consent (which may be granted or withheld in the Purchaser's sole and absolute discretion) to such payment, settlement offer or settlement as applicable.

Section 2.4 Parent Meeting

Subject to the terms of this Agreement, the Parent shall:

- (a) convene and conduct the Parent Meeting in accordance with its constating documents and applicable Laws, and use its commercially reasonable efforts to convene and conduct the Parent Meeting as soon as reasonably practicable;
- (b) unless the Parent Board has made the Parent Change in Recommendation, use commercially reasonable efforts to obtain the Parent Shareholder Approval (including by soliciting such proxies as may be required in order to pass the Parent Resolution and not to pass any resolution submitted by any Parent Shareholder that is inconsistent with the Parent Resolution and the completion of any of the transactions contemplated by this Agreement);
- (c) promptly advise the Company, provided that such information is reasonably available to the Parent, as to the aggregate tally of the proxies received by the Parent in respect of the Parent Resolution;
- (d) promptly advise the Company of any written communication to the Parent from any Parent Shareholder in opposition to the Parent Resolution and/or the Arrangement; and
- (e) procure that each of the directors of the Parent shall vote in favour of the Parent Resolution at the Parent Meeting in respect of all Parent Shares held by such director.

Section 2.5 Company Circular

- 2.5.1 Subject to the Purchaser's compliance with Section 2.5.4, the Company shall as promptly as reasonably practicable prepare and complete, in consultation with the Parent and the Purchaser as contemplated by this Section 2.3(i), the Company Circular together with any other documents required by Law in connection with the Company Meeting, the approval of the Arrangement Resolution thereat and the Arrangement, including obtaining the Fairness Opinion for inclusion in the Company Circular, and the Company shall cause the Company Circular and such other documents to be filed and sent to each Company Shareholder and other Persons as required by the Interim Order and Law, in each case using all commercially reasonable efforts so as to permit the Company Meeting to be held by the date specified in Section 2.3.
- 2.5.2 The Company shall ensure that the Company Circular complies in all material respects with Law, does not contain any Misrepresentation (provided that the Company shall not be responsible for any information concerning the Parent, the Purchaser and their affiliates, and furnished by or on behalf of the Purchaser, the Parent or any of their Representatives for purposes of inclusion in the Company Circular) and provides the Company Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting.
- 2.5.3 The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel, and agrees that all information relating solely to the Purchaser and/or any of its affiliates included in the Company Circular must be consistent with the information

provided to the Company by the Purchaser. The Company shall provide the Purchaser with a final copy of the Company Circular prior to its mailing to the Company Shareholders.

- 2.5.4 The Parent and the Purchaser shall provide (and procure that its professional advisers provide) to the Company in writing all information regarding the Parent, the Purchaser and their affiliates, as may be reasonably requested by the Company for inclusion in the Company Circular (and any amendments or supplements to such Company Circular) or other related documents on a timely basis and shall ensure that such information does not contain, or cause the Company Circular to contain, any Misrepresentation.
- 2.5.5 The Parent and the Purchaser acknowledge and agree that the Company shall be entitled to rely on the accuracy of all information furnished by the Parent, the Purchaser, their affiliates and their respective Representatives in writing for inclusion in the Company Circular concerning the Parent, the Purchaser and its affiliates.
- 2.5.6 Each Party shall promptly notify the other Parties if it becomes aware that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Company Shareholders and, if required by the Court or by Law, file the same with the Securities Authorities or any other Governmental Entity.
- 2.5.7 The Company shall keep the Purchaser fully informed, in a timely manner, of any requests or comments made by the Securities Authorities in connection with the Company Circular.

Section 2.6 Parent Circular and Listing Statement

- 2.6.1 Subject to the Company's compliance with Section 2.6.4 and Section 2.6.5, the Parent shall (i) as soon as reasonably practicable following execution of this Agreement, prepare the Parent Circular and the Listing Statement together with any other documents required by applicable Laws in connection with the Parent Meeting and (ii) as soon as reasonably practicable cause the Parent Circular and Listing Statement to be posted to the Parent Shareholders and other Persons as required by the Parent's constitutional documents and by applicable Laws.
- 2.6.2 On the date of mailing thereof, the Parent shall ensure that each of the Parent Circular and Listing Statement complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, shall ensure that each of the Parent Circular and Listing Statement will not contain any misrepresentation (except that the Parent shall not be responsible for any information included in the Parent Circular and Listing Statement relating to the Company and its affiliates that was provided by the Company expressly for inclusion in the Parent Circular pursuant to Section 2.6.4).
- 2.6.3 The Parent Circular shall include a statement that, in the unanimous opinion of the Parent Board, the Arrangement is in the best interests of the Parent Shareholders as a whole and that the Parent Board unanimously recommends that Parent Shareholders vote in favour of the Parent Resolution (the "**Parent Board Recommendation**").
- 2.6.4 The Company shall provide the Parent, on a timely basis, with all such assistance (including reasonable access to and reasonable provision and assistance by professional advisers of the Company) and information relating to the Company and its affiliates as the Parent and its advisers may reasonably request in connection with the preparation of the

Parent Circular and Listing Statement. Such information shall include: (i) any information reasonably required to verify the contents of the Parent Circular and the Listing Statement in respect of information provided by or regarding the Company and its affiliates, and (ii) all information as is required by applicable Laws. The Company shall ensure that such information does not include any misrepresentation or omission concerning the Company or its affiliates. The Purchaser shall also use its commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial information required to be included in the Parent Circular or the Listing Statement and to the identification in the Parent Circular and the Listing Statement of each such advisor.

- 2.6.5 The Company and its legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Parent Circular, the Listing Statement and related documents required to be posted to Parent Shareholders prior to the Parent Circular and Listing Statement being filed with any Governmental Entity or posted to the Parent Shareholders, and reasonable consideration shall be given to any comments made by the Company and its legal counsel, provided that all information relating solely to the Company and its affiliates included in the Parent Circular or the Listing Statement shall be in form and content approved in writing by the Company, acting reasonably.
- 2.6.6 The Company shall indemnify and save harmless the Parent, the Purchaser and its Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which the Parent, the Purchaser or any of its Representatives may be subject or which the Parent, the Purchaser or any of its Representatives may suffer as a result of, or arising from, any misrepresentation contained in any information included in the Parent Circular or the Listing Statement that was furnished by the Company, its affiliates and their respective Representatives acting on their behalf, for inclusion in the Parent Circular or the Listing Statement.
- 2.6.7 The Company, on one hand, and the Parent and the Purchaser, on the other hand, shall each promptly notify the other if at any time before the Effective Date either becomes aware that the Parent Circular or the Listing Statement contains a misrepresentation, or otherwise requires an amendment or supplement and the Parties shall co-operate in the preparation of any amendment or supplement to the Parent Circular or the Listing Statement as required or appropriate, and the Parent shall promptly prepare any such amendment or supplement and post or otherwise publicly disseminate any such amendment or supplement to the Parent Shareholders and, if required by Law, file the same with any Governmental Entity.

Section 2.7 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 182 of the OBCA, as soon as reasonably practicable, but in any event not later than five Business Days after the Arrangement Resolution is passed at the Company Meeting, as provided for in the Interim Order, or such later date as the Parties may agree, acting reasonably.

Section 2.8 Court Proceedings

Subject to the terms of this Agreement, the Purchaser will cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing the Company

on a timely basis any information reasonably required to be supplied by the Purchaser in connection therewith. The Company will provide the Purchaser with a reasonable opportunity to review and comment upon drafts of all materials to be filed with the Court in connection with the Arrangement prior to the service and filing of such materials and will give reasonable consideration to such comments. 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. 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 2.8 or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided, however, that nothing herein will require the Purchaser to agree or consent to any increase or change in the consideration payable under the terms of the Plan of Arrangement or any 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. 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, acting reasonably, provided that the Company or its legal counsel is advised of the nature of any submissions prior to the hearing and such submissions are consistent in all material respects with this Agreement and the Plan of Arrangement. The Company will also provide the Purchaser on a timely basis with copies of any notice of appearance and evidence or other documents served on the Company or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether or not in writing, received by the Company or its legal counsel 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.

Section 2.9 Articles of Arrangement and Effective Date

2.9.1 The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the Plan of Arrangement.

2.9.2 Unless another time or date is agreed to in writing by the Parties, the completion of the Arrangement (the "**Closing**") will take place remotely by exchange of documents and signatures (or their electronic counterparts), unless another place is agreed to in writing by the Parties hereto, at 8:00 a.m. (Vancouver time) 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 set out in Article 6 (excluding conditions that, by their terms, are to be satisfied on 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). The Company shall send the Articles of Arrangement to the Director on the day of Closing.

Section 2.10 Withholding Taxes

The Purchaser, the Company, the Depositary, and any other Person that makes a payment under the Plan of Arrangement or this Agreement shall be entitled to deduct and withhold from any consideration otherwise payable or otherwise deliverable such amounts as the Purchaser, the Company, the Depositary, or such other Person are required or directed to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement or this Agreement and shall be treated for all purposes under this Agreement as having been paid to the recipient in respect of which such deduction, withholding and remittance was made provided that such amounts are actually and timely remitted to the

appropriate governmental entity in accordance with applicable Law.

Section 2.11 List of Company Shareholders

At the reasonable request of the Purchaser from time to time, the Company shall, as soon as reasonably practicable, provide the Purchaser with a list (in both written and electronic form) of the registered Company Shareholders, together with their addresses and respective holdings of Company Shares, with a list of the names and addresses and holdings of all Persons having rights issued by the Company to acquire Company Shares, all as of a date that is as close as reasonably practicable prior to the date of delivery of such lists. 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 Purchaser may reasonably request.

Section 2.12 U.S. Securities Law Matters

2.12.1 The Parties agree that the Arrangement will be carried out with the intention that the issuance of Parent Shares to recipients thereof, as set forth in the Plan of Arrangement, will be done in reliance on the exemption from the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), provided by Section 3(a)(10) thereof, or another applicable exemption from the registration requirements of the U.S. Securities Act. In connection with the Parties’ intended reliance upon the above-described exemption under Section 3(a)(10) of the U.S. Securities Act, the Parties agree that the Arrangement will, to the extent practical, 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 prior to the Court hearing as to the intention of the Parties to rely, on the exemption under Section 3(a)(10) of the U.S. Securities Act from the registration requirements of the U.S. Securities Act with respect to the issuance of Parent Shares to the applicable recipients thereof as set forth in the Plan of Arrangement;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the Arrangement (including the terms and conditions of the issuance of securities pursuant thereto) to the applicable recipients thereof subject to the Arrangement;
- (d) each Person entitled to receive Parent Shares to be issued by Parent pursuant to the Arrangement will be given adequate notice advising them of their right to attend the Court hearing and providing them with sufficient information necessary for them to exercise that right; and
- (e) each Person entitled to receive Parent Shares pursuant to the Arrangement will be advised that the Parent securities 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 in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act and an available exemption from U.S. state registration requirements.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

- 3.1.1 Except as specifically disclosed the Company Disclosure Letter (it being expressly understood and agreed that the disclosure of any fact or item in any section of the Company Disclosure Letter shall also be deemed to be an exception to (or, as applicable, disclosure for the purposes of) any other sections of this Agreement and any other representations and warranties of the Company contained in this Agreement to the extent that its relevance to such other section, representation or warranty is reasonably apparent), the Company represents and warrants to the Purchaser and the Parent as set forth in Schedule C and acknowledges and agrees that the Purchaser and the Parent are relying upon such representations and warranties as an inducement to enter into this Agreement and to consummate the transactions contemplated herein.
- 3.1.2 Except for the representations and warranties set forth in this Agreement or in any certificate delivered pursuant to the terms hereof, neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company.
- 3.1.3 The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated at the Effective Time.

Section 3.2 Representations and Warranties of the Purchaser and the Parent

- 3.2.1 Each of the Purchaser and the Parent represent and warrant to the Company as set forth in Schedule D and acknowledge and agree that the Company is relying upon such representations and warranties as an inducement to enter into this Agreement and to consummate the transactions contemplated herein.
- 3.2.2 Except for the representations and warranties set forth in this Agreement or in any certificate delivered pursuant to the terms hereof, neither the Purchaser, the Parent nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Purchaser or the Parent.
- 3.2.3 The representations and warranties of each of the Purchaser and the Parent contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated at the Effective Time.

ARTICLE 4 COVENANTS

Section 4.1 Conduct of Business of the Company

- 4.1.1 The Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, delayed or conditioned; (ii) as required or contemplated by this Agreement or as expressly set out in the Company Disclosure Letter; or (iii) as required by Law; or (iv) in respect of reasonable payments to legal and financial advisors in connection with the Company's response to an Acquisition

Proposal in accordance with the terms of this Agreement; the Company shall conduct its business in the Ordinary Course and in accordance with Laws, and the Company shall, in good faith, use commercially reasonable efforts to maintain and preserve its business organization, assets, properties, employees, goodwill and business relationships with customers, suppliers, partners and other Persons with which the Company has material business relations.

- 4.1.2 Without limiting the generality of Section 4.1.1, the Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, delayed or conditioned; (ii) as required or contemplated by this Agreement; (iii) as required by Law; or (iv) as expressly set out in the Company Disclosure Letter, the Company will in good faith ensure that it shall not, directly or indirectly:
- (a) amend its organizational documents;
 - (b) split, combine or reclassify any shares or declare, set aside or pay any dividend or other distribution or make any payment (whether in cash, stock or property or any combination thereof), in respect of the Company Shares owned by any Person;
 - (c) reduce the stated capital of the Company;
 - (d) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares or other such type of security issued by the Company;
 - (e) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of, any shares of capital stock, or any other type of equity security, or any options, warrants or similar rights exercisable or exchangeable for or convertible into such shares of capital stock, or any other type of equity security issued by the Company;
 - (f) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any assets, securities, properties, partnerships or other business organizations, interests or businesses having a cost, on a per transaction or series of related transaction basis, in excess of \$250,000 for all such transactions, other than Ordinary Course acquisition of inventory or Ordinary Course acquisitions under procurement contracts;
 - (g) sell, lease, hypothecate, license, sell and lease-back, mortgage, dispose of or otherwise transfer or encumber, directly or indirectly, in one transaction or in a series of related transactions, any of the Company's assets which have a value greater than \$250,000 in the aggregate, other than the sale, lease, disposition or other transfer of inventories in the Ordinary Course;
 - (h) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture, partnership, shareholders' agreement or similar relationship between the Company and another Person;
 - (i) make any capital expenditure or commitment which individually or in the aggregate exceeds \$250,000;

- (j) reorganize, amalgamate or merge the Company or otherwise or enter into any agreement, understanding or arrangement with respect to the sale of voting or equity interests of the Company;
- (k) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company;
- (l) enter into any new line of business or enter into any Contract that materially restricts the Company or affiliates from engaging or competing in any line of business or in any geographic area, or which would so materially restrict the Company or Parent following the Closing;
- (m) terminate, renew, suspend, abrogate, amend or modify in any material respect any Authorization other than in the Ordinary Course;
- (n) make any material Tax election, settle or compromise any material Tax claim, assessment, reassessment or liability, file any material amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter or amend or materially change any of its methods of reporting income, deductions or accounting for income Tax purposes except as may be required by Law;
- (o) create, incur, drawdown under any credit facilities, assume or otherwise become liable, in one transaction or in a series of transactions, with respect to any indebtedness for borrowed money or guarantees thereof (including any indebtedness or counter-indemnity in respect of a guarantee, indemnity, bond, standby or documentary letter of credit, banker's acceptance or any other instrument issued by a bank or financial institution), which in the aggregate exceeds \$250,000;
- (p) make any loan or advance or capital contribution to, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any Person either by purchase of stock or securities, contributions to capital, property transfer, purchase of any property or assets of any Person or otherwise;
- (q) create or incur any Lien (other than Permitted Liens);
- (r) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments;
- (s) change the Company's methods of accounting or accounting principles or practices, except as required by concurrent changes in IFRS, or pursuant to written instructions, comments or orders of a Securities Authority;
- (t) (i) hire or terminate (other than for cause) any employees, consultants or other independent contractors or materially change or modify current employment agreements or other employment terms and conditions, (ii) grant, accelerate or increase any severance, change of control or termination pay to (or amend any existing arrangement relating to the foregoing with) any director, officer or employee of the Company; (iii) grant, accelerate or increase any payment, award (equity or otherwise) or other benefits payable to, or for the benefit of any director,

officer or employee of the Company; (iv) increase the coverage, contributions, funding requirements or benefits available under any Employee Plan; (v) except as described in section 4.1.2(t) of the Company Disclosure Letter, increase salaries, compensation (in any form), bonus levels or other benefits payable to any director, officer, employee or consultant of the Company; (vi) waive any restrictive covenants applicable to any current or former director, officer or employee of the Company; (vii) except as permitted hereby, enter into or amend any employment, deferred compensation or other similar Contract (or amend any such existing Contract) with any director of the Company or any employee of the Company; (viii) make any material determination under any Employee Plan that is not in the Ordinary Course; or (ix) make any bonus or profit sharing distribution or similar payment of any kind;

- (u) enter into any union recognition agreement, collective bargaining agreement or similar agreement with any trade union or representative body, except for national collective bargaining agreements prescribed by Law;
- (v) adopt or establish any employee benefit plan that would become an Employee Plan upon being adopted or established, or terminate, amend or modify, in any material way, an existing Employee Plan;
- (w) except to the extent covered by an insurance policy of the Company, commence, waive, release, assign, settle or compromise any Actions;
- (x) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract, excluding the expiry of any Material Contract in accordance with its terms, without any action taken by the Company;
- (y) enter into an agreement that could result in the payment by the Company of a finder's fee, success fee or other similar fee in connection with the Arrangement or the other transactions contemplated in this Agreement;
- (z) waive, release, abandon, let lapse, grant or transfer any material right under, or amend, modify or change in any material respect, any existing material license or right to use the Intellectual Property of a third party;
- (aa) grant or commit to grant a license or otherwise transfer any Intellectual Property that is owned by the Company or right in or in respect thereto except for licenses entered into in the Ordinary Course, or as required pursuant to a Contract in force as of the date hereof;
- (bb) except as contemplated herein, amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company in effect on the date of this Agreement unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;
- (cc) fund any pension deficit, except as required by Law or by the terms of any existing Employee Plan; or

- (dd) authorize, agree, resolve, announce an intention or otherwise make any commitment to do any of the foregoing.
- 4.1.3 The Company covenants and agrees that until the earlier of the Effective Date and the termination of this Agreement in accordance with Article 7, the Company will (i) duly and timely file with the appropriate Governmental Entity all material Tax Returns required to be filed by it, which shall be correct and complete in all material respects, (ii) pay, withhold, collect and remit to the appropriate Governmental Entity in a timely fashion all material Taxes required to be so paid, withheld, collected or remitted, consistent with past practice, and (iii) properly reserve (and reflect such reserves in its Books and Records and financial statements) in accordance with past practice and in the Ordinary Course, for all material Taxes accruing which are not due or payable prior to the Effective Date, which reserves shall, for greater certainty, be made in accordance with IFRS.
- 4.1.4 The Company shall keep the Purchaser informed of any material events, discussions, notices or changes with respect to any Tax investigation, notice or inquiry or any other investigation notice or inquiry by a Governmental Entity or action involving the Company (other than ordinary course communications which could not reasonably be expected to be material to the Company). The Company will consider in good faith any reasonable requests by the Purchaser that the Company take any action regarding Tax filing matters, including the filing of notices of appeal and other actions in respect of notices of assessment from the Canada Revenue Agency.
- 4.1.5 The Company shall be permitted to consider business opportunities in the jurisdictions set out in section 4.1.5 of the Company Disclosure Letter; provided, however, that (i) the Company will not undertake any business activities in the United States and (ii) the Company shall not enter into any Material Contract (including a joint venture agreement) in relation to such activities without the Parent's prior written approval, which approval shall not be unreasonably withheld or delayed.

Section 4.2 Conduct of Business of the Parent

- 4.2.1 The Parent covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, the Parent shall not, directly or indirectly:
 - (a) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Parent or the Purchaser; or
 - (b) authorize, agree, resolve or otherwise commit to do any of the foregoing.

Section 4.3 Covenants Relating to the Arrangement

- 4.3.1 Subject to Section 4.4, each of the Company, the Purchaser and the Parent shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do or cause to be done all things required or advisable under Law to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement, including:
 - (a) using commercially reasonable efforts to satisfy, or cause the satisfaction of, all conditions precedent in this Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Arrangement;

- (b) in the case of the Company, using commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement or this Agreement, or (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are reasonably satisfactory to the Purchaser;
- (c) in the case of the Company, using commercially reasonable efforts to obtain approval of Company Shareholders of the Arrangement in accordance with the terms of this Agreement;
- (d) using commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to this Agreement or the Arrangement;
- (e) in the case of the Parent, apply for and use its commercially reasonable efforts to obtain approval of the listing and posting for trading on the CSE of the Parent Shares issuable under the Arrangement and otherwise comply with the requirements of the CSE relevant to this Agreement;
- (f) using commercially reasonable efforts, with reasonable consultation with the other Party, to oppose, lift or rescind any Order seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement and defend, or cause to be defended, any Actions to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement; and
- (g) not taking any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement.

4.3.2 The Company shall promptly notify the Purchaser in writing of:

- (a) any Company Material Adverse Effect;
- (b) any notice or other written communication from any Person (A) alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required to consummate the transactions contemplated by this Agreement, or (B) to the effect that such Person, in the event that that the Company has a material business relationship with such Person, is terminating or otherwise materially adversely modifying its relationship with the Company as a result of the Arrangement or this Agreement; or
- (c) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Company that could reasonably be expected to impede or delay consummation of the transactions contemplated by this Agreement.

4.3.3 The Purchaser or the Parent, as applicable, shall promptly notify the Company in writing of:

- (a) any notice or other written communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required to consummate the transactions contemplated by this Agreement; or
- (b) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Purchaser or Parent that could reasonably be expected to impede consummation of the transactions contemplated by this Agreement.

Section 4.4 Guarantee of Parent

The Parent will cause the Purchaser to perform all of its obligations under this Agreement and hereby guarantees, covenants and agrees to be jointly and severally liable with the Purchaser for the due and punctual performance of the obligations of the Purchaser arising under this Agreement and the Plan of Arrangement.

Section 4.5 Regulatory Approvals

- 4.5.1 As soon as reasonably practicable after the date hereof, the Parent, the Purchaser and the Company shall make all required or advisable notifications, filings, applications and submissions with Governmental Entities, shall promptly respond to any information requests by a Governmental Entity, and shall use their commercially reasonable efforts to obtain and maintain the Regulatory Approvals, so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the Outside Date).
- 4.5.2 With respect to obtaining the Regulatory Approvals and the other matters identified in this Section 4.5, each of the Purchaser and the Parent on the one hand, and the Company on the other, shall cooperate with one another and shall provide such assistance as any other Party may reasonably request in connection with obtaining the Regulatory Approvals as soon as reasonably practicable from the date of this Agreement. In particular:
 - (a) no Party shall extend or consent to any extension of any applicable waiting or review period or enter into any agreement with a Governmental Entity not to consummate the transactions contemplated by the Arrangement, except upon the prior written consent of the other Party (consent not to be unreasonably withheld, conditioned or delayed);
 - (b) the Parties shall exchange drafts of all submissions, material correspondence, filings, notifications, presentations, applications, plans and undertakings to be made or submitted to or filed with any Governmental Entity in respect of the transactions contemplated by the Arrangement, and to the extent not precluded by such Governmental Entity, give the other Party a reasonable opportunity to review and will consider in good faith any suggestions made by the other Party and its counsel and will provide the other Party and its counsel with final copies of all such submissions, material correspondence, filings, notifications, presentations, applications, plans and undertakings submitted to or filed with any Governmental Entity in respect of the transactions contemplated by the Arrangement, provided that (i) submissions, material correspondence, filings, notifications, presentations, applications, plans and undertakings to or with any Governmental Entity may be redacted as necessary before sharing with the other Party to address reasonable solicitor-client or other privilege or competitively sensitive information, provided that the Party must provide on an external counsel-only basis un-redacted versions

of such written materials with any Governmental Entity on the basis that the redacted information will not be shared with the other Party, (ii) no Party shall be required to share with any other Party or their external counsel any highly commercially sensitive information, and (iii) the Parties shall restrict access to the filings required by Section 4.5 to their employees and outside counsel who have a need to know;

- (c) each Party will keep the other Party and their respective counsel fully apprised of all substantive written (including email) and oral communications and all meetings with any Governmental Entity and their staff in respect of the Regulatory Approvals, and, unless participation by a Party is prohibited by Law or by such Governmental Entity, will not participate in such material communications or any meetings without giving the other Party and its counsel the opportunity participate therein; and
- (d) the Purchaser and the Parent shall contest and resist any action, including any administrative or judicial action, and seek to have vacated, lifted, reversed or overturned any Order which has the effect of making the transactions contemplated by the Arrangement illegal or otherwise prohibiting consummation of the transactions contemplated by the Arrangement.

4.5.3 Notwithstanding any requirement in this Agreement, in the case of a disagreement between the Parties over the strategy, tactics or decisions relating to obtaining the Regulatory Approvals, the Purchaser and the Parent shall, while considering the views and input of the Company in good faith and acting reasonably, have the final and ultimate authority over the appropriate strategy, tactics and decisions related to obtaining the Regulatory Approvals.

Section 4.6 Access to Information; Confidentiality

4.6.1 From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to Law and the terms of any existing Contracts, the Company shall: (i) give to the Purchaser and its representatives reasonable access to the offices, properties, books and records of the Company during normal business hours and in such manner as not to interfere unreasonably with the conduct of the business of the Company; and (ii) furnish to the Purchaser and its representatives such financial and operating data and other information as such Persons may reasonably request. Neither the Purchaser nor any of its representatives will contact any directors, officers, employees, customers, suppliers or other business partners of the Company except, the Chief Executive Officer of the Company or the Chief Financial Officer of the Company.

4.6.2 Notwithstanding any provision of this Agreement, the Company shall not be obligated to provide access to, or to disclose, any information to the Purchaser if the Company reasonably determines that such access or disclosure would jeopardize any attorney client privilege claim by the Company (so long as the Company has reasonably cooperated with the Purchaser to permit such inspection of or to disclose such information on a basis that does not waive such privilege with respect thereto).

4.6.3 Investigations made by or on behalf of the Purchaser, whether under this Section 4.6 or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by the Company in this Agreement.

4.6.4 With respect to Personal Information disclosed in connection with this Agreement, the

Purchaser (i) shall use or disclose such Personal Information only for purposes related to the transaction and, after closing, for the purposes for which such Personal Information was collected, permitted, to be used or disclosed before the transaction was completed or as otherwise permitted or required by Laws; (ii) shall protect such Personal Information by security safeguards appropriate to the sensitivity of the information; (iii) shall give effect to any withdrawal of consent with respect to such Personal Information; and (iv) to the extent required by Law, notify the individuals to whom such Personal Information relates that their Personal Information has transferred as a result of such transactions; and, if the transactions contemplated by this Agreement do not proceed, the Purchaser shall return to the Company or, at the Company's request, destroy such Personal Information within a reasonable period of time.

Section 4.7 Public Communications

Except as required by Law, a Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that, in the opinion of its legal counsel, is required to make disclosure by Law shall use best efforts to give the other Party prior oral or written notice and a reasonable opportunity to review and comment on the disclosure. The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure. Prior to filing any document relating to the Arrangement publicly, the Parties agree to consult with each other in order to agree on a version of the document to be filed and any necessary redactions to be made. The Parties acknowledge that the Parent will file this Agreement and, a material change report relating thereto on SEDAR, in each case.

Section 4.8 Notice and Cure Provisions

- 4.8.1 Each Party shall promptly notify the other Party of the occurrence, or failure to occur, 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 in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or
 - (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.
- 4.8.2 Notification provided under this Section 4.8 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.
- 4.8.3 The Purchaser and the Parent may not elect to exercise their right to terminate this Agreement pursuant to Section 7.2.1(d)(i) [*Breach of Representation or Warranty or Failure to Perform Covenant by the Company*] and the Company may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2.1(c)(i) [*Breach of Representation or Warranty or Failure to Perform Covenant by the Purchaser*], unless the Party seeking to terminate this Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After

delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (a) the Outside Date, and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice prior to the date of the Company Meeting or the making of the application for the Final Order, unless the Parties mutually agree otherwise, if applicable, the Company shall postpone or adjourn the Company Meeting or delay making the application for the Final Order, or both, to the earlier of (a) five Business Days prior to the Outside Date and (b) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party.

Section 4.9 Insurance and Indemnification

- 4.9.1 Prior to the Effective Date, the Company shall and, if the Company is unable after using commercially reasonable efforts, the Purchaser shall cause the Company to, purchase customary “tail” or “run off” policies of directors’ and officers’ liability insurance, providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Company which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the Purchaser will, or will cause the Company to maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date; provided that the Purchaser will not be required to pay any amounts in respect of such coverage prior to the Effective Time and the cost of such policies shall not exceed 300% of the current annual premium for the Company director and officer insurance.
- 4.9.2 The Purchaser shall cause the Company to honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company to the extent that they are contained in the Company’s Constatng Documents or disclosed in the Company Disclosure Letter and acknowledges that such rights, to the extent that they are contained in their Company’s Constatng Documents or disclosed in the Company Disclosure Letter, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms.
- 4.9.3 If the Purchaser, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not a continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers all or substantially all of its properties and assets to any Person, the Purchaser shall ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of the Company) assumes all of the obligations set forth in this Section 4.9.

Section 4.10 Post-Closing Amalgamation

- 4.10.1 As soon as practicable following the Effective Time, each of the Parent and the Purchaser shall use commercially reasonable efforts to merge (the “**Amalgamation**”) to form one corporate entity (“**Parent Amalco**”) with the same effect as if they had amalgamated under Section 269 of the BCBCA, except that the legal existence of the Parent shall not cease and the Parent shall survive the merger as Parent Amalco and, for the avoidance of doubt, the Amalgamation, together with the transactions described in Section 3.1(b) of the Plan of Arrangement, is intended to constitute a single integrated transaction, and the Amalgamation is intended to qualify as an amalgamation as defined in subsection 87(1)

of the Tax Act, and without limiting the generality of the foregoing, upon and as a consequence of the Amalgamation:

- (a) the separate legal existence of the Purchaser shall cease without the Purchaser being liquidated or wound up and the Parent and the Purchaser shall continue as one company and the property, rights, interests and obligations of the Purchaser shall become the property, rights, interests and obligations of Parent Amalco;
- (b) the properties, rights, interests and obligations of the Parent shall continue to be the properties, rights, interests and obligations of Parent Amalco, and the Amalgamation shall not constitute an assignment by operation of law, a transfer or any other disposition of the properties, rights and interests of the Parent to Parent Amalco;
- (c) Parent Amalco will own and hold the property of the Parent and the Purchaser and, without limiting the provisions hereof, all rights of creditors or others of the Parent and the Purchaser will be unimpaired by the Amalgamation, and all liabilities and obligations of the Parent and the Purchaser, whether arising by contract or otherwise, may be enforced against Parent Amalco to the same extent as if such obligations had been incurred or contracted by Parent Amalco;
- (d) Parent Amalco will continue to be liable for all of the liabilities and obligations of the Parent and the Purchaser;
- (e) all rights, contracts, permits and interests of the Parent and the Purchaser will continue as rights, contracts, permits and interests of Parent Amalco as if the Parent and the Purchaser continued and, for greater certainty, the Amalgamation will not constitute a transfer or assignment of the rights or obligations of either the Parent or the Purchaser under any such rights, contracts, permits and interests;
- (f) any existing cause of action, claim or liability to prosecution will be unaffected;
- (g) a civil, criminal or administrative action or proceeding pending by or against either the Parent or the Purchaser may be continued by or against Parent Amalco;
- (h) a conviction against, or ruling, order or judgment in favour of or against either the Parent or the Purchaser may be enforced by or against Parent Amalco;
- (i) each issued and outstanding Parent Share shall become a share of the same class of shares of Parent Amalco having the same terms and conditions as such Parent Shares had immediately prior to the Amalgamation ("**Parent Amalco Shares**") and all of the issued and outstanding shares of the Purchaser will be cancelled without repayment of capital in respect thereof;
- (j) each outstanding warrant to purchase a Parent Share ("**Parent Warrant**") will be exchanged for a warrant ("**Replacement Warrant**") providing for the right to purchase such number of Parent Amalco Shares equal to that number of Parent Shares that were issuable upon exercise of such Parent Warrant immediately prior to the Effective Time at an exercise price per Parent Amalco Share equal to the exercise price per Parent Amalco Share at which such Parent Warrant was exercisable immediately prior to the Effective Time. All terms and conditions of a Replacement Warrant, including the term to expiry, conditions to and manner of exercising, shall be the same as set out in the warrant certificate for which it was

- exchanged, and the warrant certificate previously evidencing the Parent Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant;
- (k) the name of Parent Amalco shall be “Valdor Technology International Inc.”;
 - (l) Parent Amalco shall be authorized to issue an unlimited number of common shares each without par value;
 - (m) the articles and notice of articles of Parent Amalco shall be in the form of the articles and notice of articles of the Parent;
 - (n) the first annual general meeting of Parent Amalco or resolutions in lieu thereof shall be held within 18 months from the Effective Date;
 - (o) the first directors of Parent Amalco following the amalgamation shall be the then current Parent directors; and
 - (p) the stated capital of each class of shares of Parent Amalco will be an amount equal to the stated capital attributable to the corresponding class of Parent Shares immediately prior to the Amalgamation.

ARTICLE 5 ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Company Non-Solicitation

- 5.1.1 Except as expressly provided in this Article 5, the Company shall not, and none of its directors or officers shall, and the Company shall cause its Representatives not to, directly or indirectly:
- (a) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, assets, contracts, books, personnel or records of the Company) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (b) enter into or otherwise engage or participate in any negotiations or discussions with any Person (other than with the Purchaser or any Person acting jointly or in concert with the Purchaser) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (c) make a Change in Recommendation; or
 - (d) accept, approve, endorse, recommend or enter into or publicly propose to accept, approve, endorse or enter into any agreement or understanding (other than a confidentiality agreement permitted by and in accordance with Section 5.3), or otherwise cooperate with, or assist, participate in or facilitate any effort or attempt by, any Person to seek to do any of the foregoing in respect of an Acquisition Proposal.
- 5.1.2 Except as expressly provided in this Article 5, the Company shall, and shall cause its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion or negotiations with any Person (other than with

the Purchaser, Parent and their Representatives) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, the Company will:

- (a) promptly discontinue access to and disclosure of all information, including any data room and any confidential information and access to the properties, facilities, books and records of the Company; and
- (b) within two Business Days, request (i) the return or destruction of all copies of any confidential information regarding the Company provided to any Person (other than the Purchaser or its affiliates) in connection with any potential Acquisition Proposal (including before the date of this Agreement), and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements; and

5.1.3 The Company covenants and agrees not to, without the consent of the Purchaser or the Parent, release any Person from, or waive such Person's obligations respecting the Company, under any confidentiality, standstill or similar agreement or restriction to which the Company is a party (it being acknowledged by the Purchaser that the automatic termination or release of any restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 5.1.3), except to allow such Person to make an Acquisition Proposal confidentially to the Board that constitutes, or could reasonably be expected to constitute a Superior Proposal, provided that the remaining provisions of this Article 5 are complied with, and the Company undertakes to seek to enforce all confidentiality, standstill, or similar agreements or restrictions that it has entered into prior to the date hereof or enter into after the date hereof.

Section 5.2 Notification of Acquisition Proposals

If after the date of this Agreement the Company or any of its Representatives, receives any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company, including information, access, or disclosure relating to the properties, facilities, books or records of the Company, that constitutes or may be reasonably expected to constitute or lead to an Acquisition Proposal, the Company shall immediately notify the Purchaser orally, and then promptly and in any event within 24 hours notify the Purchaser in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and unredacted copies of material documents, correspondence or other material received in respect of, from or on behalf of any such Person. The Company shall keep the Purchaser promptly and reasonably informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to the Purchaser unredacted copies of all material correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communication to the Company by or on behalf of any Person making such Acquisition Proposal, inquiry, proposal, offer or request and shall respond as promptly as practicable to the Purchaser's and the Parent's reasonable questions with respect thereto.

Section 5.3 Responding to an Acquisition Proposal

5.3.1 Notwithstanding Section 5.1, if at any time after the date hereof and prior to obtaining the Company Shareholder Approval, the Company receives a *bona fide* unsolicited written Acquisition Proposal, the Company may (a) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying such Acquisition Proposal so as to determine whether such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to, a Superior Proposal, and (b) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records, provided that if and only if:

- (a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or would reasonably be expected to constitute a Superior Proposal;
- (b) the Person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, nondisclosure, use, business purpose or similar restriction with the Company;
- (c) the Company has been, and continues to be, in compliance with its obligations under this Article 5;
- (d) prior to providing any such copies, access, or disclosure, (i) the Company enters into a confidentiality and standstill agreement with such Person that contains a customary standstill provision and that is otherwise on terms that are no less favourable to the Company than those found in the Letter of Intent, as applicable (it being understood and agreed that such confidentiality and standstill agreement need not restrict the making of a confidential Acquisition Proposal to the Company or the Board), and (ii) any such copies, access or disclosure provided to such Person shall have already been (or simultaneously be) provided to the Purchaser; and
- (e) the Company promptly provides the Purchaser with:
 - (i) prior written notice stating the Company's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure;
 - (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Section 5.3.1(d); and
 - (iii) any material non-public information concerning the Company provided to such other Person which was not previously provided to the Purchaser.

Section 5.4 Right to Match

5.4.1 If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Company Shareholders, the Board may, or may cause or authorize the Company to, make a Change in Recommendation and approve, recommend or authorize the Company to enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- (a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, nondisclosure, use, business purpose or similar restriction with the Company;
- (b) the Company has been, and continues to be, in compliance with its obligations under this Article 5 in all material respects;
- (c) the Company or its Representatives have delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention to make a Change in Recommendation or approve, recommend or enter into a definitive agreement with respect to such Superior Proposal, including a notice as to the value in financial terms that the Board has, in consultation with its outside financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal (the “**Superior Proposal Notice**”);
- (d) the Company or its Representatives have provided to the Purchaser a copy of any proposed definitive agreement for the Superior Proposal and all ancillary documents (and all supporting materials) containing material terms and conditions of the Superior Proposal, including any financing documents provided to the Company in connection therewith;
- (e) at least five Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of all materials set forth in Section 5.4.1(d);
- (f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), in accordance with Section 5.4.2, to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
- (g) after the Matching Period, the Board (i) has determined in good faith, after consultation with the Company’s outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser under Section 5.4.2) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Company enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation would be inconsistent with its fiduciary duties; and
- (h) prior to or concurrently with making a Change in Recommendation or entering into such definitive agreement the Company terminates this Agreement pursuant to Section 7.2.1(c)(i).

5.4.2 During the Matching Period, or such longer period as the Company may approve in writing for such purpose: (a) the Board shall review any offer made by the Purchaser under Section 5.4.1(f) to amend the terms of this Agreement and the Arrangement in good faith, after consultation with outside legal and financial advisors, in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms

of this Agreement and the Arrangement as would enable the Purchaser and/or its affiliates to proceed with the transactions contemplated by this Agreement on such amended terms. If as a consequence of the foregoing the Board determines that (x) such Acquisition Proposal would cease to be a Superior Proposal or (y) that it would not otherwise be inconsistent with its fiduciary duties under applicable Law to not accept such offer and effect a Change in Recommendation, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

- 5.4.3 Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4, and the Purchaser shall be afforded a new full five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.3.1(d) with respect to the new Superior Proposal from the Company.
- 5.4.4 The Board shall promptly reaffirm the Board Recommendation by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of this Agreement and the Plan of Arrangement as contemplated under Section 5.4.2 would result in an Acquisition Proposal no longer being a Superior Proposal. The Company shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review and comment on the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Purchaser and its legal counsel.
- 5.4.5 Nothing in this Agreement shall prohibit the Board from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, provided that the Company shall provide the Purchaser and its legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure. Further, nothing in this Agreement shall prevent the Board from making any disclosure to the Company Shareholders if the Board, acting in good faith and upon the advice of its outside legal and financial advisors, shall have determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or such disclosure is otherwise required under Law; provided, however, that, notwithstanding the Board shall be permitted to make such disclosure, the Board shall not be permitted to make a Change in Recommendation, other than as permitted by Section 5.4.1 or the first sentence of this paragraph.
- 5.4.6 If the Company provides a Superior Proposal Notice to the Purchaser after a date that is less than five Business Days before the Company Meeting, the Company shall be entitled to, and shall upon request from Purchaser, postpone the Company Meeting to a date that is not more than seven Business Days after the scheduled date of the Company Meeting (and, in any event, prior to the Outside Date).
- 5.4.7 The Company will ensure that each of its Representatives is aware of the provisions of this Article 5. Any violation of the restrictions set forth in this Article 5 by a Representative of the Company shall be deemed to be a breach of this Article 5 by the Company for which the Company shall be responsible.

Section 5.5 Permitted Disclosure

- 5.5.1 Nothing contained in this Agreement shall prohibit the Company, the Board or any committee thereof, directly or indirectly through their respective Representatives, from (a) making any disclosure to the Company Shareholders (i) required by Securities Laws or (ii) if the Board, acting in good faith and upon the advice of outside legal counsel, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board or (b) calling and/or holding a meeting of the Company Shareholders requisitioned by the Company Shareholders in accordance with the OBCA or as required by any order; provided, however, that this Section 5.5 shall not be deemed to permit the Board to make a Change in Recommendation except to the extent otherwise permitted by this Article 5

ARTICLE 6 CONDITIONS

Section 6.1 Mutual Conditions Precedent

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions may only be waived, in whole or in part, by the mutual consent of the Purchaser and the Parent, on the one hand, and the Company on the other:

- 6.1.1 **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted by the Company Shareholders at the Company Meeting in accordance with the Interim Order and applicable Laws.
- 6.1.2 **Parent Resolution.** The Parent Resolution has been approved and adopted by the Parent Shareholders at the Parent Meeting in accordance with applicable Laws.
- 6.1.3 **Interim Order and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise.
- 6.1.4 **Illegality.** No Law is in effect which makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser and the Parent will not be required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- 6.2.1 **Representations and Warranties.** The representations and warranties of the Company set forth in this Agreement which are qualified by references to materiality are true and correct as of the Effective Time in all respects and all other representations and warranties of the Company set forth in this Agreement are true and correct as of the Effective Time in all material respects (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), and the Company has delivered a certificate confirming same to the Parent and the Purchaser, executed by two senior officers of the Company (on behalf of the Company and without

personal liability), addressed to the Parent and the Purchaser and dated the Effective Date.

- 6.2.2 **Performance of Covenants.** The Company has fulfilled or complied in all material respects with each of the covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.
- 6.2.3 **Material Adverse Effect.** Since the date of this Agreement, there shall have not occurred a Company Material Adverse Effect.
- 6.2.4 **Board Recommendation.** The Board will have unanimously recommended that the Company Shareholders vote in favour of the Arrangement at the Company Meeting.
- 6.2.5 **Dissent Rights.** Company Shareholders shall not have exercised their Dissent Rights in connection with the Arrangement with respect to more than 5% of the outstanding Company Shares.
- 6.2.6 **No Legal Action.** There is no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other Person) pending in any jurisdiction that:
- (a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Company Shares, including the right to vote the Company Shares;
 - (b) prohibit, restrict or impose terms or conditions on, the Arrangement, or the ownership or operation by the Parent and the Purchaser of the business or assets of the Parent, the Purchaser, the Company, or compel the Parent or the Purchaser to dispose of or hold separate any of the business or assets of the Parent, the Purchaser or the Company as a result of the Arrangement; or
 - (c) prevent or materially delay the consummation of the Arrangement, or if the Arrangement were to be consummated, have a Company Material Adverse Effect with respect to the Company or result in any material liability to the Parent or the Purchaser.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

- 6.3.1 **Representations and Warranties.** The representations and warranties of the Purchaser and the Parent set forth in this Agreement which are qualified by references to materiality are true and correct as of the Effective Time in all respects and all other representations and warranties of the Purchaser set forth in this Agreement are true and correct as of the Effective Time in all material respects (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a material adverse effect on the Purchaser's or the Parent's ability to consummate the Arrangement, and each of the Purchaser and the Parent has delivered a certificate confirming same to the

Company, executed by two senior officers of the Purchaser or the Parent, as applicable (in each case on behalf of the Purchaser or the Parent, as applicable, and without personal liability), addressed to the Company and dated the Effective Date.

6.3.2 Performance of Covenants. Each of the Purchaser and the Parent has fulfilled or complied in all material respects with each of the covenants of the Purchaser or the Parent, as applicable, contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and each of the Purchaser and the Parent has delivered a certificate confirming same to the Company, executed by two senior officers of the Purchaser or the Parent, as applicable (in each case on behalf of the Purchaser or the Parent, as applicable, and without personal liability) addressed to the Company and dated the Effective Date.

6.3.3 Deposit of Parent Shares. The Parent shall have deposited or caused to be deposited with the Depository in escrow the Parent Shares required to effect payment in full of the aggregate Consideration to be paid in respect of the Company Shares pursuant to the Plan of Arrangement and the Depository shall have confirmed to the Company the receipt of such funds.

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released at the Effective Time.

ARTICLE 7 TERM AND TERMINATION

Section 7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination

7.2.1 This Agreement may be terminated prior to the Effective Time by:

- (a) the mutual written agreement of the Parties; or
- (b) either the Company on the one hand, or the Purchaser and the Parent on the other, if:
 - (i) The Arrangement Resolution is voted on by Company Shareholders and not approved by the Company Shareholders as required by the Interim Order, provided that a Party may not terminate this Agreement pursuant to this Section 7.2.1(b)(i) if the failure to obtain the approval of the Company Shareholders has been caused by, 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;
 - (ii) after the date of this Agreement, any Order or Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser and/or its affiliates from consummating the Arrangement, and such Order or Law has, if applicable, become final and non-appealable,

provided that the Party seeking to terminate this Agreement pursuant to this Section 7.2.1(b)(ii) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Order or Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the failure of such Party to perform any of its covenants or agreements under this Agreement; or

- (iii) 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 7.2.1(b)(iii) if the failure of the Effective Time to so occur has been caused by, 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; or
 - (iv) the Parent Meeting is duly convened and held and the Parent Shareholder Approval shall not have been obtained at such duly held Parent Meeting, provided that a Party may not terminate this Agreement pursuant to this Section 7.2.1(b)(iv) if the failure to obtain the approval of the Parent Shareholders has been caused by, 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;
- (c) the Company if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser or the Parent under this Agreement occurs that would cause any condition in Section 6.3.1 [*Purchaser/Parent Representations and Warranties Condition*] or Section 6.3.2 [*Purchaser/Parent Covenants Condition*] not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.8.3; provided that any wilful breach shall be deemed to be incapable of being cured and provided further that the Company is not then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.2.1 [*Company Representations and Warranties Condition*] or Section 6.2.2 [*Company Covenants Condition*] not to be satisfied; or
 - (ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, the Board makes a Change in Recommendation or authorizes the Company to enter into a definitive written agreement with respect to a Superior Proposal in accordance with Section 5.4, provided the Company is then in compliance with Article 5:or
- (d) the Purchaser and the Parent if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.2.1 [*Company Representations and Warranties Condition*] or Section 6.2.2 [*Company Covenants Condition*] not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 4.8.3; provided that any wilful breach shall be deemed to be

incapable of being cured and provided further that the Purchaser and the Parent are not in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.3.1 [*Purchaser/Parent Representations and Warranties Condition*] or Section 6.3.2 [*Purchaser/Parent Covenants Condition*] not to be satisfied;

- (ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, (A) the Board makes a Change in Recommendation; (B) the Board approves, recommends or authorizes the Company to enter into, or the Company enters into, any agreement (other than a confidentiality agreement permitted by and in accordance with Article 5.3) with respect to an Acquisition Proposal; or (C) the Company breaches its covenants, agreements or obligations set forth in Article 5 in any material respect; or
- (iii) since the date of this Agreement, there has occurred a Company Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

7.2.2 The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2.1(a)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Section 7.3 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any Company Shareholder, director, officer, employee, agent, consultant or Representative of such Party) to any other Party to this Agreement, except that: (a) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 2.10, Section 4.9, this Section 7.3 and all related definitions set forth in Section 1.1 shall survive for a period of six years following such termination; and (b) in the event of termination under Section 7.2, this Section 7.3 and Section 8.2 through to and including Section 8.14 and all related definitions set forth in Section 1.1 shall survive, and provided further that, nothing herein shall relieve any Party from any liability for any failure to consummate the transactions contemplated by this Agreement if required to pursuant to this Agreement and no Party shall be relieved of any liability for any wilful breach by it of this Agreement.

ARTICLE 8 GENERAL PROVISIONS

Section 8.1 Amendments

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting, but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

- (c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) modify any mutual conditions contained in this Agreement.

Section 8.2 Expenses

Except as otherwise expressly provided in this Agreement, the Parties agree that all out-of-pocket expenses of the Parties relating to this Agreement or the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

Section 8.3 Notices

Any notice, or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) to the Company at:

1000175307 Ontario Ltd.
Suite 409 - 22 Leader Lane,
Toronto, ON
M5E 0B2

Attention: Jessica Patterson
Email: [Redacted] [Email address redacted]

with a copy to:

Fish Purdy LLP
Suite 409 - 22 Leader Lane,
Toronto, ON
M5E 0B2 Attention: Matthew Fish
Email: matt@fishpurdy.com

- (b) to the Purchaser and the Parent at:

Valdo Technology International Inc.
810 - 789 West Pender Street
Vancouver, British Columbia
V6C 1H2

Attention: Francis Rowe
Email: [Redacted] [Email address redacted]

with a copy to:

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

Attention: Desmond Balakrishnan

Email: Desmond.Balakrishnan@mcmillan.ca

Any notice or other communication is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, (iii) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by electronic mail, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section 8.3. Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.4 Time of the Essence

Time is of the essence in this Agreement.

Section 8.5 Injunctive Relief

8.5.1 The Parties agree that irreparable harm may occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at Law or in equity.

8.5.2 Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that (i) by seeking the remedies provided for in this Section 8.5, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement (including monetary damages), and (ii) nothing set forth in this Section 8.5 shall require any Party hereto to institute any proceeding for (or limit any Party's right to institute any proceeding for) specific performance under this Section 8.5 prior or as a condition to exercising any termination right under this Agreement (and/or receipt of any amounts due in connection with such termination), nor shall the commencement of any legal action or legal proceeding pursuant to this Section 8.5 or anything set forth in this Section 8.5 restrict or limit any Party's right to terminate this Agreement in accordance with the terms hereof, or pursue any other remedies under this Agreement that may be available then or thereafter.

Section 8.6 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.7 Entire Agreement

This Agreement, together with the Company Disclosure Letter, constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, including the Letter of Intent, provided that section 5 of the Letter of Intent shall remain in full force and effect. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 8.8 Successors and Assigns

- 8.8.1 This Agreement becomes effective only when executed by the Company, the Purchaser and the Parent. After that time, it will be binding upon and enure to the benefit of the Company, the Purchaser and the Parent and their respective successors and permitted assigns.
- 8.8.2 Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, except that, without the consent of the Company, the Purchaser may assign all or any portion of its rights and obligations under this Agreement to any direct or indirect wholly-owned Subsidiary of the Parent provided that such assignment does not delay the consummation of the transactions contemplated by this Agreement, but no such assignment shall relieve the Purchaser or the Parent of their obligations hereunder.

Section 8.9 Privacy

- 8.9.1 The Purchaser and the Parent shall comply with applicable Privacy Laws in the course of collecting, using and disclosing personal information about an identifiable individual it receives from the Company or its Representatives in connection with this Agreement prior to Closing (the "**Transaction Personal Information**"). The Parent and the Purchaser shall not disclose Transaction Personal Information to any Person other than to its Representatives who are evaluating and advising on the Arrangement.
- 8.9.2 The Purchaser shall protect and safeguard the Transaction Personal Information by security safeguards appropriate to the sensitivity of the information. The Purchaser and the Parent shall cause their Representatives to observe the terms of this Section 8.9 and to protect and safeguard Transaction Personal Information in their possession. If this Agreement shall be terminated, the Purchaser and the Parent shall promptly deliver to the Company all Transaction Personal Information in its possession or in the possession of any of its advisors, including all copies, reproductions, summaries or extracts thereof.

Section 8.10 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.11 Governing Law

8.11.1 This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.

8.11.2 Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 8.12 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 8.13 No Liability

No director or officer of the Purchaser or the Parent shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser or the Parent. No director or officer of the Company shall have any personal liability whatsoever to the Purchaser or the Parent under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

Section 8.14 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy (including by way of DocuSign) of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Page intentionally left blank. Signature pages follow.]

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

**VALDOR TECHNOLOGY
INTERNATIONAL INC.**

Per: (signed) Francis Rowe
Name: Francis Rowe
Title: Chief Financial Officer

1423618 B.C. LTD.

Per: (signed) Francis Rowe
Name: Francis Rowe
Title: President

1000175307 ONTARIO LTD.

Per: (signed) Jessica Patterson
Name: Jessica Patterson
Title: Chief Executive Officer

**SCHEDULE A
PLAN OF ARRANGEMENT**

UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT (ONTARIO)*

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**ARTICLE 1
INTERPRETATION**

Section 1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“Arrangement” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement 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 Company and the Purchaser, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement made as of July 7, 2023, between the Company, the Parent and the Purchaser (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“Arrangement Resolution” means the special resolution of the Company Shareholders approving the Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders, substantially in the form set out in Schedule B to the Arrangement Agreement.

“Award” means any judgment, decree, injunction, ruling, award, decision or order of any Governmental Entity.

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

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia or Toronto, Ontario.

“Company” means 1000175307 Ontario Ltd., a corporation existing under the laws of the Province of Ontario.

“Company Circular” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

“Company Meeting” means the special meeting of the Company Shareholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser, acting reasonably.

“Company Shareholders” means the registered and/or beneficial holders of the Company Shares, as the context requires.

“**Consideration**” means one (1) Parent Share for each one (1) Company Share.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Depository**” means such Person as the Company may appoint to act as depository in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

“**Director**” means the Director appointed pursuant to Section 278 of the OBCA.

“**Dissent Rights**” has the meaning specified in Section 4.1.

“**Dissenting Holder**” means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

“**Dissenting Shares**” means the Company Shares held by a Dissenting Holder.

“**Effective Date**” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“**Effective Time**” means 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.

“**Final Order**” means the final order of the Court, in a form acceptable to the Parties, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably) at any time prior to the Effective Date or as such order may be affirmed or amended on appeal (provided that any such amendment is satisfactory to each of the Parties, acting reasonably).

“**Interim Order**” means the interim order of the Court, in a form acceptable to the Parties, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“**Law**” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, Award, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated, rendered, issued, ordered or applied by a Governmental Entity that is binding upon or otherwise applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Parent**” means Valdor Technology International Inc.

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

“**Parties**” means, collectively, the Company, the Parent and the Purchaser, and “**Party**” means any of them.

“**Person**” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement proposed under section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement and Section 6.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

“**Tax Act**” means the *Income Tax Act* (Canada), and all regulations promulgated thereunder, including any amendments made thereto.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

Section 1.2 Currency

All references to dollars, to \$ or CA\$ are references to Canadian dollars, unless specified otherwise. Any reference to US\$ is to United States dollars.

Section 1.3 Gender and Number

Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 1.4 Phrasing

The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation”, (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Plan of Arrangement.

Section 1.5 References to Persons

Any reference to a Person includes its heirs, administrators, executors, legal personal, representatives, successors and permitted assigns.

Section 1.6 Statutes

Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

Section 1.7 Non-Business Days

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

Section 1.8 Time References

References to time herein and in any Letter of Transmittal are to local time, Vancouver, British Columbia.

Section 1.9 Time

Time shall be of the essence in this Plan of Arrangement.

ARTICLE 2 BINDING EFFECT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement will become effective at the Effective Time and will be binding upon the Purchaser, the Parent, the Company, all holders and beneficial owners of the Company Shares, including Dissenting Holders, any agent or transfer agent therefor, the Depositary and all other Persons, at and after the Effective Time, without any further act or formality required on the part of any Person, except as expressly provided in this Plan of Arrangement.

ARTICLE 3 ARRANGEMENT

Section 3.1 Arrangement

On the Effective Date, subject to the provisions of Article 5 hereof, the following will occur and will be deemed to occur in the following sequence without any further authorization, act or formality:

- (a) each issued Company Share outstanding immediately prior to the Effective Time held by a Company Shareholder in respect of which Dissent Rights have been validly exercised will be deemed to have been transferred without any further act or formality, to the Purchaser, free and clear of any liens, claims and encumbrances in consideration for the right to receive the consideration in the amount and payable in accordance with Article 4, and:
 - (i) such Company Shareholder will cease to be the registered holder of such Company Shares and will cease to have any rights as registered holders of such Company Shares other than the right to be paid fair value for such Dissenting Shares as set out in Article 4;
 - (ii) such Company Shareholder's name will be removed as the registered holder of such Dissenting Shares from the registers of Company Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser will be deemed to be the transferee of such Company Shares, free and clear of any liens, claims and encumbrances; and

- (b) immediately thereafter, each issued and outstanding Company Share (other than any Company Share in respect of which a registered Company Shareholder has validly exercised his, her or its Dissent Right) will be deemed to have been transferred to, and acquired by the Purchaser, without any act or formality on the part of the holder of such Company Share or the Purchaser, free and clear of any liens, claims and encumbrances, in exchange for the Consideration, provided that the aggregate number of Parent Shares payable to any Company Shareholder, if calculated to include a fraction of a Parent Share, will be rounded down to the nearest whole Parent Share, with no consideration being paid for the fractional share, and the name of each such Company Shareholder will be removed from the register of holders of Company Shares and added to the register of holders of Parent Shares, and Purchaser will be recorded as the registered holder of such Company Shares so exchanged and will be deemed to be the legal and beneficial owner thereof.

Section 3.2 U.S. Securities Laws

Notwithstanding any provision herein to the contrary, the Parent, the Purchaser and the Company agree that the Plan of Arrangement will be carried out with the intention that all Parent Shares to be issued in connection with the Arrangement shall be exempt from registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption thereunder, and available exemptions from the registration or qualification requirements of applicable U.S. state securities laws, and shall be without trading restrictions under the U.S. Securities Act (other than those that would apply under the U.S. Securities Act to Persons who are, have been within 90 days of the Effective Time, or, at the Effective Time, become affiliates (as defined by Rule 144 of the U.S. Securities Act)).

ARTICLE 4

RIGHTS OF DISSENT

Section 4.1 Rights of Dissent

Each registered Company Shareholder may exercise dissent rights with respect to the Company Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in section 185 of the OBCA, as modified by the Interim Order and this Section 4.1; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two (2) Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Company Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 3.1(a) and if they:

- (a) ultimately are entitled to be paid fair value for such Company Shares: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(a)); (ii) will be entitled to be paid the fair value of such Company Shares, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the

Arrangement had such holders not exercised their Dissent Rights in respect of such Company Shares; or

- (b) ultimately are not entitled, for any reason, to be paid fair value for such Company Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Shares.

Section 4.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Parent, the Purchaser or the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Parent, the Purchaser or the Company or any other Person be required to recognize Dissenting Holders as holders of Company Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 3.1(a), and the names of such Dissenting Holders shall be removed from the registers of holders of the Company Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 3.1(a) occurs. In addition to any other restrictions under section 185 of the OBCA, Company Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares) shall not be entitled to exercise Dissent Rights.

ARTICLE 5 CERTIFICATES

Section 5.1 Delivery of Consideration

- (a) On or immediately prior to the Effective Date in accordance with the terms of the Arrangement Agreement, the Purchaser shall deliver, or cause to be delivered, the Consideration to which Company Shareholders are entitled, to the Depositary to satisfy the Consideration per Company Share issuable to the Company Shareholders pursuant to this Plan of Arrangement (other than Company Shareholders who have validly exercised Dissent Rights and who have not withdrawn their notice of objection), which Parent Shares shall be held by the Depositary for and on behalf of the former Company Shareholders until delivered such former Company Shareholders subject to and in accordance with this Article 5.
- (b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Shares that were transferred pursuant to Section 3.1(b), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, a certificate representing the number of Parent Shares to which such holder has the right to receive under the Arrangement, which Parent Shares will be registered in the name or names and either (i) delivered to the address or addresses as such Company Shareholder directed in their Letter of Transmittal or (ii) made available for pick up at the offices of the Depositary in accordance with

the instructions of the Company Shareholder in the Letter of Transmittal, and any certificate representing Company Shares so surrendered shall forthwith be cancelled.

- (c) Until surrendered as contemplated by this Section 5.1, each certificate that immediately prior to the Effective Time represented Company Shares (other than Company Shares in respect of which Dissent Rights have been validly exercised and not withdrawn), shall be deemed after the Effective Time to represent only the right to receive upon such surrender the Consideration in lieu of such certificate as contemplated in this Section 5.1, less any amounts withheld pursuant to Section 5.3. Any such certificate formerly representing Company Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Shares of any kind or nature against or in the Company, the Parent or the Purchaser. On such date, all Consideration to which such former holder was entitled shall be deemed to have been surrendered to Purchaser and shall be delivered by the Depositary to Purchaser as directed by the Purchaser.
- (d) No holder of Company Shares shall be entitled to receive any consideration with respect to such Company Shares other than the Consideration to which such holder is entitled to receive in accordance with Section 3.1(b) and this Section 5.1 less any amounts withheld pursuant to Section 5.3 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

Section 5.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Share that were transferred pursuant to this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will pay and deliver, in exchange for such lost, stolen or destroyed certificate, the consideration which such holder is entitled to receive for such Company Shares, as applicable, pursuant to Section 3.1, net of amounts required to be withheld pursuant to Section 5.3 in accordance with such holder's Letter of Transmittal. When authorizing such payment and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom the payment is made shall, as a condition precedent to the delivery thereof, give a bond satisfactory to the Company, the Parent, the Purchaser and the Depositary in such sum as the Parent may direct or otherwise indemnify the Parent and the Purchaser in a manner satisfactory to the Parent against any claim that may be made against the Parent or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.3 Withholding Rights

The Company, the Parent, the Purchaser, and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person under this Plan of Arrangement (including any Company Shareholders exercising Dissent Rights), and from all dividends, other distributions or other amounts otherwise payable to any former Company Shareholder, such amounts as the Company, the Parent, the Purchaser or the Depositary are required to deduct and withhold with respect to such payment under the Tax Act or any provision of applicable Laws and shall remit such amounts to the appropriate Governmental Entity. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes as having been paid to the Person in respect of which such deduction and

withholding was made, provided that such deducted or withheld amounts are actually and timely remitted to the appropriate Governmental Entity.

Section 5.4 No Liens

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

Section 5.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Company Shareholders, the Company, the Parent, the Purchaser, the Depository and any transfer agent or other depository therefor in relation thereto, shall 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 shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 6 AMENDMENTS

Section 6.1 Amendments to Plan of Arrangement

- (a) The Company, the Purchaser and the Parent may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (A) be set out in writing, (B) be approved by the Company and the Parent, each acting reasonably, (C) be filed with the Court and, if made following the Company Meeting, approved by the Court, and (D) be communicated to the 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, the Purchaser or the Parent at any time prior to the Company Meeting (provided that the Company, the Purchaser or the Parent, as applicable, shall have consented thereto) 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), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (A) it is consented to in writing by each of the Company and the Parent (in each case, acting reasonably), and (B) if required by the Court, it is consented to by some or all of 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 following the Effective Date unilaterally by the Parent or Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Parent or Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Company Shareholders.

**ARTICLE 7
FURTHER ASSURANCES**

Section 7.1 Further Assurances

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

**SCHEDULE B
ARRANGEMENT RESOLUTION**

BE IT RESOLVED THAT:

1. The arrangement (as it has been or may be amended, modified or supplemented, the “**Arrangement**”) under Section 182 of the *Business Corporations Act* (Ontario) of 1000175307 Ontario Ltd. (the “**Company**”), pursuant to the arrangement agreement (the “**Arrangement Agreement**”) among the Company, Valdor Technology International Inc. (the “**Parent**”) and 1423618 B.C. Ltd. (the “**Purchaser**”), all as more particularly described and set forth in the management information circular of the Company dated ●, 2023 (the “**Circular**”), accompany the notice of this meeting (as the Arrangement may be modified or amended in accordance with its terms) and all transactions contemplated thereby are hereby authorized, approved and adopted.
2. The plan of arrangement of the Company (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement (the “**Plan of Arrangement**”)), the full text of which is set out in Schedule “●” to the Circular, is hereby authorized, approved and adopted.
3. The (i) Arrangement Agreement and all the transactions contemplated therein, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the shareholders of the Company, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and the Plan of Arrangement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions any time prior to the Effective Time (as defined in the Arrangement Agreement);
6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such

document or instrument or the doing of any such act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

1. Organization and Qualification

The Company is a corporation or other entity duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has all requisite power and authority to own, lease and operate its businesses, assets and properties and conduct its business as now owned and conducted. The Company is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which the character of its businesses, assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities make such qualification, licensing or registration necessary, and has all Authorizations required to own, lease and operate its properties and assets and to conduct its business as now owned and conducted, except in each case as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

2. Corporate Authorization

- (a) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the consummation of the Arrangement other than: (A) approval by the Board of the Company Circular; (B) the Arrangement Resolution being approved and adopted by the Company Shareholders at the Company Meeting in accordance with the Interim Order and Law; and (C) filings with the Court in respect of the Arrangement.
- (b) As at the date of this Agreement, after receiving advice of outside legal, the Board has unanimously: (A) determined that the Consideration to be received by the Company Shareholders (other than Management Shareholders) pursuant to the Arrangement is fair to such holders and that the Arrangement is in the best interests of the Company; (B) resolved to recommend that the Company Shareholders vote in favour of the Arrangement Resolution; and (C) authorized the entering into of this Agreement and the performance by the Company of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.

3. Execution and Binding Obligation

This Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

4. Governmental Authorization

The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim

Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Director under the OBCA; (iv) any actions or filings with the Securities Authorities; and (iv) as disclosed in section 4 of the Company Disclosure Letter.

5. Non-Contravention

The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) contravene, conflict with, or result in any violation or breach of the Company's Constatng Documents;
- (b) assuming compliance with the matters referred to in paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Company;
- (c) allow any Person to exercise any rights, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company is entitled (including by triggering any rights of first refusal or first offer, change in control provisions or other restrictions or limitations) under any Material Contract or any material Authorization to which the Company or by which the Company is bound; or
- (d) result in the creation or imposition of any Lien upon any of the properties or assets of the Company.

6. Capitalization

- (a) The authorized capital of the Company consists of an unlimited number of Company Shares of which 121,655,000 Company Shares were issued and outstanding as of the date hereof. All outstanding Company Shares have been duly authorized and validly issued, are fully paid and non-assessable.
- (b) Section 6 of the Company Disclosure Letter contains a list: (A) of the names and holdings of each individual who holds Company Shares and the number of such Company Shares.
- (c) There are no issued, outstanding or authorized options, equity awards, equity-based awards, phantom awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other present or future rights, or any other agreements, arrangements, instruments or commitments of any kind, including pursuant to any Employee Plans, that obligate the Company to, directly or indirectly, issue or sell any securities of the Company, or make cash payments in respect thereof, or otherwise give any Person a present or future right to subscribe for or acquire, any securities of the Company, or receive cash payments in respect thereof.
- (d) All outstanding Company Shares have been issued in compliance with all applicable Laws.
- (e) There are no bonds, debentures or other evidences of indebtedness of the Company outstanding having the right to vote (or that are convertible or

exercisable for securities having the right to vote) with Company Shareholders on any matter.

- (f) There are no issued, outstanding or authorized obligations on the part of the Company to repurchase, redeem or otherwise acquire any securities of the Company, or qualify securities for public distribution in Canada, the U.S. or elsewhere, or with respect to the voting or disposition of any securities of the Company.
- (g) All dividends or distributions on the voting or equity securities of the Company that have been declared or authorized have been paid in full.
- (h) The Company has no obligation to repurchase, redeem or otherwise acquire any securities of the Company, or qualify securities for public distribution in Canada, the United States or elsewhere.

7. Subsidiaries

The Company has no Subsidiaries and does not own, beneficially or of record, any equity interests of any kind in any other Person.

8. Financial Statements

The Company's audited consolidated financial statements (including any of the notes or schedules thereto, the auditor's report thereon and the related management's discussion and analysis) and the unaudited consolidated interim financial statements (including any of the notes or schedules thereto and related management's discussion and analysis) were prepared in accordance with IFRS and applicable Law, and fairly present in all material respects the consolidated statement of income, comprehensive income, financial position and cash flows of the Company as of their respective dates and for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements), subject to normal year-end adjustments and the absence of notes in the case of any interim financial statements. The Company does not intend to correct or restate, nor, to the knowledge of the Company is there any basis for any correction or restatement of, any aspect of any of the Company's financial statements (other than any corrections or restatements required as a result of changes in IFRS that have retroactive application). There are no, nor are there any commitments to become a party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other similar relationships of the Company with unconsolidated entities or other Persons.

9. Books and Records

All accounting and financial Books and Records (i) have been maintained in all material respects in accordance with the requirements of applicable Laws, (ii) accurately and fairly reflect, in all material respects, all the material transactions, acquisitions and dispositions of the Company, and (iii) accurately and fairly reflect the basis of the Company's financial statements.

10. Minute Books

The corporate minute books of the Company contain the minutes of all meetings and resolutions of their respective boards of directors and each committee thereof and have been maintained in accordance with applicable Laws and are complete and accurate in all material respects. True, current and correct copies of the minute books of the Company have been provided to the Parent.

11. Absence of Certain Changes

Since the date of its incorporation, the business of the Company has been conducted in the Ordinary Course consistent with past practices in all material respects and there has not been any event, occurrence, development or state of circumstances or facts that has had or would be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

12. No Undisclosed Liabilities

There are no liabilities or obligations of the Company of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Company's most recent unaudited quarterly financial statements; (ii) incurred in the Ordinary Course; (iii) incurred in connection with the transactions contemplated in this Agreement; and (iii) that would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect. None of the Company is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet Contract, arrangement or understanding (including any Contract, arrangement or understanding between the Company, on the one hand, and any unconsolidated entity, including any structured finance, special purpose or limited purpose entity or Person, on the other hand) or any other "off-balance sheet arrangements".

13. Compliance with Laws

Since the date of its incorporation, the Company is and has been in compliance with Laws and, to the knowledge of the Company, the Company is not under any investigation with respect to, has been charged or threatened to be charged with, or has received notice of, any violation or potential violation of any Laws, except, in each case, for failures to comply or violations that have not had or would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect.

14. Litigation

As of the date of this Agreement, there are no Actions pending, or, to the knowledge of the Company, threatened, against the Company affecting any of their respective properties or assets that, if determined adverse to the interests of the Company, (i) would have, or be reasonably expected to have a Company Material Adverse Effect; or (ii) would restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the consummation of the Arrangement. There is no Order outstanding against or binding on the Company which would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

15. Taxes

The Company has paid all Taxes which are due and payable within the time required by applicable Law and has paid all assessments and reassessments it has received in respect of Taxes. The Company has made full and adequate provision in its Books and Records and will make full and adequate provision in the financial statement of the Company for all Taxes which are not yet due and payable, but which relate to periods ending on or before the Effective Date. The Company has withheld and collected all amounts required by applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity within the time prescribed under any applicable Law. The Company has filed or caused to be filed all Tax Returns which are required to be filed by it and such Tax Returns are correct and complete, and the Company has made complete and accurate disclosure in its Tax Returns and in all

materials incorporated in such Tax Returns, except in respect of a particular Tax Return to the extent that it may have been modified in a subsequent Tax Return.

16. Employees

The Company is not a party to any Contract, agreement or other commitment, whether oral or written, with any employee other than oral contracts of indefinite duration which are terminable by the Company without cause on reasonable notice as determined in accordance with applicable Laws. The financial statements of the Company include adequate accruals or reserves, for all accrued and unpaid salaries, wages, bonuses or other remuneration, vacation pay, CPP, EI and other employee related accruals, including for any severance or termination payments in respect of any employees whose employment was terminated or who were laid off by the Company on or before the date of such statements.

17. Employee Plans

The Company has no Employee Plans.

18. Union Contracts.

The Company has not entered into any collective agreement with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future collective agreement. The Company is not aware of any current attempts to organize, establish or certify any labour union or employee association with respect to any employees of the Company, nor is any such union or association presently certified with regards to a bargaining unit.

19. Environmental Matters

No written notice, Order, complaint or penalty has been received by the Company from any Governmental Entity that remains outstanding alleging that the Company are in violation of, or have any liability under, any Environmental Law, and, to the Company's knowledge, there are no Actions pending or threatened against the Company by any Governmental Entity which allege a violation of, or any under, any Environmental Laws, (ii) the Company has all environmental permits necessary for the operation of their respective businesses and to comply with all Environmental Laws in all material respects, and (iii) the operations of the Company is in compliance with Environmental Laws in all material respects.

20. Real Property

The Company is not the owner of any real property and does not lease any real property.

21. Personal Property

The Company has valid, good and marketable title to all personal property owned by it, except as would not, individually or in the aggregate, be reasonably expected to have a Company Material Adverse Effect.

22. Company Assets and Company Business

Except for:

- (i) the Company's interest in Paraguayan Option Agreement, any definitive agreement in respect of the Paraguayan Transaction and any Contracts and instruments required by

any of the foregoing to be executed and delivered by the Company, and the Company's associated conduct of the Paraguayan Transaction; and

- (ii) the Company's interest in the LOI, the Loan Agreement, the GSA, this Agreement and any Contracts and instruments required by any of the foregoing to be executed and delivered by the Company, and the Company's associated conduct of the Arrangement;

the Company has no other Company Assets whatsoever and conducts no Company Business whatsoever which are material to the Company.

23. Title to the Assets

The Company owns (with good title) all of the Company Assets, which will be reflected as being owned by the Company in the financial statements of the Company, except those that will have been acquired and disposed of in the Ordinary Course. The Company has legal and beneficial ownership of the Company Assets free and clear of all Liens, except for Permitted Liens.

24. Material Contracts

Except as would not be reasonably expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each Material Contract is legal, valid, binding and in full force and effect and is enforceable by the Company in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction, (ii) the Company is not in breach or default under any Material Contract, nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, (iii) the Company does not know of, or has not received any notice (whether written or oral) of, any breach or default under any Material Contract by any other party to a Material Contract as of the date hereof, and (iv) the Company has not received any notice (whether written or oral) of, any breach, default, cancellation, termination, or no renewal under any Material Contract by any other party to any Material Contract. Section 24 of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts as of the date hereof. True, current and complete copies of all Material Contracts have been made available to the Purchaser and no such Material Contract has been modified, rescinded or terminated, except as set out in section 24 of the Company Disclosure Letter, since the date such Material Contract was made available to the Purchaser.

25. Insurance

The Company is, and has been continuously since the date of its incorporation, insured by reputable third party insurers and the insurance policies are appropriate to the business of the Company in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable business. Section 25 of the Company Disclosure Letter includes details in respect of all insurance policies (the "**Insurance Policies**") to which the Company is a party or which provide coverage to or for the benefit of or with respect to the Company or any service provider thereof in his or her capacity as such, indicating in each case the type of coverage, name of the insured, the insurer, the expiration date of each policy, the amount of coverage and all claims thereunder. True, complete and accurate copies of all such Insurance Policies have been provided or made available to the Purchaser. Each Insurance Policy is in full force and effect and shall remain in full force and effect in accordance with its terms immediately following the Closing, is provided by a financially solvent carrier and has not been subject to any lapse in coverage. The Company is current in all premiums or other payments due under the Insurance Policies and have otherwise complied in all material respects with all of their obligations

under each Insurance Policy. The Company has given timely notice to the insurer of all material claims that may be insured thereby under any Insurance Policy. The Company has never been refused any insurance by, nor has coverage been limited by, any insurance carrier with which it has carried insurance or any other insurance carrier to which it has applied for insurance, and no insurer has issued a reservation of rights or denial of coverage for claims or incidents which could give rise to a claim under any Insurance Policy. No Insurance Policy provides for any retrospective premium adjustment or other experience based liability on the part of the Company. There have been no claims or events that could give rise to a claim that would be covered under a usual insurance policy, but for which coverage was not purchased by the Company. There are no outstanding requirements by an insurer or regulatory authority for risk improvements that will give rise to a material capital expenditure by the Company after Closing.

26. Licences

Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) all Authorizations which are necessary for the Company to own its assets or conduct its business as presently owned or conducted have been obtained and are in full force and effect in accordance with their terms, (ii) the Company has performed the obligations required to be performed by it to date under all such Authorizations, (iii) the Company is not in breach of or default under any such Authorizations, (iv) the Company has not received written, or to the knowledge of Company, other notice, of any alleged breach of or alleged default under any such Authorizations or of any intention of any Governmental Entity to revoke or not renew any such Authorizations, and (v) no proceedings are pending, or, to the knowledge of Company, threatened, which could reasonably be expected to result in the revocation of such Authorizations.

27. Money Laundering

The operations of the Company is and has been conducted at all times in compliance with money laundering Laws and any related or similar Laws relating to money laundering (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity involving the Company or with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened; and the Company has not received any notice alleging that the Company or any Representative of the Company has violated any Money Laundering Laws and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.

28. Anti-Corruption

Neither the Company nor to the knowledge of the Company, any of its Representatives has: (i) used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal; (ii) used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officers or employees; (iii) violated or is violating any provision of the *Corruption of Foreign Public Officials Act (Canada)* or the United States Foreign Corrupt Practices Act of 1977 or any Law of similar effect; (iv) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties; or (v) made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature; and the Company has not received any notice alleging that the Company or any Representative of the Company has violated any such legislation and/or Laws and, to the knowledge of the Company, no condition or circumstances exist (including any ongoing proceeding) that would form the basis for any such allegations.

29. Related Party Transactions

The Company is not indebted to any director, officer, employee or agent of, or independent contractor to, the Company or any of its affiliates or associates (except for amounts due in the Ordinary Course as salaries, bonuses and director's fees or the reimbursement of Ordinary Course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any Company Shareholder who is an "insider" (as defined in the *Securities Act* (Ontario)), officer or director of the Company, or any of its affiliates or associates.

30. Brokers

There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company who might be entitled to any fee or commission from the Company in connection with the Arrangement.

31. Indebtedness

As of the date hereof, the Company has no material indebtedness other than the indebtedness reflected on the Company's most recent unaudited interim financial statements and such other indebtedness incurred in the Ordinary Course.

32. Full Disclosure

Neither this Agreement or any other Contract, agreement, instrument, certificate or other document required to be delivered by or otherwise to be delivered pursuant to this Agreement by the Company nor any certificate, report, statement or other document furnished by the Company in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. There has been no event, transaction or information that has come to the attention of the Company that has not been disclosed to the Parent and the Purchaser in writing that could reasonably be expected to have a Company Material Adverse Effect.

33. Non Infringement

The Company Intellectual Property Rights claimed and/or used by the Company do not infringe any intellectual property or contractual rights of any Person. The past conduct of the Company with respect to the Company Business does not infringe the intellectual property or contractual rights of any Person. There are no actions, suits, investigations, claims or proceedings ongoing, outstanding, or to the Company's knowledge pending or threatened, which in any way relate to the Company Intellectual Property Rights or which suggest infringement of the intellectual property or contractual rights of any Person. The Company has diligently protected and prosecuted its rights to the Company Intellectual Property Rights, and between the date of this Agreement and the Effective Date the Company will diligently protect and prosecute such rights.

34. No Breach of Letter of Intent

The Company has not breached the Letter of Intent.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER AND THE PARENT

1. Organization and Qualification

The Purchaser is an unlimited liability corporation duly incorporated and validly existing under the Laws of the Province of British Columbia. The Parent is a corporation incorporated and validly existing under the Laws of Delaware and has the corporate power and authority to own and operate its businesses, assets and conduct its business as now owned and conducted. Each of the Purchaser and the Parent is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which its businesses, properties or assets are located or it conducts business, except where the failure to be so qualified, licensed, registered or in good standing would not be reasonably expected to have, individually or in the aggregate, a material adverse effect on the Purchaser and its Subsidiaries, taken as a whole.

2. Corporate Authorization

Each of the Purchaser and the Parent has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the each of the Purchaser and the Parent of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser and the Parent, as applicable, and no other corporate proceedings on the part of the Purchaser or the Parent are necessary to authorize this Agreement or the consummation of the Arrangement.

3. Execution and Binding Obligation

This Agreement has been duly executed and delivered by each of the Purchaser and the Parent, and constitutes a legal, valid and binding agreement of each of the Purchaser and the Parent enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

4. Governmental Authorization

The execution, delivery and performance by each of the Purchaser and the Parent of its obligations under this Agreement and the consummation of the Arrangement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Director under the OBCA; (iv) any actions or filings with the Securities Authorities; (v) the approval of the Parent Circular by the Parent Board; (vi) the approval of the Parent Resolution by the Parent Shareholders at the Parent Meeting, as required by applicable Law; (vii) filings and other actions required under applicable Securities Laws and the rules and policies of the Exchange; and (viii) any consents, waivers, approvals, actions or filings or notifications, the absence of which would not be reasonably expected to materially impede or delay the ability of the Purchaser to consummate the Arrangement.

5. Non-Contravention

The execution, delivery and performance by each of the Purchaser and the Parent of its obligations under this Agreement and the consummation of the Arrangement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) contravene, conflict with, or result in any violation or breach of any of the articles, by-laws or other constating documents of the Purchaser or the Parent;
- (b) assuming compliance with the matters referred to in paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Purchaser or the Parent; or
- (c) allow any Person to exercise any rights, require any consent or notice under or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Purchaser, the Parent or any of their Subsidiaries is entitled (including by triggering any rights of first refusal or first offer or other restrictions or limitations) under any material contract;

with such exceptions, in the case of each of clauses (b) and (c) as would not be reasonably expected to have, individually or in the aggregate, a material adverse effect on the Purchaser's or the Parent's ability to consummate the Arrangement.

6. Security Ownership

Neither the Purchaser nor the Parent beneficially owns any securities of the Company.

7. Reporting Issuer Status and Stock Exchange Compliance.

- (a) As of the date hereof, the Parent is a "reporting issuer" within the meaning of applicable Securities Laws in the provinces of British Columbia, Alberta and Ontario, and is not in default of any material requirement of any Securities Laws. There is no Order delisting, suspending or cease trading any securities of the Parent. The Parent Shares are listed and posted for trading on the CSE, and the Parent has not applied to have the Parent Shares listed on any market other than the CSE, and the Parent is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the CSE.
- (b) The Parent has not taken any action to cease to be a "reporting issuer" within the meaning of applicable Securities Laws in the provinces of British Columbia, Alberta and Ontario, nor has the Parent received notification from the British Columbia Securities Commission or any other applicable Securities Authority of the province of Ontario or Alberta, in each case seeking to revoke the Parent's reporting issuer status. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of the Parent is pending, in effect, or, to the knowledge of the Parent, has been threatened, and to the knowledge of the Parent it is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

8. Issuance of Parent Shares under the Arrangement.

The Parent Shares to be issued pursuant to the Arrangement will be duly and validly issued and fully paid and non-assessable shares of Parent.

9. Litigation

As of the date of this Agreement, there are no Actions pending, or, to the knowledge of the Purchaser, threatened, against the Purchaser or the Parent or any of their Subsidiaries or affecting any of their respective businesses, properties or assets that, if determined adverse to

the interests of the Purchaser or the Parent or their Subsidiaries, would have, or be reasonably expected to have a material adverse effect on the Purchaser's or the Parent's ability to consummate the Arrangement.

10. Residence

The Purchaser (as defined in the Plan of Arrangement) is resident in Canada for purposes of the Tax Act, and is not resident in any other jurisdiction for Tax purposes.

11. No Insolvency

Each of the Parent and the Purchaser is not insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance laws. No act or proceeding has been taken by or against each of the Parent and the Purchaser in connection with the dissolution, liquidation, winding-up, bankruptcy or reorganization of the Parent and the Purchaser or the appointment of a trustee, receiver, manager or other administrator of each of the Parent and the Purchaser or any of its properties or assets.

12. Compliance with Law

Each of the Parent and the Purchaser has complied with all applicable Law other than any non-compliance which would, individually or in the aggregate, not have a material adverse effect in respect of the Parent or the Purchaser, respectively.