

## **BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER**

**THIS BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER** is made effective the 21<sup>st</sup> day of October, 2021,

**AMONG:**

**GREEN SCIENTIFIC LABS, LLC**, a limited liability company existing under the laws of the State of Delaware

(“**GSL**”)

**AND:**

**PROMINEX RESOURCE CORP.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(“**Prominex**”)

**AND:**

**PRC MERGER SUB, INC.**, a corporation existing under the laws of the State of Delaware that is wholly-owned by Prominex

(“**Mergerco**”)

**WHEREAS:**

- A.** GSL and Prominex have entered into a letter of intent effective April 15, 2021 (the “**Letter of Intent**”) pursuant to which, among other things, GSL and Prominex agreed to enter into this Agreement to provide for, among other things, the completion of a business combination between GSL and Prominex whereby Prominex will acquire all of the issued and outstanding securities of GSL and implement certain related transactions (the “**Business Combination**”);
- B.** the parties hereto have agreed to structure and effect the Business Combination by way of the Merger (as hereinafter defined);
- C.** Prominex, as the sole shareholder of Mergerco, intends to approve the Merger in accordance with the laws of the state of Delaware;
- D.** GSL intends to obtain member approval for the Merger in accordance with the laws of the state of Delaware; and
- E.** Prominex intends to convene a meeting of its shareholders to approve certain matters in connection with the Merger.

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

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement, including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) “**Acquisition Proposal**” has the meaning ascribed thereto in Section 6.4(a)(i);
- (b) “**Affiliate**” of an entity means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such entity;
- (c) “**Agreement**” means this business combination agreement and plan of merger, including the schedules hereto, as the same may be supplemented or amended from time to time;
- (d) “**Anti-Money Laundering Laws**” has the meaning ascribed thereto in Section 3.2(w);
- (e) “**Assessment**” has the meaning ascribed thereto in Section 4.2(a)(xvii);
- (f) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (g) “**Book-Entry Security**” has the meaning ascribed thereto in Section 2.3(d);
- (h) “**Breaching Party**” has the meaning ascribed thereto in Section 6.2(e);
- (i) “**Business Combination**” has the meaning ascribed thereto in the Recitals;
- (j) “**Business Day**” means a day which is not a Saturday, Sunday, statutory holiday in Canada or federal holiday in the United States or a day on which banks in Toronto, Ontario or Fort Lauderdale, Florida are not open for business;
- (k) “**CAD**” means the lawful currency of Canada;
- (l) “**Canadian Resident Shareholder**” means a beneficial holder of GSL Units, who is: (i) a resident of Canada for purposes of the Tax Act and not exempt from tax under the Tax Act; or (ii) a partnership at least one partner of which is a resident of Canada for purposes of the Tax Act and who is not exempt from tax under the Tax Act;

- (m) “**Canadian Units**” has the meaning ascribed thereto in Section 2.3(b);
- (n) “**Cancelled Units**” has the meaning ascribed thereto in Section 2.3(a);
- (o) “**Certificate**” has the meaning ascribed thereto in Section 2.3(d);
- (p) “**Certificate of Merger**” has the meaning ascribed thereto in Section 2.1(b);
- (q) “**Charter Documents**” means, as applicable, notice of articles, articles and by-laws, memorandum, articles of association and certificate of formation or other similar constating documents of any body corporate;
- (r) “**Closing Date**” means the date the Merger becomes effective as agreed to by the Parties;
- (s) “**control**” when used in relation to a corporation, means that a corporation is controlled by a person if: (a) shares of the corporation are held, other than by way of security only, by the person, or are beneficially owned, other than by way of security only, by (i) the person, or (ii) a corporation controlled by the person, and (b) the votes carried by the shares mentioned in (a) are sufficient, if exercised, to elect or appoint a majority of the directors of the corporation.
- (t) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended;
- (u) “**Completion Deadline**” means November 30, 2021, or such other date as GSL and Prominex agree to in writing;
- (v) “**Consolidation**” means the consolidation of all of the issued and outstanding Prominex Common Shares on the basis of one post-consolidation Prominex Common Share for every 168.68 pre-consolidation Prominex Common Shares;
- (w) “**COVID-19**” means the novel coronavirus, SARS-CoV-2 or COVID-19 (and all related strains and sequences), including any intensification, resurgence or any evolutions or mutations thereof, or related or associated epidemics, pandemics, disease outbreaks or public health emergencies;
- (x) “**COVID-19 Measures**” means any Law, directive, order, pronouncement or guideline issued by a Governmental Authority, the Centers for Disease Control and Prevention, the World Health Organization or industry group providing for business closures, changes or restrictions to business operations, “sheltering-in-place” or “stay-at-home” orders, curfews or other restrictions or changes that relate to, or arise out of, COVID-19;
- (y) “**DGCL**” means the Delaware General Corporation Law, as the same may be amended from time to time;

- (z) “**DLLCA**” means the Delaware Limited Liability Company Act, as the same may be amended from time to time;
- (aa) “**Effective Time**” has the meaning ascribed thereto in Section 2.1(b);
- (bb) “**Environmental Laws**” means all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any Hazardous Substance;
- (cc) “**Exchange**” means the Canadian Stock Exchange;
- (dd) “**Exchange Ratio**” has the meaning ascribed thereto in Section 2.3(c);
- (ee) “**Expenses**” has the meaning ascribed thereto in Section 8.11;
- (ff) “**Governmental Authority**” means any governmental authority or entity and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity or agency exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, any securities regulatory authority and any stock exchange;
- (gg) “**GSL Financing**” means a non-brokered private placement of GSL Subscription Receipts, at the GSL Financing Price, or securities of an Affiliate of GSL and/or Prominex including a to-be formed subsidiary of GSL or Prominex (if deemed necessary by GSL and its legal advisors in their sole discretion), completed in one or more tranches for aggregate gross proceeds of a minimum of \$4,000,000, or for such other greater amount as GSL may decide in its sole discretion;
- (hh) “**GSL Financing Price**” means the issue price of \$3.85 per GSL Subscription Receipt, or such other security issued under the GSL Financing;
- (ii) “**GSL Members**” means the holders of GSL Units;
- (jj) “**GSL Operating Agreement**” means the Second Amended and Restated Limited Liability Company Agreement of GSL dated March 12, 2021, together with all amendments thereto (if any);
- (kk) “**GSL Party**” means, collectively, GSL and the GSL Subsidiaries;

- (ll) “**GSL Subscription Receipts**” means subscription receipts of GSL, each of which shall be automatically exchanged for a unit consisting of one GSL Unit and one GSL Unit purchase warrant immediately prior to the Merger being effected;
- (mm) “**GSL Subsidiaries**” means Green Scientific Labs AZ, LLC, Green Scientific Labs NJ, LLC, Green Scientific Labs Michigan, LLC and Green Scientific Labs IL, LLC;
- (nn) “**GSL Units**” means the membership interest units in the capital of GSL;
- (oo) “**Hazardous Substance**” means any substance, material or waste that is defined, judicially interpreted or identified in, or regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, tailings, wasterock, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (pp) “**IFRS**” means international financial reporting standards as adopted by the International Accounting Standards Board;
- (qq) “**Indemnified Party**” has the meaning ascribed thereto in Section 7.1;
- (rr) “**Indemnifying Party**” has the meaning ascribed thereto in Section 7.1;
- (ss) “**Information Circular**” means the management information circular of Prominex to be sent to the Prominex Shareholders in connection with the Prominex Meeting, including the schedules thereto, prepared in accordance with all applicable securities and corporate laws and Exchange rules;
- (tt) “**Intellectual Property**” means all of the following which is necessary for and material to the operation of GSL’s business: (i) patent rights, issued patents, patent applications, patent disclosures, and registrations, inventions, discoveries, developments, concepts, ideas, improvements, processes and methods, whether or not such inventions, discoveries, developments, concepts, ideas, improvements, processes, or methods are patentable or registrable under patent or similar laws anywhere in the world; (ii) copyrights (including performance rights) to any original works of art or authorship, including source code and graphics, which are fixed in any medium of expression, including copyright registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (iii) any and all common law or registered trade-mark rights, trade names, business names, trade-marks, proposed trade-marks, certification marks, service marks, distinguishing marks and guises, logos, slogans, goodwill, domain names and any registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (iv) know-how, show-how, confidential

information, trade secrets; (v) any and all industrial design rights, industrial designs, design patents, industrial design or design patent registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (vi) any and all integrated circuit topography rights, integrated circuit topographies and integrated circuit topography applications, anywhere in the world, whether or not registered or registrable, (vii) any reissues, divisions, continuations, continuations-in-part, renewals, improvements, translations, derivatives, modifications and extensions of any of the foregoing; (viii) any other industrial, proprietary or intellectual property rights, anywhere in the world; and (ix) proprietary computer software (including but not limited to data, data bases and documentation);

- (uu) “**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, rulings, ordinances, governmental orders, writs, judgments, injunctions, decrees, stipulations, determinations or award entered by or with any Governmental Authority or other requirements, whether domestic or foreign, including but not limited to, all applicable requirements of federal, state, provincial and municipal, city, county or other local government laws, rules and regulations and guidelines and the conditions of any permit or license of or from any Governmental Authority, and the term “applicable” with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its subsidiaries or its or their business, undertaking, property or securities;
- (vv) “**Legacy Liabilities**” has the meaning ascribed thereto in Section 3.2(i);
- (ww) “**Letter of Intent**” has the meaning ascribed thereto in the Recitals;
- (xx) “**Listing Statement**” means the Exchange listing statement - Form 2A of the Resulting Issuer in connection with the listing of Resulting Issuer Subordinate Voting Shares on the Exchange;
- (yy) “**Material Adverse Change**” means any event, change, effect, state of facts, circumstance, development or occurrence that, individually or together with any other event, change, effect, state of facts, circumstance, development, or occurrence, is, or could reasonably be expected to be, materially adverse to the condition (financial or otherwise), assets, liabilities, operations, earnings or business of a Party, provided that none of the following shall constitute or be taken into account in determining whether there has been, is or would be a Material Adverse Change:
  - (i) changes in law, rules, regulations, orders or other binding directives issued by any Governmental Authority, including any action required to be taken by any Party to comply with such changes (including any COVID-19 Measures);

- (ii) any natural disasters or “acts of God,” including, but not limited to, weather, earthquakes, disease outbreaks, epidemics, and pandemics (including COVID-19);
- (iii) in the case of GSL, any event, change, effect, state of facts, circumstance, development or occurrence affecting the cannabis or hemp industries and other related industries in which GSL operates or in which its products or services are used, distributed or provided;
- (iv) in the case of GSL, Prominex, Subco or Mergerco, any event, change, effect, state of facts, circumstance, development or occurrence that:
  - (A) results from general economic, financial, currency exchange, interest rate or securities market conditions in Canada or the United States;
  - (B) results from acts of war, sabotage or terrorism, military actions or the escalation thereof;
  - (C) results from changes in applicable accounting rules or principles;
  - (D) is a direct result of any matter permitted by this Agreement or consented to in writing by the applicable Party or Parties; or
  - (E) results from the announcement of this Agreement or the transactions contemplated herein or in any agreement ancillary to this Agreement,

provided further, however, that with respect to clauses (i), (ii), (iii) and clauses (iv)(A) through to and including (iv)(C), such matter does not have a materially disproportionate effect on such Party, relative to other similarly situated companies and businesses;

- (zz) “**Merger**” has the meaning ascribed thereto in Section 2.1(a);
- (aaa) “**Mergerco Common Shares**” means common shares in the capital of Mergerco;
- (bbb) “**Merger Consideration**” has the meaning ascribed thereto in Section 2.3(c);
- (ccc) “**ordinary course**” and “**ordinary course of business**” means an action taken, or omitted to be taken, in the ordinary course of a Party’s business, consistent with past practice (provided that any action reasonably taken, or omitted to be taken in good faith specifically in response to, and any adjustments and modifications thereto taken in response to or as a result of COVID-19 or any COVID-19 Measure shall be deemed to be “ordinary course” and in the “ordinary course of business”);

- (ddd) “**Parties**” means GSL, Prominex and Mergerco and “**Party**” means any one of them;
- (eee) “**Person**” means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (fff) “**Prominex Authorized Capital Amendment**” means the reorganization of the share capital of Prominex if required in order to meet certain foreign private issuer requirements of the Resulting Issuer as determined by GSL and its legal advisors (in their sole discretion), including but not limited to, the creation of the Prominex Multiple Voting Shares and the change of designation of the Prominex Common Shares to Prominex Subordinate Voting Shares, by way of amendment to the articles of Prominex;
- (ggg) “**Prominex Common Shares**” means the common shares in the capital of Prominex;
- (hhh) “**Prominex Finder’s Fee**” means \$250,000 to be paid in cash or settled in Prominex Common Shares as a part of the Prominex Recapitalization, to certain finders contemporaneously with the Prominex Recapitalization;
- (iii) “**Prominex Meeting**” means the special meeting of the shareholders of Prominex (including any adjournments or postponements thereof) to be held to consider and, if deemed advisable, to approve, the Prominex Meeting Matters;
- (jjj) “**Prominex Meeting Matters**” means the following matters: (i) the approval of the Merger, if required; (ii) the amendment to the articles of Prominex to effect the Consolidation; (iii) the amendment to the articles of Prominex to effect the Prominex Authorized Capital Amendment, if required; (iv) the amendment to the articles of Prominex to set the number of directors to a minimum of three directors and a maximum of seven directors; (v) the appointment of the Resulting Issuer Board; (vi) the amendment to the articles of Prominex to change its name to “Green Scientific Labs Holdings Inc.”, or such other name as may be determined by the board of directors of GSL, in its sole discretion, to be the name of the Resulting Issuer; (vii) the approval of a new option plan for the Resulting Issuer (the “**Resulting Issuer Option Plan**”) and a new long term incentive plan for the Resulting Issuer (the “**Resulting Issuer LTIP**”); (viii) the appointment of SRCO Professional Corporation as the auditor of the Resulting Issuer and the authorization of the board of directors of Prominex to fix the remuneration thereof; and (ix) the approval of such other matters that may be required by GSL to be approved in order to give effect to the transactions contemplated by this Agreement;



- (kkk) “**Prominex Multiple Voting Shares**” means the multiple voting shares in the capital of Prominex to be adopted in the form set forth in Schedule “B” by way of the Prominex Authorized Capital Amendment;
- (lll) “**Prominex Options**” means the incentive stock options to acquire post-Consolidation Prominex Common Shares issued to certain officers, directors, employees and consultants of Prominex in the aggregate value of up to \$75,000 (with such value calculated as (A) the aggregate number of stock options so issued, multiplied by (B) the difference between (i) the exercise price thereof and (ii) the GSL Financing Price, each with an expiry of October 31, 2023;
- (mmm) “**Prominex Public Disclosure**” has the meaning ascribed thereto in Section 3.2(pp);
- (nnn) “**Prominex Recapitalization**” means a non-brokered private placement and a shares for debt transaction whereby Prominex will, in the case of a private placement, issue up to CAD\$250,000 in Prominex Common Shares and, in the case of a shares for debt transaction, convert debt and a portion of the Finder’s Fee of up to CAD\$500,000 into Prominex Common Shares;
- (ooo) “**Prominex Shareholders**” means the holders of Prominex Common Shares;
- (ppp) “**Prominex Subordinate Voting Shares**” means the Prominex Common Shares after giving effect to the change of designation from “common shares” to “Subordinate Voting Shares” pursuant to the Prominex Authorized Capital Amendment, but which shall otherwise continue to carry the existing terms of the Prominex Common Shares;
- (qqq) “**Requisite GSL Vote**” has the meaning ascribed thereto in Section 3.1(n)(v);
- (rrr) “**Resulting Issuer**” means Prominex as it exists upon completion of the Merger to be known as “Green Scientific Labs Inc.”, or such other name as may be determined by the board of directors of GSL, in its sole discretion, to be the name of the Resulting Issuer;
- (sss) “**Resulting Issuer Board**” means the board of directors of the Resulting Issuer which shall consist of no fewer than three and no more than seven directors, each of whom shall be nominated solely by GSL;
- (ttt) “**Resulting Issuer Multiple Voting Shares**” means the multiple voting shares of the Resulting Issuer including those issued upon the Merger;
- (uuu) “**Resulting Issuer Subordinate Voting Shares**” means the subordinate voting shares of the Resulting Issuer including those issued upon the Merger;
- (vvv) “**Subco**” means Cannabinoid Capital Corporation, a wholly-owned subsidiary of Prominex existing under the BCBCA;

- (www) “**Subco Common Shares**” means common shares in the capital of Subco;
- (xxx) “**subsidiary**” means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a subsidiary;
- (yyy) “**Surviving Company**” has the meaning ascribed thereto in Section 2.1(a);
- (zzz) “**Terminating Party**” has the meaning ascribed thereto in Section 6.2;
- (aaaa) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;
- (bbbb) “**Tax Returns**” means all federal, provincial, state, local and foreign tax returns, declarations, statements, reports, elections, filing, declarations, schedules, forms and information returns and any document relating to Taxes;
- (cccc) “**Taxes**” means all federal, provincial, state, local and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto;
- (dddd) “**Transfer Agent**” means Capital Transfer Agency ULC or such other trust company or transfer agent as may be designated by GSL, as applicable;
- (eeee) “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and
- (ffff) “**U.S. Securities Act**” means the *U.S. Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder.

## 1.2 Schedules

The following schedules are incorporated into this Agreement by reference:

Schedule	Description
Schedule “A”	Certificate of Merger
Schedule “B”	Prominex Multiple Voting Share Terms
Schedule “C”	Prominex Disclosure Schedules

### 1.3 Interpretation

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

- (a) “this Agreement” means this Agreement, including the Schedules hereto, as it may from time to time be supplemented or amended;
- (b) all references in this Agreement to a designated Article, section, paragraph, or other subdivision, or to a Schedule, is to the designated Article, section, paragraph or other subdivision of or Schedule to this Agreement unless otherwise specifically stated;
- (c) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, paragraph or other subdivision of or Schedule to this Agreement;
- (d) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (e) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto);
- (f) any words used herein which are defined in the BCBCA, unless otherwise defined herein or unless there is something in the subject matter or context inconsistent therewith, have the meanings ascribed to such words in the BCBCA;
- (g) all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with IFRS;
- (h) all sums of money which are referred to in this Agreement are expressed in lawful money of the United States, unless otherwise indicated;
- (i) except as otherwise provided, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or such regulations;
- (j) where the phrase “to the best of the knowledge of” or phrases of similar import are used in this Agreement, it shall be a requirement that the Person in respect of whom the phrase is used shall have made such due enquiries of such Person’s senior officers as are reasonably necessary to enable such Person to make the statement or disclosure;

- (k) the headings to the Articles, sections, paragraphs or other subdivisions of this Agreement are inserted for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (l) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity; and
- (m) the Parties acknowledge that this Agreement is the product of arm's length negotiation between the Parties, each having obtained its own independent legal advice, and that this Agreement shall be construed neither strictly for, nor strictly against, any Party irrespective of which Party was responsible for drafting this Agreement.

## 2. THE MERGER

### 2.1 The Merger

- (a) The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL and the DLLCA, on the Closing Date: (i) Mergerco will merge with and into GSL (the “**Merger**”); (ii) the separate corporate existence of Mergerco will cease; and (iii) GSL will continue its limited liability company existence under the DLLCA as the surviving company in the Merger and as a subsidiary of Prominex (sometimes referred to herein as the “**Surviving Company**”).
- (b) Effective Time. On the Closing Date, GSL, Prominex and Mergerco will cause a certificate of merger substantially in the form attached hereto as Schedule “A” (the “**Certificate of Merger**”) to be executed, acknowledged, and filed with Delaware Department of State in accordance with the relevant provisions of the DGCL and the DLLCA and shall make all other filings or recordings required under the DGCL and the DLLCA. The Merger will become effective at such time as the Certificate of Merger has been duly filed with the Delaware Department of State or at such later date or time as may be agreed by GSL and Prominex in writing and specified in the Certificate of Merger in accordance with the DGCL and the DLLCA (the effective time of the Merger being hereinafter referred to as the “**Effective Time**”).

### 2.2 Effect of the Merger

- (a) Effects of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL and the DLLCA. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all property, rights, privileges, immunities, powers, franchises, licenses, and authority of GSL and Mergerco shall vest in the Surviving Company, and all debts, liabilities, obligations, restrictions, and

duties of each of GSL and Mergerco shall become the debts, liabilities, obligations, restrictions, and duties of the Surviving Company.

- (b) Charter Documents. At the Effective Time the Charter Documents of GSL as in effect immediately prior to the Effective Time shall be the Charter Documents of the Surviving Company, until thereafter amended in accordance with the terms thereof or as provided by applicable Law.
- (c) Managers and Officers. The managers and officers of GSL, in each case, immediately prior to the Effective Time shall, from and after the Effective Time, be the managers and officers, respectively, of the Surviving Company until their successors have been duly elected or appointed and qualified or until their earlier death, resignation, or removal in accordance with the Charter Documents of the Surviving Company and applicable Law.

### 2.3 Manner of Conversion of Issued Securities

- (a) Cancellation of Certain GSL Units. Each GSL Unit that is owned by GSL (as treasury stock or otherwise) or any of its direct or indirect wholly owned subsidiaries as of immediately prior to the Effective Time (the “**Cancelled Units**”) will automatically be cancelled and retired and will cease to exist, and no consideration will be delivered in exchange therefor.
- (b) Exchange of GSL Units by Canadian Resident Shareholder. Immediately prior to the Effective Time, each GSL Unit that is owned by a Canadian Resident Shareholder (the “**Canadian Units**”) will be transferred to Prominex in exchange for either one one-hundredth (1/100) of a Resulting Issuer Multiple Voting Share or one Resulting Issuer Subordinate Voting Share which will be issued to the Canadian Resident Shareholder by Prominex.
- (c) Conversion of GSL Units. The GSL Units issued and outstanding immediately prior to the Effective Time (other than Cancelled Units and Canadian Units) will be converted into the right to receive either one one-hundredth (1/100) of a Resulting Issuer Multiple Voting Share or one Resulting Issuer Subordinate Voting Share (the “**Merger Consideration**”) per GSL Unit (the “**Exchange Ratio**”), as separately agreed between Prominex and each holder of GSL Units prior to the Closing Date.
- (d) Cancellation of Shares. At the Effective Time, all GSL Units (other than Canadian Units) will no longer be outstanding and all such GSL Units will be cancelled and retired and will cease to exist, and each holder of (i) a certificate formerly representing any such GSL Units (each, a “**Certificate**”), or (ii) any book-entry securities which immediately prior to the Effective Time represented one or more such GSL Units (each, a “**Book-Entry Security**”), in each case, will cease to have any rights with respect thereto except the right to receive the Merger Consideration in accordance with Section 2.4.

- (e) Issuance of Mergerco Shares. At the Effective Time, Mergerco shall issue 100 Mergerco Shares to the Resulting Issuer as consideration for the Resulting Issuer agreeing to deliver and issue the Merger Consideration.

## 2.4 Delivery of Securities

- (a) Procedures for Surrender. Each holder of one or more GSL Units that have been converted into the right to receive the Merger Consideration shall be entitled to receive the Merger Consideration into which such GSL Units have been converted pursuant to Section 2.3(c) in respect of each GSL Unit represented by a Certificate or Book-Entry Security upon (i) surrender to Prominex of a Certificate, or (ii) receipt of such other evidence, if any, of transfer as Prominex may reasonably request in the case of Book-Entry Securities. Upon payment of the Merger Consideration pursuant to the provisions of this Article 2, each Certificate or Certificates or Book-Entry Security or Book-Entry Securities so surrendered or transferred, as the case may be, shall immediately be cancelled.
- (b) Payments to Non-Registered Holders. If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate or the transferred Book-Entry Security, as applicable, is registered, it shall be a condition to such payment that such Certificate be properly endorsed or shall otherwise be in proper form for transfer or such Book-Entry Security shall be properly transferred.
- (c) Full Satisfaction. All Merger Consideration paid upon the surrender of Certificates or transfer of Book-Entry Securities in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to the GSL Units formerly represented by such Certificate or Book-Entry Securities, and from and after the Effective Time, there shall be no further registration of transfers of GSL Units on the stock transfer books of the Surviving Company. If, after the Effective Time, Certificates or Book-Entry Securities are presented to the Surviving Company, they shall be cancelled and exchanged as provided in this Article 2.
- (d) Lost Certificates. If any Certificate 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 and, if required by GSL, the posting by such Person of a bond, in such reasonable amount as GSL may direct, as indemnity against any claim that may be made against it with respect to such Certificate, GSL or Prominex will issue, in exchange for such lost, stolen, or destroyed Certificate, the Merger Consideration to be paid in respect of the GSL Units formerly represented by such Certificate as contemplated under this Article 2.

## **2.5 Adjustments**

Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding securities of GSL pursuant to the GSL Financing or GSL Financing Price, or the issuance of securities of Prominex pursuant to the Prominex Recapitalization shall occur (other than (i) the issuance of additional securities of GSL or Prominex as permitted by this Agreement, or (ii) as contemplated by the Prominex Meeting Matters), including by reason of any reclassification, recapitalization, stock split (including a reverse stock split), or combination, exchange, readjustment of shares, or similar transaction, or any stock dividend or distribution paid in stock, the Exchange Ratio and any other amounts payable pursuant to this Agreement shall be appropriately adjusted to reflect such change; provided, however, that this sentence shall not be construed to permit GSL or Prominex to take any action with respect to its securities that is prohibited by the terms of this Agreement.

## **2.6 Fractional Securities**

No fractional securities of the Resulting Issuer will be issued. If a security holder of GSL would otherwise be entitled to a fractional security upon the Merger, the number of securities of the Resulting Issuer issued to such GSL security holder shall be rounded down to the next lesser whole number of such security without any cash payment or other compensation therefor. In calculating such fractional interests, all securities of the Resulting Issuer, as the case may be, registered in the name of or beneficially held by a Resulting Issuer securityholder or their nominee shall be aggregated.

## **2.7 Resulting Issuer**

The Resulting Issuer Option Plan and Resulting Issuer LTIP shall be substantially in the forms approved at the Prominex Meeting. The auditor of the Resulting Issuer shall be SRCO Professional Corporation. The Transfer Agent and registrar of the Resulting Issuer shall be Capital Transfer Agency ULC. The directors and officers of the Resulting Issuer shall be as set out in Section 4.2(a)(viii).

## **2.8 Commitment to Effect Merger**

Subject to the satisfaction of the terms and conditions contained in this Agreement, GSL, Prominex and Mergerco shall each use commercially reasonable efforts and do all things reasonably required to cause the Merger to become effective as soon as reasonably practicable and to cause the transactions contemplated by this Agreement to be completed in accordance with their terms.

## **2.9 Closing Date**

Subject to the rights of termination contained in Section 6.2, upon the conditions contained in Article 5 being complied with or waived, GSL, Prominex and Mergerco shall execute and deliver such other documents, if any, as may be required in order to effect the Merger and the Merger shall become effective at the Effective Time.

## **2.10 Tax Treatment**

Each Party intends that: (a) the Merger will qualify as a tax-deferred reorganization under Section 368 of the Code and this Agreement shall constitute a plan of reorganization under the Treasury Regulations issued under Section 368 of the Code; (b) such Party shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulations issued under Section 368 of the Code in connection with the Merger; and (c) such Party shall otherwise use its best efforts to cause the Merger to qualify as a tax-deferred reorganization pursuant to Section 368 of the Code. The Parties agree to treat the Resulting Issuer as a United States domestic corporation for United States federal income tax purposes under Section 7874(b) of the Code. Except as otherwise required by this Agreement, no Party shall take any action, fail to take any action, cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent (i) the Merger from qualifying as a tax-deferred reorganization within the meaning of Section 368 of the Code, or (ii) the Resulting Issuer from being treated as a United States domestic corporation for United States federal income tax purposes under Section 7874(b) of the Code. Each Party hereto agrees to act in good faith, consistent with the terms of this Agreement and the intent of the Parties and the intended treatment of such transactions as set forth in this Section 2.10.

## **2.11 GSL Financing and Prominex Recapitalization**

Prominex expressly acknowledges and agrees that GSL may conduct the GSL Financing and GSL expressly acknowledges and agrees that Prominex can conduct the Prominex Recapitalization and pay the Prominex Finder's Fee, in each case despite anything to the contrary herein. The Parties hereto acknowledge and agree that that any GSL Units issued upon conversion of the GSL Subscription Receipts pursuant to the GSL Financing will be exchanged for no additional consideration for free trading Resulting Issuer Subordinate Voting Shares at the Effective Time, subject to applicable Laws and Exchange requirements.

## **2.12 Exchange Restrictions**

Each of GSL and Prominex acknowledges that the policies of the Exchange concerning escrow restrictions may apply to Resulting Issuer Subordinate Voting Shares (and any securities convertible into Resulting Issuer Subordinate Voting Shares) issued to certain holders of securities pursuant to the Merger and the other transactions contemplated herein.

# **3. REPRESENTATIONS AND WARRANTIES**

## **3.1 Representations and Warranties of GSL**

GSL hereby represents and warrants to and in favour of Prominex and Mergerco that:

- (a) GSL has been duly formed and is a valid and subsisting limited liability company under the laws of the State of Delaware, has all requisite limited liability company power and authority to carry on its business as now being



carried on by it and to own or lease and operate its properties and assets and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which a material amount of its business is conducted or wherein the character of the properties and assets now owned by it makes such qualification necessary;

- (b) as of the date hereof, the authorized capital of GSL consists of an unlimited number of GSL Units, of which 18,056,902.46 GSL Units are issued and outstanding and GSL has no other issued or outstanding GSL Units;
- (c) other than the GSL Operating Agreement, GSL is not party to any agreement, nor, to the knowledge of GSL, is there any shareholders agreement or other contract, which in any manner affects the voting control of any of the GSL Units;
- (d) the execution, delivery and performance of this Agreement and the agreements, documents and transactions contemplated herein are within the limited liability company power and authority of GSL and have been duly authorized by all necessary limited liability company action and this Agreement constitutes a legal, valid and binding obligation of GSL, enforceable in accordance with its terms subject only to the following qualifications:
  - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
  - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforceability of creditors' rights;
- (e) other than in connection with the GSL Financing, GSL (including the GSL Subsidiaries) does not have any outstanding agreements, subscriptions, warrants, options or commitments, nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating GSL to issue any GSL Units or any equity securities or any securities convertible or exchangeable, directly or indirectly, into any GSL Units or any equity securities of the GSL subsidiaries;
- (f) except for the GSL Subsidiaries, GSL does not have any direct or indirect subsidiaries and does not own, nor has it agreed to acquire, directly or indirectly, any of the outstanding shares or securities convertible into shares of any other corporation or any participating interest in any Person;
- (g) the interim financial statements of GSL for the six-month period ended June 30, 2021 were prepared in accordance with IFRS on a consistent basis for each period included in such statements. Each of the balance sheets included

in such financial statements fairly presents the financial condition of GSL (on a consolidated basis) as at the close of business on the date thereof, and each of the statements of operations and deficit included in such statements fairly presents the results of operations of GSL (on a consolidated basis) for the fiscal period then ended;

- (h) since June 30, 2021 there has been no Material Adverse Change in any GSL Party;
- (i) no GSL Party has any material liability or obligation including, without limitation, Tax liabilities, whether accrued, absolute, contingent or otherwise, not reflected in GSL's interim financial statements for the six-month period ended June 30, 2021 except liabilities and obligations incurred in the ordinary course of its business, and there are reasonable grounds for believing that (i) each GSL Party is, and will be able to, pay its liabilities as they become due, and (ii) the realizable value of each GSL Party's assets will not be less than the aggregate of its liabilities and stated capital of all classes;
- (j) except as set out in Schedule 3.1(j), there are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of any GSL Party, instituted, pending or, to the knowledge of GSL, threatened against or affecting any GSL Party at Law or in equity or before or by any Governmental Authority, domestic or foreign, or before any arbitrator, nor is there any judgment, order, decree or award of any court or other Governmental Authority having jurisdiction, obtained, pending or, to the knowledge of GSL, threatened against any GSL Party, which would prevent or materially impede the consummation of the Merger or the other transactions contemplated by this Agreement or which in the aggregate would result in a Material Adverse Change in any GSL Party;
- (k) since June 30, 2021 no GSL Party has declared or paid any dividends or made any distribution of its properties or assets to its shareholders and no GSL Party has not disposed of any of its material properties or assets or incurred any material indebtedness;
- (l) the business of GSL (including each GSL Subsidiary) is being conducted in all material respects in compliance with all applicable Laws of all authorities having jurisdiction over the business of GSL or such GSL Subsidiary. No GSL Party has received any notification alleging any violations of applicable Law with respect to which adequate corrective action has not been taken;
- (m) each contract or agreement between each GSL Party and any other Person which is material to the business of GSL is in full force and effect and, to the best of the knowledge and belief of GSL is valid, binding and enforceable against each of the parties thereto in accordance with its terms and no material breach or default exists in respect thereof on the part of any party thereto and

no event has occurred which, with the giving of notice or the lapse of time or both, would constitute such a material breach or default;

- (n) none of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
  - (i) violate any provision of any Law applicable to GSL;
  - (ii) conflict with any of the terms, conditions or provisions of the Charter Documents of GSL or any GSL Party;
  - (iii) result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which any GSL Party is a party or by which it is bound or to which its property is subject, all as of the Closing Date;
  - (iv) result in the cancellation, suspension or material alteration in the terms of any material licence, permit or authority held by any GSL Party or in the creation of any lien, charge, security interest or encumbrance upon any of the material assets of GSL or give to any other Person any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award; or
  - (v) require GSL to receive the consent or approval of any third party or Governmental Authority, including pursuant to any contract or agreement to which GSL is a party, or give rise to any right of termination, cancellation, acceleration or similar rights or otherwise nullify, void, materially amend all or any portion of any material agreement to which GSL is a party or give rise to any liability or loss or result in any payments, claims, demands, loss of payment, forfeiture or similar result in any such agreement, other than the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger by the affirmative vote or consent of the holders of a majority of the outstanding GSL Units (the “**Requisite GSL Vote**”) and the approval of the Exchange to list the Resulting Issuer Subordinate Voting Shares thereon;
- (o) no steps or proceedings have been taken, instituted or, to the knowledge of GSL, are pending for the dissolution, liquidation or winding up of any GSL Party. Neither GSL nor any GSL Subsidiary: (i) is insolvent or bankrupt under or pursuant to any corporate, insolvency, winding-up, restructuring,

reorganization, administration or other Laws applicable to it; (ii) has commenced, approved, authorized or taken any action in furtherance of proceedings in respect of it under any applicable bankruptcy, insolvency, restructuring, reorganization, administration, winding up, liquidation, dissolution, or similar Law; (iii) has proposed a compromise or arrangement with its creditors generally or is or has been subject to any actions taken, orders received or proceedings commenced by creditors or other Persons for or in respect of the bankruptcy, receivership, insolvency, restructuring, reorganization, administration, winding-up, liquidation or dissolution of it, or any of its property or assets; (iv) had any encumbrancer take possession of any of its property; or (v) had any execution or distress become enforceable or become levied upon any of its property;

- (p) each GSL Party has its assets insured against loss or damages as is appropriate to its business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets, and such insurance coverages will be continued in full force and effect to and including the Closing Date other than those insurance coverages in respect of which the failure to continue in full force and effect could not reasonably be expected to result in a Material Adverse Change in GSL;
- (q) each GSL Party owns or has the right to full use of all material assets and properties owned or used in its business (other than Intellectual Property, with respect to which the representations and warranties in Sections 3.1(r) and 3.1(s) shall apply) with good and marketable title thereto, free and clear of all material encumbrances;
- (r) each GSL Party is the sole and exclusive legal and/or beneficial owner, as applicable, of, has good and marketable title to, and owns all right, title and interest in all material Intellectual Property that is owned by such GSL Party, free and clear of all material encumbrances of any kind or nature;
- (s) to GSL's knowledge, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of any GSL Party in or to any of the Intellectual Property owned by such GSL Party;
- (t) each GSL Party has filed or will file on a timely basis with the appropriate Governmental Authority, all material Tax Returns required by applicable Law to be filed prior to or as of the Effective Time other than those Tax Returns the failure of which to file has not had and could not reasonably be expected to result in a Material Adverse Change in such GSL Party and all such Tax Returns are, or will at the time of filing be, true, complete and correct in all respects other than in circumstances where the failure of such Tax Returns to be true, complete and correct in all respects could not reasonably be expected to result in a Material Adverse Change in GSL (on a consolidated basis);

- (u) all Taxes due and payable or required to be collected or withheld and remitted, by each GSL Party have been paid, collected or withheld and remitted as applicable and there are no liens on account of Taxes on any material asset of any GSL Party;
- (v) where payment is not yet due, each GSL Party has established or will establish on or before the Effective Time an adequate accrual for the payment of all Taxes due with respect to any period ending prior to or as of the Effective Time, except where the failure to pay or establish adequate accruals has not had and could not reasonably be expected to result in a Material Adverse Change in GSL (on a consolidated basis);
- (w) there are no audits, assessments or examinations outstanding or pending in respect of Taxes of any GSL Party and no deficiencies for any Taxes have been proposed, asserted or assessed against any GSL Party other than those Taxes the proposal or assertion of which, or the assessment against, could not reasonably be expected to result in a Material Adverse Change in GSL (on a consolidated basis), and no requests for waivers of the time to assess any such material Taxes are pending;
- (x) no GSL Party is (i) a party to, bound by, or obligated under any Tax allocation, indemnity, or sharing contract or arrangement; and (ii) liable for the Taxes of any other Person other than any contractual obligation entered in the ordinary course of business that does not principally relate to Taxes;
- (y) no GSL Party has incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby;
- (z) each GSL Party is duly licensed, registered and qualified, in all material respects, and possess all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable their respective business to be carried on as now conducted and to enable their respective property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of GSL (on a consolidated basis), as now conducted. The loss of any such licenses, registrations or qualifications would not have any material adverse on the business of GSL (on a consolidated business), as now conducted;
- (aa) each GSL Party is in compliance with all regulatory orders, directives and decisions that have application to such GSL Party except where such non-compliance would not have a material adverse effect on GSL (on a consolidated basis) and GSL has not received notice from any governmental

or regulatory authority that any GSL Party is not in compliance with any such regulatory orders, directives or decisions;

- (bb) each GSL Party is, and has been, in compliance in all material respects with all Environmental Laws including in respect of the processing, use, treatment, storage, disposal, discharge, transport or handling of any Hazardous Substances;
- (cc) GSL has not received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and no GSL Party has settled any allegation of non-compliance short of prosecution;
- (dd) no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by GSL from any third party in connection with the execution and delivery of this Agreement by GSL and the consummation of the transactions contemplated herein by GSL, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the financial condition of GSL (on a consolidated basis), or could prevent, materially delay or materially burden the transactions contemplated herein;
- (ee) the operations of each GSL Party are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering laws of the jurisdictions in which such GSL Party conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Anti-Money Laundering Laws**”), and no action, proceeding, investigation, audit or inquiry by or before any Governmental Authority against any GSL Party with respect to the Anti-Money Laundering Laws is pending. No GSL Party has, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (ii) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to GSL and its operations. Neither GSL, nor, to the knowledge of GSL, any director, officer, agent, employee, Affiliate or Person acting on behalf of GSL has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department; and

- (ff) none of GSL, nor any of its officers, directors or employees acting on behalf of GSL has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any other applicable Law, and to the knowledge of GSL, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of GSL.

### **3.2 Representations and Warranties of Prominex**

Prominex hereby represents and warrants to and in favour of GSL that:

- (a) Prominex and Subco have been duly incorporated and are valid and existing corporations in good standing under the BCBCA, and each of Prominex and Subco have all requisite corporate power and authority to carry on its business as now being carried on by it and to own or lease and operate its properties and assets and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which a material amount of its business is conducted or wherein the character of the properties and assets now owned by it makes such qualification necessary;
- (b) as of the date hereof:
  - (i) the authorized capital of Prominex consists of an unlimited number of common shares without par value, of which 9,342,275 Prominex Common Shares are issued and outstanding as fully paid and non-assessable shares; Prominex has no other securities authorized, issued or outstanding; and
  - (ii) the authorized capital of Subco consists of an unlimited number of Subco Common Shares, of which one hundred Subco Common Shares are issued and outstanding as fully paid and non-assessable shares, which are held by Prominex as the sole registered and beneficial owner free and clear of any encumbrances and Subco has no other securities authorized, issued or outstanding;
- (c) Prominex is, and will have been for a period of at least four months prior to the Closing Date, a reporting issuer pursuant to the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) in good standing and in compliance with its obligations under such statutes and other applicable securities Laws; has not been the subject of a cease trade order since February 18, 2020 or an investigation under any applicable securities Laws; and Prominex has not been the subject of any investigation by the Exchange or any other regulatory or administrative authority or body;

- (d) Prominex is not party to any agreement, nor, to the knowledge of Prominex, is there any shareholders agreement, voting trust or other agreement, which in any manner affects the voting control of any of the securities of Prominex;
- (e) the execution, delivery and performance of this Agreement and the agreements, documents and transactions contemplated herein are within the corporate power and authority of Prominex and have been duly authorized by all necessary corporate actions and this Agreement constitutes a legal, valid and binding obligation of Prominex, enforceable in accordance with its terms subject only to the following qualifications:
  - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
  - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar Laws generally affecting the enforceability of creditors' rights;
- (f) Prominex does not have any direct or indirect subsidiaries other than Mergerco and Subco and does not own, nor has it agreed to acquire, directly or indirectly, any of the outstanding shares or securities convertible into shares of any other corporation or any participating interest in any Person other than Mergerco and Subco (in which Prominex holds 100% of the issued and outstanding securities, being (i) one Mergerco Common Share, in the case of Mergerco, and (ii) one hundred Subco Common Shares, in the case of Subco). Mergerco is a corporation incorporated and subsisting under the laws of its jurisdiction of incorporation. All Mergerco Common Shares have been duly and validly allotted and issued and are outstanding as fully paid and non-assessable shares in the capital of Mergerco and Prominex is the registered and beneficial owner of all such securities. Subco is a corporation incorporated and subsisting under the laws of its jurisdiction of incorporation and has no direct or indirect subsidiaries nor any assets or liabilities and has never carried on any business or conducted any operations of any nature whatsoever. All Subco Common Shares have been duly and validly allotted and issued and are outstanding as fully paid and non-assessable shares in the capital of Subco and Prominex is the registered and beneficial owner of all such shares;
- (g) other than 88,500 Prominex Options to be issued prior to the Closing Date as described in Section 3.2(g) of Schedule "C" and other than in connection with the Prominex Recapitalization, neither Prominex nor Subco has any outstanding agreements, subscriptions, warrants, options or commitments, nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating Prominex or Subco (as applicable) to issue any additional shares or other securities;



- (h) the unaudited interim consolidated financial statements of Prominex for the three months ended July 31, 2021 and 2020 and the audited consolidated financial statements of Prominex for the years ended April 30, 2021 and 2020 were prepared in accordance with IFRS on a consistent basis for each period included in such statements. Each of the balance sheets included in such financial statements present fairly the financial condition of Prominex as at the close of business on the date thereof and each of the statements of operations and deficit included in such statements fairly presents the results of operations of Prominex for the fiscal period then ended;
- (i) Section 3.2(i) of Schedule “C” sets forth a complete and accurate list of all legacy liabilities of Prominex and Subco (the “**Legacy Liabilities**”). The Legacy Liabilities do not need to be reflected in any Prominex or Subco financial statements under IFRS, and the indebtedness of Prominex and Subco reflected by the Legacy Liabilities is not collectible by any Person under applicable Law due to the lapse of time since the incurrence of the Legacy Liabilities. All such Legacy Liabilities were incurred and accrued more than six years prior to the date of this Agreement;
- (j) during the two years preceding the date of this Agreement, neither Prominex nor Subco has taken any action to acknowledge the indebtedness reflected by the Legacy Liabilities and, to the knowledge of Prominex, prior to the two years preceding the date of this Agreement, neither Prominex nor Subco has taken any action to acknowledge the indebtedness reflected by the Legacy Liabilities;
- (k) during the two years preceding the date of this Agreement, neither Prominex nor Subco has received any notice, whether written or otherwise, from or on behalf of any Person alleging that Prominex or Subco owes such Person any amount on account of the Legacy Liabilities or threatening any suit, action, proceeding or claim against Prominex or Subco in connection with any Legacy Liabilities and, to the knowledge of Prominex, prior to the two years preceding the date of this Agreement, neither Prominex nor Subco has received any notice, whether written or otherwise, from or on behalf of any Person alleging that Prominex or Subco owes such Person any amount on account of the Legacy Liabilities or threatening any suit, action, proceeding or claim against Prominex or Subco in connection with any Legacy Liabilities;
- (l) since July 31, 2021, there has been no Material Adverse Change in Prominex or Subco;
- (m) Prominex’s auditors are, and were during the period covered by their reports, independent with respect to Prominex in accordance with the rules of professional conduct applicable to auditors in Canada and applicable securities Laws, and there has not been any disagreement or reportable event

(within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with such auditors with respect to audits of Prominex;

- (n) Section 3.2(m) of Schedule “C” sets forth a complete and accurate list of all tangible and intangible assets owned by Prominex and its subsidiaries;
- (o) Prominex owns or has the right to full use of all assets and properties owned or used in its business with good and marketable title thereto, free and clear of all material encumbrances;
- (p) other than this Agreement, there are no agreements, covenants, undertakings, commitments, instruments, judgments, orders, decrees or awards to which Prominex or Subco is a party or by which it is bound or to which the property of Prominex or Subco is subject; neither Prominex nor Subco holds licences, permits or other similar authorizations and there are no liens, charges, security interests or encumbrance upon any of the assets of Prominex or Subco;
- (q) (i) Prominex does not have any liability or obligation including, without limitation, Tax liabilities, whether accrued, absolute, contingent or otherwise, not reflected in its financial statements for the three months ended July 31, 2021, except liabilities and obligations incurred in the ordinary course of its business and set forth in Section 3.2(q) of Schedule “C”, and there are reasonable grounds for believing that (excluding Legacy Liabilities) (A) Prominex is, and will be able to, pay its liabilities as they become due, and (B) the realizable value of Prominex’s assets will not be less than the aggregate of its liabilities and stated capital of all classes; and (ii) Subco does not have any liabilities or obligations including, without limitation, Tax liabilities, whether accrued, absolute, contingent or otherwise, and there are reasonable grounds for believing that (A) Subco is able to pay its liabilities as they become due, and (B) the realizable value of Subco’s assets will not be less than the aggregate of its liabilities and stated capital of all classes;
- (r) the corporate records and minute books of Prominex as required to be maintained by it under the BCBCA are, in all material respects, up to date and contain complete and accurate minutes of all meetings of the directors and shareholders and all resolutions consented to in writing;
- (s) the corporate records and minute books of Prominex made available to GSL and their counsel in connection with their due diligence investigation in respect of the Business Combination contain accurate records in all material respects of all constating documents, including all amendments thereto, and contain copies of all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects;
- (t) there are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Prominex or Subco, instituted, pending or, to the knowledge of Prominex or Subco (as applicable),

threatened against or affecting Prominex or Subco, at Law or in equity or before or by any Governmental Authority, domestic or foreign, or before any arbitrator, nor is there any judgment, order, decree or award of any court or other Governmental Authority having jurisdiction, obtained, pending or, to the knowledge of Prominex or Subco (as applicable), threatened, against Prominex or Subco, which would prevent or materially hinder the consummation of the Merger or the other transactions contemplated by this Agreement or which would involve the reasonable possibility of any material judgment or liability, whether or not covered by insurance, or which in the aggregate would result in a Material Adverse Change in Prominex or Subco;

- (u) neither Prominex nor Subco has declared or paid any dividends or made any distribution of its properties or assets to its shareholders and neither Prominex nor Subco has disposed of any of its properties or assets or incurred any material indebtedness;
- (v) the businesses of Prominex and Subco are being conducted in all material respects in compliance with all applicable Laws of all authorities having jurisdiction over the business of Prominex and Subco. Neither Prominex nor Subco has received any notification alleging any violations applicable law with respect to which adequate corrective action has not been taken;
- (w) the operations of Prominex are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering laws of the jurisdictions in which Prominex conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Anti-Money Laundering Laws**”), and no action, proceeding, investigation, audit or inquiry by or before any Governmental Authority against Prominex with respect to the Anti-Money Laundering Laws is pending. Prominex has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction in violation of applicable Laws; or (ii) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other Laws of any relevant jurisdiction covering a similar subject matter applicable to Prominex and its operations. Neither Prominex, nor, to the knowledge of Prominex, any director, officer, agent, employee, Affiliate or Person acting on behalf of Prominex has been or is currently subject to any United States sanctions

administered by the Office of Foreign Assets Control of the United States Treasury Department;

- (x) none of Prominex, nor any of its officers, directors or employees acting on behalf of Prominex has violated the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any other applicable Law, and to the knowledge of Prominex, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Prominex;
- (y) each contract or agreement between Prominex and any other Person which is material to the ownership, use or operation of a material portion of the business, properties or assets of Prominex on a consolidated basis in full force and effect and, to the best of the knowledge and belief of Prominex is valid, binding and enforceable against each of the parties thereto in accordance with its terms and no material breach or default exists in respect thereof on the part of any party thereto and no event has occurred which, with the giving of notice or the lapse of time or both, would constitute such a material breach or default;
- (z) none of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
  - (i) violate any provision of any Law applicable to Prominex or Subco;
  - (ii) conflict with any of the terms, conditions or provisions of the Charter Documents of Prominex or Subco;
  - (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which Prominex is a party or by which it is bound or to which its property is subject, all as of the Closing Date;
  - (iv) result in the cancellation, suspension or material alteration in the terms of any material licence, permit or authority held by Prominex, or in the creation of any lien, charge, security interest or encumbrance upon any of the material assets of Prominex under any such material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award or give to any other Person any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award; or

- (v) require Prominex, Subco or Mergerco to receive the consent or approval of any third party or Governmental Authority, including pursuant to any contract or agreement to which Prominex or any subsidiary of Prominex is a party, or give rise to any right of termination, cancellation, acceleration or similar rights or otherwise nullify, void, materially amend all or any portion of any agreement to which Prominex or any of its subsidiaries is a party or give rise to any liability or loss or results in any payments, claims, demands, loss of payment, forfeiture or similar result in any such agreement, other than: (i) the approval by the Exchange of the listing of the Resulting Issuer Subordinate Voting Shares on the Exchange; (ii) the filing of Articles of Amendment to effect the applicable Prominex Meeting Matters; (iii) the filing of the Certificate of Merger in accordance with the DGCL; (iv) such registrations and other actions required under applicable securities Laws as are contemplated by this Agreement; and (v) any filings with the registrar under the BCBCA or under the DGCL;
- (aa) Prominex has disposed of or surrendered all prior mineral property interests in compliance with applicable Laws and does not have any material liability or obligation whether accrued, absolute, contingent or otherwise, related thereto;
- (bb) each of Prominex and its subsidiaries is, and has been, in compliance in all material respects with all Environmental Laws including in respect of the processing, use, treatment, storage, disposal, discharge, transport or handling of any Hazardous Substances;
- (cc) each of Prominex and its subsidiaries has not used, except in compliance in all respects with all Environmental Laws, any property or facility which it owns, controls, manages, operates or leases or previously owned, controlled, managed, operated or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance and there have been no releases of Hazardous Substances at any property or facility which it owns, controls, manages, operates or leases or previously owned, controlled, managed, operated or leased;
- (dd) each of Prominex and its subsidiaries has not received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and Prominex has not settled any allegation of non-compliance short of prosecution. There are no orders or directions issued against Prominex under Environmental Laws including those requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of Prominex, nor has Prominex received notice of any of the same;

- (ee) there are no past unresolved or, to the knowledge of Prominex, any threatened or pending claims, complaints, notices or requests for information received by Prominex or its subsidiaries with respect to any alleged violation of any Environmental Laws; and no conditions exist at, on or under any property now or previously owned, operated, optioned or leased by Prominex or its subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under Environmental Laws;
- (ff) none of Prominex nor its subsidiaries has received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under Environmental Laws;
- (gg) there are no environmental audits, evaluations, assessments, studies or tests relating to Prominex or its subsidiaries;
- (hh) no steps or proceedings have been taken, instituted or, to the knowledge of Prominex, are pending for the dissolution, liquidation or winding up of Prominex or Subco. Neither Prominex nor Subco: (i) is insolvent or bankrupt under or pursuant to any corporate, insolvency, winding-up, restructuring, reorganization, administration or other Laws applicable to it; (ii) has commenced, approved, authorized or taken any action in furtherance of proceedings in respect of it under any applicable bankruptcy, insolvency, restructuring, reorganization, administration, winding up, liquidation, dissolution, or similar Law; (iii) has proposed a compromise or arrangement with its creditors generally or is or has been subject to any actions taken, orders received or proceedings commenced by creditors or other Persons for or in respect of the bankruptcy, receivership, insolvency, restructuring, reorganization, administration, winding-up, liquidation or dissolution of it, or any of its property or assets; (iv) had any encumbrancer take possession of any of its property, or (v) had any execution or distress become enforceable or become levied upon any of its property;
- (ii) Prominex has its assets insured against loss or damages as is appropriate to its business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets, and such insurance coverages will be continued in full force and effect to and including the Closing Date other than those insurance coverages in respect of which the failure to continue in full force and effect could not reasonably be expected to result in a Material Adverse Change in Prominex;
- (jj) Prominex has filed or will file on a timely basis with the appropriate Governmental Authority, all material Tax Returns required by applicable Law to be filed prior to or as of the Effective Time other than those Tax Returns the failure of which to file has not had and could not reasonably be expected to result in a Material Adverse Change in Prominex and all such Tax Returns are, or will be at the time of filing, true, complete and correct in all respects

other than in circumstances where the failure of such Tax Returns to be true, complete and correct in all respects could not reasonably be expected to result in a Material Adverse Change in Prominex;

- (kk) all Taxes due and payable or required to be collected or withheld and remitted, by Prominex have been paid, collected or withheld and remitted as applicable and there are no liens on account of Taxes on any asset of Prominex;
- (ll) where payment is not yet due, Prominex has established or will establish on or before the Effective Time an adequate accrual for the payment of all Taxes due with respect to any period ending prior to or as of the Effective Time, except where the failure to pay or establish adequate accruals has not had and could not reasonably be expected to result in a Material Adverse Change in Prominex;
- (mm) there are no audits, assessments or examinations outstanding or pending in respect of Taxes of Prominex and no deficiencies for any Taxes have been proposed, asserted or assessed against Prominex other than those Taxes the proposal or assertion of which, or the assessment against, could not reasonably be expected to result in a Material Adverse Change in Prominex, and no requests for waivers of the time to assess any such material Taxes are pending;
- (nn) Prominex is a taxable Canadian within the meaning of the Tax Act;
- (oo) Prominex is not (i) a party to, bound by, or obligated under any Tax allocation, indemnity, or sharing contract or arrangement; and (ii) liable for the Taxes of any other Person;
- (pp) Prominex has filed all forms, reports, financial statements, management discussion and analysis, agreements and documents (collectively, the “**Prominex Public Disclosure**”) with the applicable securities regulators required to be filed by it pursuant to applicable corporate and securities Laws and the Prominex Public Disclosure complies in all material respects with the requirements of applicable securities Laws;
- (qq) none of the Prominex Public Disclosure filed by Prominex with the securities regulators or the Exchange, at the time filed or as subsequently amended, contain any misrepresentation or contain an untrue statement of a material fact (as such term is defined in applicable securities Laws), or an omission to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;
- (rr) as of the date hereof, (i) there are no material facts or material changes (as such term is defined in applicable securities Laws) relating to Prominex or its subsidiaries, or their respective businesses, which have not been publicly

disclosed in the Prominex Public Disclosure, and (ii) no confidential material change report has been filed that remains confidential at the date hereof;

- (ss) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of Prominex has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Prominex, are pending, contemplated or threatened by any regulatory authority;
- (tt) there is no suit, action, proceeding or claim, including appeals and applications for review, in progress or pending, or, to the best of Prominex's knowledge, threatened, against or relating to Prominex or Subco, or any of their respective officers, directors, shareholders or employees in their capacity as such, or any of their respective assets or title thereto, nor is there any factual or legal basis on which any such suit, action, proceeding or claim might be commenced with any reasonable likelihood of success, and there is no judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator outstanding against Prominex or Subco or affecting any of their respective property or assets;
- (uu) neither Prominex nor Subco has incurred or will incur any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby, other than the Prominex Finder's Fee that will be partially settled as part of the Prominex Recapitalization and remaining balance paid out of the proceeds of the Prominex Recapitalization;
- (vv) each of Prominex and its subsidiaries is duly licensed, registered and qualified, in all material respects, and possess all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable their respective business to be carried on as now conducted and to enable their respective property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of Prominex, as now conducted. The loss of any such licenses, registrations or qualifications would not have any material adverse on the business of Prominex, as now conducted;
- (ww) each of Prominex and its subsidiaries is in compliance with all regulatory orders, directives and decisions that have application to such party except where such non-compliance would not have a material adverse effect on Prominex and Prominex has not received notice from any governmental or regulatory authority that either Prominex or any of its subsidiaries is not in compliance with any such regulatory orders, directives or decisions; and



- (xx) no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by Prominex or Subco from, any third party in connection with the execution and delivery of this Agreement by Prominex or Subco and the consummation of the transactions contemplated herein by Prominex or Subco, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the consolidated financial condition of Prominex (on a consolidated basis), or could prevent, materially delay or materially burden the transactions contemplated herein.

### **3.3 Representations and Warranties Relating to Mergerco**

Prominex and Mergerco hereby jointly represent and warrant to and in favour of GSL that:

- (a) Mergerco has been duly incorporated and is a valid and subsisting corporation under the laws of the State of Delaware, has all requisite corporate power and authority to carry on its business as now being carried on by it and to own or lease and operate its properties and assets and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which a material amount of its business is conducted or wherein the character of the properties and assets now owned by it makes such qualification necessary;
- (b) the authorized capital of Mergerco consists of an unlimited number of Mergerco Common Shares, of which one Mergerco Common Share is issued and outstanding, which is held by Prominex as the sole registered and beneficial owner free and clear of any encumbrances and Mergerco has no other securities authorized, issued or outstanding;
- (c) the execution, delivery and performance of this Agreement and the agreements, documents and transactions contemplated herein are within the corporate power and authority of Mergerco and have been duly authorized by all necessary corporate action and this Agreement constitutes a legal, valid and binding obligation of Mergerco, enforceable in accordance with its terms subject only to the following qualifications:
  - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
  - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar Laws generally affecting the enforceability of creditors' rights;
- (d) Mergerco does not have any outstanding agreements, subscriptions, warrants, options or commitments, nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating Mergerco to issue any additional securities;

- (e) Mergerco has no direct or indirect subsidiaries or assets;
- (f) Mergerco does not have any liability or obligation including, without limitation, Tax liabilities, whether accrued, absolute, contingent or otherwise, and there are reasonable grounds for believing that (i) Mergerco is able to pay its liabilities as they become due, and (ii) the realizable value of Mergerco's assets will not be less than the aggregate of its liabilities and stated capital of all classes;
- (g) there are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Mergerco, instituted, pending or, to the knowledge of Mergerco, threatened against or affecting Mergerco, at Law or in equity or before or by any Governmental Authority, domestic or foreign, or before any arbitrator, nor is there any judgment, order, decree or award of any court or other Governmental Authority having jurisdiction, obtained, pending or, to the knowledge of Mergerco, threatened, against Mergerco, which would prevent or hinder the consummation of the Merger or the other transactions contemplated by this Agreement or which would involve the reasonable possibility of any judgment or liability, whether or not covered by insurance, or which in the aggregate would result in a Material Adverse Change in Mergerco;
- (h) Mergerco has not declared or paid any dividends or made any distribution of its properties or assets to its shareholders and Mergerco has not disposed of any of its properties or assets or incurred any indebtedness;
- (i) the business of Mergerco is being conducted in all material respects in compliance with all applicable Laws of all authorities having jurisdiction over the business of Mergerco;
- (j) other than this Agreement, there are no agreements, covenants, undertakings, commitments, instruments, judgments, orders, decrees or awards to which Mergerco is a party or by which it is bound or to which its property is subject; Mergerco holds no licences, permits or other similar authorizations and there are no liens, charges, security interests or encumbrance upon any of the assets of Mergerco;
- (k) none of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
  - (i) violate any provision of any Law applicable to Mergerco; or
  - (ii) conflict with any of the terms, conditions or provisions of the Charter Documents of Mergerco; and

- (l) Mergerco has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby.

### **3.4 Survival**

The representations and warranties of the Parties contained in this Agreement shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination date of this Agreement in accordance with its terms and the Closing Date.

## **4. COVENANTS**

### **4.1 Covenants of GSL**

GSL hereby covenants and agrees with Prominex and Mergerco as follows:

- (a) GSL will carry on its business in the ordinary course in a manner consistent with past practice;
- (b) GSL will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby or would render inaccurate in any material respect any of the representations and warranties set forth in Section 3.1 if such representations and warranties were made at a date subsequent to such act, negotiation or transaction and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement;
- (c) GSL will not alter or amend its Charter Documents as the same exist at the date of this Agreement, other than pursuant to the Merger or as required to consummate the transactions contemplated in this Agreement;
- (d) GSL will, in a timely and expeditious manner, provide all such information of GSL as is reasonably necessary for inclusion in the Information Circular;
- (e) GSL will ensure that the Information Circular will not contain an untrue statement of a material fact concerning GSL or omit to state a material fact concerning GSL that is required to be stated to make a statement contained therein not misleading in light of the circumstances in which it is made;
- (f) if required by the Exchange, GSL agrees to provide, in a timely manner,
  - (i) audited annual financial statements of GSL in accordance with IFRS for the two most recently completed financial years and, if applicable, reviewed interim financial statements for GSL for the most recently completed interim period;
  - (ii) all reasonably necessary disclosure related to GSL's business for inclusion in the Listing Statement, or other required disclosure document; and
  - (iii) all other documentation regarding GSL required by the Exchange;

- (g) GSL will prepare and deliver the Listing Statement or other required disclosure document to Prominex and its legal counsel for their review and will be responsible, along with its counsel, for preparing first drafts of all documentation required to effect the Merger and the other transactions contemplated herein (other than the Information Circular, which shall be the responsibility of Prominex and its counsel) including the Listing Statement or other disclosure document, the application to the Exchange for listing of the Resulting Issuer Subordinate Voting Shares, and all documentation required by the Exchange in connection therewith;
- (h) GSL will use its commercially reasonable efforts to complete the GSL Financing at or prior to the Effective Time;
- (i) GSL will do all such other acts and things as may be commercially reasonable in order to give effect to the Merger and, without limiting the generality of the foregoing, GSL will use its commercially reasonable efforts to apply for and obtain:
  - (i) the Requisite GSL Vote; and
  - (ii) such other consents, orders and approvals as its counsel may advise are necessary or desirable for the implementation of the Merger; and
- (j) GSL will make necessary filings and applications under applicable Laws required on the part of it in connection with the transactions contemplated herein, and will take all reasonable action necessary to be in compliance with such Laws;
- (k) GSL will use all commercially reasonable efforts to conduct its affairs so that GSL's representations and warranties contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (l) GSL will use commercially reasonable efforts to cause each of the conditions precedent set forth in Article 5 that are the responsibility of GSL to be complied with on or before the Closing Date;
- (m) GSL will advise Prominex if there are any circumstances, individually or in the aggregate, that could reasonably be expected to materially and adversely affect the transactions contemplated by this Agreement or that could result in a Material Adverse Change in GSL (on a consolidated basis);
- (n) GSL will promptly notify Prominex of any legal or governmental action, suit, judgment, investigation, injunction, complaint, motion, regulatory investigation, regulatory proceeding or similar proceeding by any Person, Governmental Authority or other regulatory body, whether actual or

threatened, with respect to the Merger or which could otherwise reasonably be expected to delay or impede the transactions contemplated hereby or result in a Material Adverse Change in GSL (on a consolidated basis);

- (o) GSL will notify Prominex promptly upon becoming aware that any of the representations and warranties of GSL contained herein are no longer true and correct in any material respect; and
- (p) GSL will promptly upon receipt of any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to Taxes (an “**Assessment**”) relating to a GSL Party, deliver to Prominex a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of the GSL Parties on the assumption that such Assessment is valid and binding.

#### 4.2 Covenants of Prominex

- (a) Prominex hereby covenants and agrees with GSL as follows:
  - (i) Prominex will carry on business in the ordinary course in a manner consistent with past practice (it being acknowledged that Prominex and Subco currently do not carry on any businesses or operations) and shall maintain its status as a reporting issuer not in default in each of the jurisdictions in which it is currently a reporting issuer;
  - (ii) Prominex will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby or would render inaccurate in any material respect any of the representations and warranties set forth in Section 3.2 if such representations and warranties were made at a date subsequent to such act, negotiation or transaction and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement;
  - (iii) Prominex will not, without GSL’s prior written consent:
    - (A) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders;
    - (B) issue any debt, equity or other securities or enter into any commitment or agreement therefor, other than the issuance of the Prominex Options or the Prominex Common Shares issuable upon

the exercise of the Prominex Options, or as required to complete the Prominex Recapitalization;

- (C) make any payment to any director, officer or employee except pursuant to existing written agreements;
  - (D) increase or decrease its paid-up capital, other than in connection with share issuance upon an exercise or conversion (as applicable) contemplated in Section 4.2(a)(iii)(B);
  - (E) borrow money or incur any indebtedness for money borrowed;
  - (F) make capital expenditures;
  - (G) (i) settle or compromise any Tax claim, audit, or assessment; (ii) make or change any Tax election, change any annual Tax accounting period, or adopt or change any method of Tax accounting; (iii) amend any Tax Returns; or (iv) surrender in writing any right to claim a Tax refund, offset or other reduction in Tax liability or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment;
  - (H) alter or amend its Charter Documents as the same exist at the date of this Agreement, except as contemplated by the Prominex Meeting Matters or otherwise required to consummate the transactions contemplated in this Agreement;
  - (I) engage in any business, enterprise or activity or enter into any transaction or contract or incur any obligation which is not in the ordinary course of business, other than as contemplated in this Agreement;
- (iv) Prominex will:
- (A) call by no later than June 2, 2021, and hold by no later than July 30, 2021, the Prominex Meeting in accordance with its Charter Documents and the provisions of all applicable Law;
  - (B) solicit proxies to be voted at the Prominex Meeting in favour of the approval of the Prominex Meeting Matters;
  - (C) recommend, and cause its board to unanimously recommend, to the Prominex Shareholders that they approve the Prominex Meeting Matters; and
  - (D) subject to shareholder approval of the Prominex Meeting Matters, effect or otherwise carry out and complete the Prominex Meeting

Matters in accordance with the resolutions of shareholders passed at the Prominex Meeting;

- (v) Prominex will, as soon as reasonably practicable, prepare and file the Information Circular in all jurisdictions where it is required to be filed and mail the same to the Prominex Shareholders in accordance with applicable Law, provided that prior to filing and mailing the Information Circular Prominex shall provide GSL and its counsel a reasonable opportunity to review and comment thereon and will incorporate all reasonable comments;
- (vi) Prominex will ensure that the Information Circular will not contain an untrue statement of a material fact concerning Prominex, Subco or Mergerco and will not omit to state a material fact concerning Prominex, Subco or Mergerco that is required to be stated to make a statement contained therein not misleading in the light of the circumstances in which it is made;
- (vii) Prominex will provide on a timely basis all necessary disclosure related to Prominex's business for inclusion in the Listing Statement or other required disclosure document and all other information required by the Exchange and will cooperate with GSL on the preparation and delivery of such Listing Statement or other required disclosure document and such other information;
- (viii) Prominex will take all necessary action to cause the board of directors of the Resulting Issuer to be comprised of the directors whose names appear in the Information Circular, being Paul Crage, Michael Richmond, Ed Murray, Alex Spiro and Olivier Centner, and to appoint the following individuals as officers of the Resulting Issuer: Paul Crage (CEO), Richard Gray (CFO) and Michael Richmond (Chairman);
- (ix) prior to the Closing Date, Prominex will complete the Prominex Recapitalization and will have used the proceeds from the Prominex Recapitalization to repay its current indebtedness and liabilities (other than the Legacy Liabilities) inclusive of any amount owed pursuant to the Prominex Finder's Fee and ensure that Prominex has at least 90 shareholders holding a Board Lot (as such term is defined in Policy 1 of the Exchange) post-Consolidation;
- (x) Prominex will do all such other acts and things as may be necessary or required in order to give effect to the Merger and the transactions contemplated herein and, without limiting the generality of the foregoing, Prominex will use its reasonable commercial efforts to obtain:

- (A) the approvals of the shareholders of Prominex for the Prominex Meeting Matters; and
- (B) all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement, to provide all notices required in connection with the Merger and take such other measures as may be necessary or advisable to fulfill its obligations under and to carry out the transactions contemplated by this Agreement, including those referred to in Section 5.1;
- (xi) Prominex will make necessary filings and applications under applicable Laws required on the part of it in connection with the transactions contemplated herein, and will take all reasonable action necessary to be in compliance with such Laws;
- (xii) Prominex will use all commercially reasonable efforts to conduct its affairs so that Prominex's representations and warranties contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (xiii) Prominex will use commercially reasonable efforts to cause each of the conditions precedent set forth in Article 5 that are the responsibility of Prominex or Mergerco to be complied with on or before the Closing Date;
- (xiv) Prominex will advise GSL if there are any circumstances, individually or in the aggregate, that could reasonably be expected to materially and adversely affect the transactions contemplated by this Agreement or that could result in a Material Adverse Change in Prominex, Mergerco or Subco;
- (xv) Prominex will promptly notify GSL of any legal or governmental action, suit, judgment, investigation, injunction, complaint, motion, regulatory investigation, regulatory proceeding or similar proceeding by any Person, Governmental Authority or other regulatory body, whether actual or threatened, with respect to the Merger or which could otherwise reasonably be expected to delay or impede the transactions contemplated hereby or result in a Material Adverse Change in Prominex, Mergerco or Subco;
- (xvi) Prominex will notify GSL promptly upon becoming aware that any of the representations and warranties of Prominex or Mergerco contained herein are no longer true and correct in any material respect;



- (xvii) Prominex will promptly upon receipt of any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to Taxes (an “**Assessment**”) relating to Prominex, deliver to GSL a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of Prominex on the assumption that such Assessment is valid and binding; and
  - (xviii) Prominex agrees to execute joint elections under subsections 85(1) or 85(2) of the Tax Act or any equivalent provincial legislation with any Canadian Resident Shareholder with respect to the disposition by the Canadian Resident Shareholder of GSL Units to Prominex if such Canadian Resident Shareholder delivers to Prominex a duly completed election form to make the joint election pursuant to subsections 85(1) or 85(2) of the Tax Act. Prominex will not be required to execute any election that is received by Prominex more than 60 days after the Closing Date. If Prominex receives a properly completed election within 60 days of the Closing Date, Prominex will sign and return such election to the Canadian Resident Shareholder. Prominex will not be responsible for the proper completion of any election, except for the obligation of Prominex to sign and return to the Canadian Resident Shareholder a duly completed election that is received by Prominex within 60 days of the Closing Date. Each Canadian Resident Shareholder shall be solely responsible for filing any such election form with the Canada Revenue Agency and any applicable provincial Governmental Authority. Prominex will not be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to properly complete or file any election.
- (b) Prominex further covenants and agrees with GSL that it shall cause Subco to do the following:
- (i) not carry on business and not enter into any transaction or incur any obligation or liability, except as contemplated in this Agreement;
  - (ii) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby or would render inaccurate in any material way any of the representations and warranties set forth in Section 3.2 if such representations and warranties were made at a date subsequent to such act, negotiation or transaction and all references to the date of this Agreement were deemed to be such later date, except as

contemplated in this Agreement, and, without limiting the generality of the foregoing, Subco will not:

- (A) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders;
  - (B) issue any shares or other securities convertible into or exchangeable for shares or enter into any commitment or agreement therefor; or
  - (C) increase or decrease its paid-up capital; and
- (iii) not alter or amend its Charter Documents as the same exist at the date of this Agreement, except as contemplated in this Agreement.

#### **4.3 Covenants of Mergerco**

Mergerco hereby covenants and agrees with GSL as follows (and Prominex shall cause Mergerco to do the following):

- (a) Mergerco will not carry on business and will not enter into any transaction or incur any obligation or liability, except as contemplated in this Agreement;
- (b) Mergerco will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby or would render inaccurate in any material way any of the representations and warranties set forth in Section 3.3 if such representations and warranties were made at a date subsequent to such act, negotiation or transaction and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and, without limiting the generality of the foregoing, Mergerco will not:
  - (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) issue any shares or other securities convertible into or exchangeable for shares or enter into any commitment or agreement therefor; or
  - (iii) increase or decrease its paid-up capital;
- (c) Mergerco will not alter or amend its Charter Documents as the same exist at the date of this Agreement, except as contemplated in this Agreement;
- (d) Mergerco will advise GSL if there are any circumstances, individually or in the aggregate, that could reasonably be expected to materially and adversely affect the transactions contemplated by this Agreement or that could result in a Material Adverse Change in Mergerco; and

- (e) Mergerco will use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 that are the responsibility of Mergerco to be complied with on or before the Closing Date.

#### **4.4 Covenants of GSL and Prominex**

Prominex and GSL hereby covenant and agree with each other as follows:

- (a) until the completion or earlier termination of the transactions contemplated by this Agreement or under the Merger, not to, either directly or indirectly, acquire or dispose of, or attempt to acquire or dispose of, any securities of the other;
- (b) all press releases or other public announcements concerning the transactions contemplated by this Agreement or under the Merger shall be made jointly by GSL and Prominex; provided, however, that Prominex may, without the consent of GSL, make such disclosure about itself as may be required by applicable securities Laws, and if such disclosure is required, Prominex as the party making the disclosure shall provide to GSL a copy of such disclosure and GSL shall be permitted a reasonable opportunity, within the time constraints imposed by securities Laws, to comment on such disclosure, and Prominex shall give due consideration to such comments;
- (c) to use reasonable commercial efforts to obtain the acceptance of the Exchange for the listing of the Resulting Issuer Subordinate Voting Shares and the other transactions contemplated herein that require Exchange acceptance, and will use commercially reasonable efforts to prepare and provide all documents requested by the Exchange, respond to all queries and address all deficiencies identified by the Exchange in a timely manner and use commercially reasonable efforts to resolve all disclosure matters and finalize the contents of the Listing Statement or other disclosure document;
- (d) to use reasonable commercial efforts to structure the Merger and the other transactions contemplated herein such that a sponsor report and independent valuation shall not be required by the Exchange;
- (e) to do all such other acts and things as may be necessary or required in order to give effect to the Merger and, without limiting the generality of the foregoing, each of Prominex and GSL will use its reasonable commercial efforts to apply for and obtain such other consents, orders and approvals as counsel may advise are necessary or desirable for the implementation of the Merger, including those referred to in Section 5.1; and
- (f) to pay costs and expenses payable by such Party in connection with the Merger and the other transactions contemplated hereby, in accordance with Section 8.11.

## **5. CONDITIONS**

### **5.1 Mutual Conditions Precedent**

The respective obligations of GSL, Prominex and Mergerco to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the Prominex Meeting Matters, with or without amendment (subject to any amendment being approved by GSL), shall have been approved at the Prominex Meeting in accordance with the terms of this Agreement and in accordance with applicable Law and regulatory requirements;
- (b) this Agreement and the transactions contemplated hereby, including the Merger, will have been duly approved by the Requisite GSL Vote;
- (c) the Merger shall have been approved by Mergerco;
- (d) completion of the GSL Financing for aggregate gross proceeds of a minimum of \$4,000,000;
- (e) the board of directors of the Resulting Issuer shall have resolved to approve the continuation of the Prominex Options under the Resulting Issuer Option Plan from the Effective Time until October 31, 2023 pursuant to Section 8.1 of the Resulting Issuer Option Plan;
- (f) Prominex shall have effected or otherwise carried out and completed the Prominex Meeting Matters required to be completed prior to the Effective Time;
- (g) the Exchange (or such other stock exchange as may be acceptable to GSL, acting reasonably) shall have conditionally approved the listing of the Resulting Issuer Subordinate Voting Shares, subject only to compliance with the usual requirements of the Exchange (or such other stock exchange as may be acceptable to GSL, acting reasonably);
- (h) the Exchange shall have accepted the Listing Statement for filing;
- (i) if required by the Exchange, the delivery of a sponsor report and an independent valuation, in each case accepted by the Exchange;
- (j) all consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Merger shall have been obtained or received by Prominex, Mergerco or GSL (as applicable) from the Persons or Governmental Authorities having jurisdiction in the circumstances (including the Exchange, if applicable), and all other

applicable regulatory requirements and conditions shall have been complied with;

- (k) no act, action, suit or proceeding will have been threatened or taken before or by any domestic or foreign Governmental Authorities in Canada, the United States or elsewhere, whether or not having the force of Law, and no Law will have been proposed, enacted, promulgated or applied, which in either case has the effect to enjoin, prohibit or impose material limitations or conditions on any of the Parties, or which, if the Merger and other transactions contemplated herein were completed, would materially and adversely affect any of the Parties;
- (l) no Governmental Authority of competent jurisdiction shall have issued an order, decree or ruling or there shall be enacted or made any applicable Law that makes consummation of the Merger or the other transactions contemplated by this Agreement illegal or otherwise prohibited or otherwise restrains, enjoins or prohibits Prominex, Mergerco or GSL from consummating the Merger or other transactions contemplated by this Agreement (unless such order, decree, ruling or applicable Law has been withdrawn, reversed or otherwise made inapplicable) and such order, decree, ruling or applicable Law or injunction shall have become final and non-appealable;
- (m) there shall not exist any prohibition at Law against the completion of the Merger; and
- (n) this Agreement shall not have been terminated in accordance with the provisions of Article 6.

## **5.2 Conditions to Obligations of GSL**

The obligation of GSL to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by GSL without prejudice to its right to rely on any other condition in its favour, that the covenants of each of Prominex and Mergerco to be performed on or before the Closing Date pursuant to the provisions of this Agreement shall have been duly performed by such Party and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of each of Prominex and Mergerco shall be true and correct in all respects as at the Closing Date, with the same effect as if such representations and warranties had been made at, and as of, each such time (except for representations and warranties that refer to another date, which shall be true as of that date) and GSL shall have received a certificate, on and dated the Closing Date, from a senior officer of each of (a) Prominex (confirming the same in respect of Prominex), and (b) Mergerco (confirming the same in respect of Mergerco).

### **5.3 Conditions to Obligations of Prominex and Mergerco**

The obligation of Prominex and Mergerco to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by either such Party without prejudice to its right to rely on any other condition in favour of such Party, that the covenants of GSL to be performed on or before the Closing Date pursuant to the provisions of this Agreement shall have been duly performed by GSL and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of GSL shall be true and correct in all respects as at the Closing Date, with the same effect as if such representations and warranties had been made at, and as of, each such time (except for representations and warranties that refer to another date, which shall be true as of that date) and Prominex and Mergerco shall have received a certificate, on and dated the Closing Date, of a senior officer of GSL confirming the same.

### **5.4 Additional Conditions Precedent to the Obligations of GSL**

The obligations of GSL to complete the transactions contemplated hereby shall also be subject to the fulfillment, or waiver by GSL, of each of the following conditions:

- (a) there shall have occurred no Material Adverse Change in any of Prominex, Subco or Mergerco;
- (b) Prominex shall have taken all necessary action to cause the board of directors of the Resulting Issuer to be comprised of the directors whose names appear in the Information Circular, being Paul Crage, Michael Richmond, Ed Murray, Alex Spiro and Olivier Centner, and to appoint the following individuals as officers of the Resulting Issuer: Paul Crage (CEO), Richard Gray (CFO) and Michael Richmond (Chairman);;
- (c) the receipt of resignations of each director and officer of Prominex without payment by or liability to GSL or Prominex;
- (d) the receipt of a mutual release between Prominex and its current officers and directors in form and substance acceptable to GSL;
- (e) Prominex shall have completed the Prominex Recapitalization in a manner satisfactory to GSL and shall have provided evidence thereof to GSL, and the proceeds of the Prominex Recapitalization shall have been used to repay Prominex's current indebtedness and liabilities (other than the Legacy Liabilities) inclusive of the Prominex Finder's Fee such that, at the Closing Date, Prominex shall have no debt or other contingent liabilities on its balance sheet, other than (i) Expenses with respect to the Business Combination subject to the maximum set forth in Section 8.11, (ii) expenses incurred in the ordinary course of maintaining its status as a reporting issuer under applicable securities Laws; and (iii) the Legacy Liabilities;

- (f) at the Closing Date, Prominex shall have a positive working capital balance, excluding the Legacy Liabilities;
- (g) Prominex shall have completed the Consolidation and immediately prior to the Effective Time, there shall be no more than 500,000 post-Consolidation Prominex Common Shares, including any securities issued pursuant to the Prominex Recapitalization but excluding the Prominex Options and any post-Consolidation Prominex Common Shares issued upon the due exercise of the Prominex Options prior to the date thereof, issued and outstanding;
- (h) there shall be no more than 88,500 Prominex Options (convertible into no more than 88,500 post-Consolidation Prominex Common Shares) outstanding and the exercise price thereof shall not be less than CAD\$3.75 per post-Consolidation Prominex Common Share;
- (i) the Expenses of Prominex with respect to the Business Combination shall be no more than CAD\$150,000, exclusive of applicable Taxes;
- (j) GSL shall have completed its due diligence investigation of Prominex to the satisfaction of GSL, in its sole discretion;
- (k) Prominex shall have at least 90 shareholders holding a Board Lot (as such term is defined in Policy 1 of the Exchange) post-Consolidation and the Resulting Issuer shall have a shareholder base that satisfies the minimum public float and distribution requirements of the Exchange;
- (l) the Resulting Issuer will be a “foreign private issuer” as defined in Rule 405 under the U.S. Securities Act immediately following the Closing Date;
- (m) any securities to be issued in the United States pursuant to the Merger shall be issued in accordance with, and exempt from registration requirements under, applicable exemptions from registration under the U.S. Securities Act;
- (n) the Resulting Issuer Subordinate Voting Shares and any other securities of the Resulting Issuer that are issued as consideration for the GSL Units shall be issued as fully paid and non-assessable shares in the capital of the Resulting Issuer (as applicable), free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to escrow restrictions of the Exchange, as applicable and shall be freely-tradeable and not subject to any hold period under applicable Canadian securities Laws;
- (o) Prominex shall not be in default of the requirements of the Exchange or any securities regulatory authority and no order shall have been issued and still in effect at the Effective Time preventing or enjoining the consummation of the Merger or other transactions contemplated herein or the trading of any securities of Prominex or the Resulting Issuer;

- (p) all consents and approvals under any agreements or licences to which GSL may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated under this Agreement shall have been obtained or received; and
- (q) none of the consents, orders, regulations or approvals contemplated herein shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by GSL, acting reasonably.

## **5.5 Merger of Conditions**

The conditions set out in Sections 5.1, 5.2, 5.3, and 5.4 shall be conclusively deemed to have been satisfied, waived or released on filing of the Certificate of Merger.

## **6. AMENDMENT AND TERMINATION**

### **6.1 Amendment**

This Agreement may, at any time and from time to time before and after the holding of the Prominex Meeting, but not later than the Closing Date, be amended by written agreement of GSL, Prominex and Mergerco without, subject to applicable Law, further notice to or authorization on the part of the GSL Members or shareholders of Prominex or Mergerco. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for the performance of any of the obligations or acts of GSL, Prominex or Mergerco;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the obligations of GSL, Prominex or Mergerco; or
- (d) make such alterations in this Agreement as the Parties may consider necessary or desirable,

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by the GSL Members without approval by such GSL Members given in the same manner as required for the approval of the Merger.

### **6.2 Rights of Termination**

This Agreement may be terminated as follows:

- (a) by mutual agreement of the Parties in writing;



- (b) by GSL, in its sole discretion, if Prominex or Mergerco breaches its obligations set out in Section 6.4;
- (c) by Prominex, in its sole discretion, if GSL breaches its obligations set out in Section 6.4;
- (d) by either of GSL, on the one hand, or Prominex and Mergerco, on the other hand, in its sole discretion, if
  - (i) the Merger has not been completed on or prior to the Completion Deadline, and notice of such termination has been provided to the other Party or Parties, as applicable; or
  - (ii) any Law of a Governmental Authority of competent jurisdiction makes the completion of the Merger or the other transactions contemplated by this Agreement illegal or otherwise prohibited, and such Law has become final and non-appealable; or
- (e) subject to Section 6.3, if any of the conditions contained in Sections 5.1, 5.2, 5.3, or 5.4 shall not be fulfilled or performed on or before the Completion Deadline by any Party required to fulfill or perform such condition (the “**Breaching Party**”), GSL (in the event that the Breaching Party is Prominex and/or Mergerco) or Prominex (in the event that the Breaching Party is GSL), may terminate this Agreement by notice to the Breaching Party.

If this Agreement is terminated as aforesaid, the Party terminating this Agreement (the “**Terminating Party**”) shall be released from all obligations under this Agreement other than the obligations that by their terms survive the termination of this Agreement (which obligations include the obligations under Article 7 (Indemnification), Section 8.11 (Costs and Expenses), Section 4.4(f) (covenant in respect of costs and expenses) and Section 8.8 (Entire Agreement)), all rights of specific performance against the Terminating Party shall terminate and, unless the Terminating Party can show that the condition or conditions the non-performance of which has caused the Terminating Party to terminate this Agreement were reasonably capable of being performed by the other Party or Parties, as applicable, then such other Party or Parties, as applicable, shall also be released from all obligations hereunder, except any liability expressly contemplated hereby; and further provided that any of such conditions may be waived in full or in part by either GSL or Prominex without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

If the Agreement is terminated pursuant to 6.2(b) or 6.2(c), the non-Terminating Party shall forthwith pay to the Terminating Party the sum equal to the non-Terminating Party’s costs and expenses incurred with this the Business Combination, up to the date of termination.

### 6.3 Notice of Unfulfilled Conditions

If any of GSL, or Prominex or Mergerco, shall determine at any time prior to the Closing Date that it intends to refuse to consummate the Merger or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition precedent contained in this Agreement on the part of the other of them to be fulfilled or performed, GSL, or Prominex and Mergerco, as the case may be, shall so notify the other of them in writing, as the case may be, forthwith upon making such determination in order that the other of them shall have the right and opportunity to take such steps, at their own expense, as may be necessary for the purpose of fulfilling or performing such condition precedent within a reasonable period of time, but in no event later than the Completion Deadline.

### 6.4 Non-Solicitation and Standstill

- (a) During the period commencing on the date hereof and ending concurrent with the (i) Effective Time; or (ii) termination of this Agreement in accordance with Section 6.2, each Party agrees that it will not, directly or indirectly, through any Affiliates, representative or otherwise, take any direct or indirect action to:
  - (i) solicit, initiate, encourage, facilitate, engage in or respond to any inquiries, submissions, proposals or offers regarding any merger, amalgamation, arrangement, share exchange, business combination, take-over bid, exchange offer, sale or other disposition of material assets, recapitalization, reorganization, liquidation, sale or issuance of treasury securities (except (A) upon the due exercise of convertible or exchangeable securities outstanding on the date hereof, (B) in the case of GSL, pursuant to the GSL Financing, or (C) in the case of Prominex, pursuant to the Prominex Recapitalization) or rights or interests therein or thereto or rights or options to acquire any treasury securities or any type of similar transaction involving it, other than with the other Party or Parties (as applicable) prior written consent (each, an “**Acquisition Proposal**”);
  - (ii) encourage, facilitate or participate in any discussions or negotiations (including by way of furnishing any non-public information) regarding any Acquisition Proposal;
  - (iii) agree to, approve or recommend an Acquisition Proposal; or
  - (iv) enter into any agreement, arrangement or understanding related to an Acquisition Proposal;

provided that, in the case of GSL, this Section 6.4 shall only apply to an Acquisition Proposal pursuant to which GSL, any successor thereof or any “resulting issuer” following completion of the transactions contemplated by such Acquisition Proposal, would become a reporting issuer in any province or territory of Canada.

- (b) Each Party hereby represents and warrants that as of the date hereof it is not engaged in an Acquisition Proposal and has no outstanding obligations to any other Person who is not a Party in respect of an Acquisition Proposal.
- (c) Each Party hereto shall promptly notify the other Party or Parties (as applicable) of any future Acquisition Proposal which any director, senior officer or agent of a Party hereto is or becomes aware of, any amendment to any of the foregoing or any request for non-public information received by a Party hereto. Such notice shall include a description of the material terms and conditions of any such proposal, the identity of the Person making such proposal, inquiry, request or contact and any written materials provided in connection with such proposal.

## **7. INDEMNIFICATION**

### **7.1 Indemnification**

Each of Prominex, Subco and Mergerco on a joint and several basis, on the one hand, and GSL, on the other hand (each, an “**Indemnifying Party**”) undertakes with each of GSL (in the event that Prominex, Subco and Mergerco are the Indemnifying Party) or Prominex, Subco and Mergerco (in the event that GSL is the Indemnifying Party) (each, the “**Indemnified Party**”) to indemnify and hold harmless each Indemnified Party from and against all losses, claims, damages, liabilities, actions or demands including, without limiting the generality of the foregoing, amounts paid in any settlement approved by the Indemnifying Party of any action, suit, proceeding or claim but excluding lost profits and consequential damages, to which each such Indemnified Party may become subject insofar as such losses, claims, damages, liabilities, actions or demands arise out of or are based upon any breach of a representation or warranty or failure to perform a covenant or satisfy an obligation of the Indemnifying Party contained in this Agreement or any certificate or notice delivered by it in connection herewith, and will reimburse such Indemnified Party for any legal or other expenses reasonably incurred by each such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability, action or demand.

### **7.2 Defence**

Promptly after receipt by an Indemnified Party of notice of a possible action, suit, proceeding or claim referred to in Section 7.1, such Indemnified Party, if a claim in respect thereof is to be made against the Indemnifying Party under Section 7.1, shall provide the Indemnifying Party with written particulars thereof; provided that failure to so provide the Indemnifying Party with such particulars shall not relieve such Indemnifying Party from any liability which it might have on account of the indemnity provided for in this Article 7 except insofar as such failure shall prejudice such Indemnifying Party. The Indemnified Party shall also provide to the Indemnifying Party copies of all relevant documentation and, unless the Indemnifying Party assumes the defence thereof, shall keep such Indemnifying Party advised of the progress thereof and will discuss with the Indemnifying Party all significant actions proposed. An Indemnifying Party shall be entitled, at its own

expense, to participate in and, to the extent that it may wish, to assume the defence of any such action, suit, proceeding or claim but such defence shall be conducted by counsel of good standing approved by the Indemnified Party, such approval not to be unreasonably delayed, conditioned or withheld. Upon the Indemnifying Party notifying the Indemnified Party of its election to assume the defence and retaining such counsel in accordance with the prior sentence, the Indemnifying Party shall not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by it in connection with such defence other than for reasonable costs of investigation. If such defence is assumed by the Indemnifying Party, it shall, throughout the course thereof, provide copies of all relevant documentation to the Indemnified Party, keep such Indemnified Party advised of the progress thereof and shall discuss with the Indemnified Party all significant actions proposed. No Indemnifying Party shall enter into any settlement without the written consent of the Indemnified Party, but such consent shall not be unreasonably delayed, conditioned or withheld. If such defence is not assumed by the Indemnifying Party, the Indemnifying Party shall not be liable for any settlement made without its written consent, but such consent shall not be unreasonably delayed, conditioned or withheld. Notwithstanding the foregoing, an Indemnified Party shall have the right, at the Indemnifying Party's expense, to employ counsel of its own choice in respect of the defence of any such action, suit, proceeding or claim if: (a) the employment of such counsel has been authorized by the Indemnifying Party in connection with such defence; (b) counsel retained by the Indemnifying Party or the Indemnified Party shall have advised the Indemnified Party that there may be legal defences available to it which are different from or in addition to those available to the Indemnifying Party (in which event and to that extent, the Indemnifying Party shall not have the right to assume or direct the defence on behalf of the Indemnified Party) or that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party; or (c) the Indemnifying Party shall not have assumed such defence and employed counsel in respect thereof within a reasonable time after receiving notice of such action, suit, proceeding or claim.

### **7.3 Term**

The obligations of GSL, Prominex, Subco and Mergerco under this Article 7 shall terminate at the Effective Time, failing which they shall survive and continue with respect to all losses, claims, damages, liabilities, actions or demands, notice of which is given to the Indemnifying Party by the Indemnified Party on or before one year from the date hereof in compliance with Section 7.2.

## **8. GENERAL**

### **8.1 Notices**

All notices, requests or demands which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be served personally, by prepaid courier or by email, in each case addressed as follows:

- (a) in the case of a notice to GSL, addressed to it at:

Green Scientific Labs, LLC  
4001 SW 47th Avenue, Suite 208  
Davie, FL 33314

Attention: Paul Crage  
Email: [REDACTED]

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

Fasken Martineau DuMoulin LLP  
333 Bay Street, Suite 2400  
Bay Adelaide Centre, M5H 2T6

Attn: John Sabetti  
Email: [REDACTED]

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

Fox Rothschild LLP  
777 S. Flagler Drive  
Suite 1700 West Tower  
West Palm Beach, FL 33401

Attn: Sean Coyle  
Email: [REDACTED]

- (b) in the case of a notice to Prominex, addressed to it at:

Prominex Resource Corp.  
1 Adelaide Street East, Suite 801  
Toronto, ON M5C 2V9

Attention: Binyomin Posen  
Email: [REDACTED]

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

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

Attention: Shimmy Posen  
Email: [REDACTED]

or to such other addresses or email addresses as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. All notices, requests and demands hereunder shall be deemed to have been received if delivered personally or by prepaid courier on the date of delivery and if sent by email, on the next Business Day after the email was sent.

## 8.2 Assignment

No Party may assign its rights or obligations under this Agreement or the Merger without the prior written consent of the other Parties.

### **8.3 Binding Effect**

This Agreement and the Merger shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

### **8.4 Waiver**

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing and executed by the Party granting such waiver or release. Waivers may only be granted upon compliance with the terms governing amendments set forth in Section 6.1. No waiver, or consent to the modification of any inaccuracy of any provision of this Agreement constitutes a waiver of or consent to any proceeding, continuing or succeeding inaccuracy of such provision or of any other provision of this Agreement.

### **8.5 No Personal Liability**

No director, officer, employee or agent of GSL shall have any personal liability whatsoever to Prominex or Mergerco under this Agreement, or under any other document delivered in connection with the Merger on behalf of GSL. No director, officer, employee or agent of either Prominex or Mergerco shall have any personal liability whatsoever to GSL under this Agreement, or under any other document delivered in connection with the Merger on behalf of GSL.

### **8.6 Governing Law**

This Agreement shall be governed by and be construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein, without giving effect to the principles of conflicts of Laws thereof, and the Parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario in respect of any matter arising hereunder or in connection herewith.

### **8.7 Counterparts and Electronic Copies**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely on delivery of an email in pdf or other electronic copy (including DocuSign) of an executed copy of this Agreement and such copy shall be legally effective to create a valid and binding agreement among the Parties.

### **8.8 Entire Agreement**

This Agreement, together with the agreements and other documents herein or therein referred to, constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between Parties, including the Letter of Intent (other than the confidentiality provisions set out in Section 9 thereof, which shall continue in effect) with respect to the subject matter hereof.

## **8.9 Severability**

In the event that any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall, to the extent permitted by Law, be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

## **8.10 Further Assurances**

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

## **8.11 Costs and Expenses**

Each Party will bear its respective costs incurred in connection with the due diligence investigation to be undertaken by such Party and the preparation, execution, and performance of the Letter of Intent, this Agreement and the transactions contemplated thereby and hereby, including all fees and expenses of agents, representatives, legal counsel and accountants (collectively, the “**Expenses**”). Notwithstanding the foregoing, (i) GSL will be responsible for paying all Exchange filing, listing and other fees in respect of the listing of the Resulting Issuer Subordinate Voting Shares; and (ii) if, in connection with obtaining the requisite regulatory approvals for the transactions contemplated herein, (A) a valuation report is required, the cost of such report shall be borne by GSL; and (B) an Exchange sponsor report and/or other third party report or review is required, the cost of such report and other third party report or review shall be paid by GSL. In no event will the Expenses of Prominex with respect to the Business Combination exceed CAD\$150,000 (exclusive of HST) in the aggregate without the prior written approval of GSL.

If this Agreement is terminated pursuant to Section 6.2(b) or 6.2(c) due to a Party’s breach of Section 6.4 (as applicable), then the non-breaching Party shall be reimbursed by the breaching Party for its costs and expenses incurred in connection with this Agreement to the Termination Date, to be paid within 2 business days thereof in immediately available funds.

## **8.12 Time of Essence**

Time is of the essence of this Agreement.

*[The remainder of this page has deliberately been left blank.]*

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date hereinbefore written.

**GREEN SCIENTIFIC LABS, LLC**

By: "*Paul Crago*"

\_\_\_\_\_  
Name: Paul Crago

Title: Chief Executive Officer

**PROMINEX RESOURCE CORP.**

By: "*Binyomin Posen*"

\_\_\_\_\_  
Name: Binyomin Posen

Title: Chief Executive Officer

**PRC MERGER SUB, INC.**

By: "*Binyomin Posen*"

\_\_\_\_\_  
Name: Binyomin Posen

Title: President



**SCHEDULE “A”  
CERTIFICATE OF MERGER**

**CERTIFICATE OF MERGER OF  
PRC MERGER SUB, INC.,  
AND GREEN SCIENTIFIC LABS, LLC  
INTO GREEN SCIENTIFIC LABS, LLC  
UNDER SECTION 18-209 OF THE DELAWARE LIMITED LIABILITY COMPANY ACT  
AND SECTION 264 OF THE DELAWARE GENERAL CORPORATION LAW  
[DATE]**

Pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the “**DLLCA**”), and Section 264 of the Delaware General Corporation Law (the “**DGCL**”), each of the undersigned hereby certify on behalf of the constituent corporations named herein, as follows:

1. The name of each constituent corporation is as follows:

(a) PRC Merger Sub, Inc., a Delaware corporation.

(b) Green Scientific Labs, LLC, a Delaware limited liability company.

2. The name of the surviving company is Green Scientific Labs, LLC, a Delaware limited liability company (the “**Surviving Company**”).

3. The designation, number, and voting rights of each outstanding class and series of equity security for each of the constituent corporations is as follows:

PRC Merger Sub, Inc.

Designation of each outstanding class and series of securities	Number of outstanding shares	Class and series of shares entitled to vote	Class and series of shares entitled to vote as a class
	[•]		

Green Scientific Labs, LLC

Designation of each outstanding class and series of securities	Number of outstanding securities	Class and series of shares entitled to vote	Classes and series of securities entitled to vote as a class
	[•]		

4. The certificate of formation of PRC Merger Sub, Inc. was filed with the Delaware Department of State (the “**Department of State**”) on [FILING DATE].

5. The certificate of formation of Green Scientific Labs, LLC was filed by the Department of State on April 19, 2018.

6. The merger was authorized with respect to PRC Merger Sub, Inc. in the following manner: A plan of merger was adopted by the board of directors of PRC Merger Sub, Inc. by written consent on [DATE], by the unanimous vote of the board of directors. The board submitted the agreement of merger to a vote of shareholders. The agreement was adopted by written consent of the sole shareholder of all outstanding shares entitled to vote thereon.

7. The merger was authorized with respect to Green Scientific Labs, LLC in the following manner: A plan of merger was adopted by the board of managers of Green Scientific Labs Inc. by written consent on [DATE], by the unanimous vote of the board of managers. The board submitted the agreement of merger to a vote of members. The agreement was adopted by written consent of the members by vote of the holders of a majority of all outstanding membership interest units entitled to vote thereon.

8. The certificate of formation of Green Scientific Labs, LLC, as in effect immediately prior to the effective date of the merger, shall be the certificate of incorporation of the Surviving Company.

9. The effective date of the merger is the date that this certificate of merger is filed with the Department of State.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have executed and signed this certificate as of the date first written above.

PRC MERGER SUB, INC.

By \_\_\_\_\_  
Name:  
Title:

GREEN SCIENTIFIC LABS INC.

By \_\_\_\_\_  
Name:  
Title:

**CERTIFICATE OF MERGER OF  
PRC MERGER SUB, INC. AND  
GREEN SCIENTIFIC LABS INC. INTO  
GREEN SCIENTIFIC LABS INC.**

**Under Section 18-209 of the Delaware General Corporation Law**

Filer's Name and Mailing Address:

---

Name

---

Company, if Applicable

---

Mailing Address

---

City, State, and Zip Code

**SCHEDULE "B"**  
**PROMINEX MULTIPLE VOTING SHARE TERMS**

**SHARE TERMS AND CONDITIONS  
GREEN SCIENTIFIC LABS HOLDINGS INC.  
(THE "COMPANY")**

**PART 27  
SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO  
SUBORDINATE VOTING SHARES**

**27.1 Voting**

The holders of Class A subordinate voting shares ("**Subordinate Voting Shares**") shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares are entitled to vote. Each Subordinate Voting Share shall entitle the holder thereof to one vote at each such meeting.

**27.2 Alteration to Rights of Subordinate Voting Shares**

So long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of Subordinate Voting Shares expressed by separate special resolution, alter or amend these Articles if the result of such a alteration or amendment would:

- (a) prejudice or interfere with any right or special right attached to the Subordinate Voting Shares; or
- (b) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.

**27.3 Dividends**

- (a) The holders of Subordinate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared thereon by the directors from time to time. The directors may not declare a dividend payable in cash or property on the Subordinate Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Multiple Voting Shares, in an amount per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share, multiplied by 100.
- (b) The directors may declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in:
  - (i) Multiple Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the number of Subordinate Voting Shares declared as a dividend per Subordinate Voting Share; or
  - (ii) Subordinate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share (or a fraction thereof) equal to number of Subordinate Voting Shares declared as a dividend per Subordinate Voting Share, multiplied by 100.
- (c) The directors may declare a stock dividend payable in Multiple Voting Shares on the Subordinate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in Multiple Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the number of Multiple Voting Shares declared as a dividend per Subordinate Voting Share, multiplied by 100.
- (d) Holders of fractional Subordinate Voting Shares shall be entitled to receive any dividend declared on the Subordinate Voting Shares in an amount equal to the dividend per Subordinate Voting Share multiplied by the fraction thereof held by such holder.

**27.4 Liquidation Rights**

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Subordinate Voting Shares shall be entitled to participate *pari passu* with the holders of Multiple Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to the amount of such distribution per Multiple Voting Share divided by 100; and

each fraction of a Subordinate Voting Share will be entitled to the amount calculated by multiplying such fraction by the amount payable per whole Subordinate Voting Share.

## 27.5 Subdivision or Consolidation

The Subordinate Voting Shares shall not be consolidated or subdivided unless the Multiple Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

## 27.6 Conversion of the Shares Upon An Offer

- (a) In the event that an offer is made to purchase Multiple Voting Shares, and such offer is:
- (i) required, pursuant to applicable securities legislation or the rules of any stock exchange on which (i) the Multiple Voting Shares, or (ii) the Subordinate Voting Shares which may be obtained upon conversion of the Multiple Voting Shares, in either case may then be listed, to be made to all or substantially all of the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an “Offer”); and
  - (ii) not made to the holders of Subordinate Voting Shares for consideration per Subordinate Voting Share equal to or greater than 1/100<sup>th</sup> (0.01%) of the consideration offered per Multiple Voting Share;

each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares on the basis of 100 Subordinate Voting Shares for one (1) Multiple Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the “**Subordinate Voting Share Conversion Right**”). For avoidance of doubt, fractions of Multiple Voting Shares may be issued in respect of any amount of Subordinate Voting Shares in respect of which the Subordinate Voting Share Conversion Right is exercised which is less than 100.

- (b) The Subordinate Voting Share Conversion Right may only be exercised for the purpose of depositing the Multiple Voting Shares acquired upon conversion under such Offer, and for no other reason. If the Subordinate Voting Share Conversion Right is exercised, the Company shall procure, and shall be deemed to have been irrevocably authorized by the holder so exercising the Subordinate Voting Share Conversion Right to procure, that the transfer agent for the Subordinate Voting Shares shall deposit under such Offer the Multiple Voting Shares acquired upon conversion on behalf of the holder.
- (c) To exercise the Subordinate Voting Share Conversion Right, a holder of Subordinate Voting Shares or its, his or her attorney, duly authorized in writing, shall:
- (i) give written notice of exercise of the Subordinate Voting Share Conversion Right to the transfer agent for the Subordinate Voting Shares, and of the number of Subordinate Voting Shares in respect of which the Subordinate Voting Share Conversion Right is being exercised;
  - (ii) deliver to the transfer agent for the Subordinate Voting Shares any share certificate(s) or direct registration statement(s) representing the Subordinate Voting Shares in respect of which the Subordinate Voting Share Conversion Right is being exercised; and
  - (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.
- (d) No certificates or direct registration statements representing Multiple Voting Shares acquired upon exercise of the Subordinate Voting Share Conversion Right will be delivered to the holders of Subordinate Voting Shares. If Multiple Voting Shares issued upon such conversion and deposited under such Offer are withdrawn from such Offer by such holder, or such Offer is abandoned, withdrawn or terminated by the offeror, or such Offer expires without the offeror taking up and paying for such Multiple Voting Shares, such Multiple Voting Shares and any fractions thereof issued shall automatically, without further action on the part of the holder thereof, be reconverted into Subordinate Voting Shares on the basis of 100 Subordinate Voting Shares for each one (1) Multiple Voting Share, and the Company will procure that the transfer agent for the Subordinate Voting Shares shall send to such holder a direct registration statement(s) or certificate(s) representing the Subordinate Voting Shares acquired upon such reconversion. If the offeror under such Offer takes up and pays for the Multiple Voting Shares acquired upon

exercise of the Subordinate Voting Share Conversion Right, the Company shall procure that the transfer agent for the Subordinate Voting Shares shall deliver to the holders of such Multiple Voting Shares the consideration paid for such Multiple Voting Shares by such Offeror.

### **27.7 Voluntary Conversion of Subordinate Voting Shares**

Subject to approval by the board of directors of the Company, each Subordinate Voting Share may be converted at the option of the holder into such number of Multiple Voting Shares as is determined by dividing the number of Subordinate Voting Shares being converted by 100, provided the directors have approved such conversion.

Before any holder of Subordinate Voting Shares shall convert Subordinate Voting Shares into Multiple Voting Shares in accordance with this Article 27.7, the holder shall surrender the certificate(s) or direct registration statement(s), if any, representing the Subordinate Voting Shares to be converted at the head office of the Company, or the office of any transfer agent for the Subordinate Voting Shares, and shall give written notice to the Company at its head office of its, his or her election to convert such Subordinate Voting Shares and shall state therein the name or names in which the certificate(s) or direct registration statement(s) representing the Multiple Voting Shares are to be issued (a “**Subordinate Voting Shares Conversion Notice**”). Provided that such conversion has been approved by the directors, the Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or its, his or her nominee, a certificate or certificates or direct registration statement(s) representing the number of Multiple Voting Shares to which such holder is entitled upon conversion. Provided that such conversion has been approved by the directors, such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate(s) or direct registration statement(s) representing the Subordinate Voting Shares to be converted is surrendered and the Subordinate Voting Shares Conversion Notice is delivered, and the person or persons entitled to receive the Multiple Voting Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Multiple Voting Shares as of such date.

## **PART 28 SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO MULTIPLE VOTING SHARES**

### **28.1 Voting**

The holders of Class B Multiple Voting Shares (“**Multiple Voting Shares**”) shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Subject to Article 28.2, each Multiple Voting Share shall entitle the holder to 100 votes and each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 100 and rounding the product down to the nearest whole number, at each such meeting.

### **28.2 Alteration to Rights of Multiple Voting Shares**

- (a) So long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of Multiple Voting Shares expressed by separate special resolution alter or amend these Articles if the result of such alteration or amendment would:
  - (i) prejudice or interfere with any right or special right attached to the Multiple Voting Shares; or
  - (ii) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.
- (b) At any meeting of holders of Multiple Voting Shares called to consider such a separate special resolution, each whole Multiple Voting Share shall entitle the holder to one (1) vote.

### **28.3 Dividends**

- (a) The holders of Multiple Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared by the directors from time to time. The directors may not declare a dividend payable in cash or property on the Multiple Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Multiple Voting Share divided by 100.



- (b) The directors may declare a stock dividend payable in Multiple Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in:
  - (i) Multiple Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the number of Multiple Voting Shares declared as a dividend per Multiple Voting Share, divided by 100; or
  - (ii) Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the number of Multiple Voting Shares declared as a dividend per Multiple Voting Share.
- (c) The directors may declare a stock dividend payable in Subordinate Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the number of Subordinate Voting Shares declared as a dividend per Multiple Voting Share, divided by 100.
- (d) Holders of fractional Multiple Voting Shares shall be entitled to receive any dividend declared on the Multiple Voting Shares, in an amount equal to the dividend per Multiple Voting Share multiplied by the fraction thereof held by such holder.

#### 28.4 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purpose of winding up its affairs, the holders of the Multiple Voting Shares shall be entitled to participate pari passu with the holders of Subordinate Voting Shares, with the amount of such distribution per Multiple Voting Share equal to the amount of such distribution per Subordinate Voting Share multiplied by 100; and each fraction of a Multiple Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Multiple Voting Share.

#### 28.5 Subdivision or Consolidation

The Multiple Voting Shares shall not be consolidated or subdivided unless the Subordinate Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

#### 28.6 Voluntary Conversion

Subject to the Conversion Limitation set forth in this Article 28.6, holders of Multiple Voting Shares shall have the following rights of conversion (the “**Share Conversion Right**”):

- (a) **Right to Convert Multiple Voting Shares.** Subject to the limitations set out in this Article 28.6, each Multiple Voting Share shall be convertible at the option of the holder into such number of Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares in respect of which the Share Conversion Right is exercised by 100. Fractions of Multiple Voting Shares may be converted into such number of Subordinate Voting Shares as is determined by multiplying the fraction by 100, rounded down to the nearest whole share and no payment shall be made or consideration provided on account of any such rounding.
- (b) **Restricted Conversion Period.** For the period (the “**Restricted Conversion Period**”) prior to September 1, 2022 (the “**Unrestricted Conversion Date**”), the directors (or a committee thereof) or any officer of the Company designated thereby shall determine whether the Conversion Limitation set forth in this Article 28.6 shall apply.
- (c) **Foreign Private Issuer Status.** Subject to the terms hereof, the Company shall not give effect to any voluntary conversion of Multiple Voting Shares pursuant to this Article 28.6 or otherwise during the Restricted Conversion Period, and the Share Conversion Right will not apply during the Restricted Conversion Period, to the extent that after giving effect to all permitted issuances after such conversion of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares (calculated on the basis that each Subordinate Voting Share and Multiple Voting Share is counted once, without regard to the number of votes carried by such share) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the *Securities Exchange Act* of 1934, as amended (the “**Exchange Act**”)) (“**U.S. Residents**”) would exceed forty percent (40%) (the “**40% Threshold**”) of the aggregate number of Subordinate Voting Shares

and Multiple Voting Shares (calculated on the same basis) issued and outstanding (the “**FPI Restriction**”). The directors may by resolution increase the 40% Threshold to a number not to exceed fifty percent (50%), and if any such resolution is adopted, all references to the 40% Threshold herein shall refer instead to the amended percentage threshold set by the directors in such resolution, and the formula in Article 28.6(d) of this Article 28.6 shall be adjusted to give effect to such amended percentage threshold.

- (d) **Conversion Limitation.** In order to give effect to the FPI Restriction, the number of Subordinate Voting Shares issuable to a holder of Multiple Voting Shares upon exercise by such holder of the Share Conversion Right during the Restricted Conversion Period will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of initial issuance of Multiple Voting Shares to such holder, and thereafter on the last day of each of the Company’s subsequent fiscal quarters during the Restricted Conversion Period (the date of initial issuance and the last day of each of the Company’s subsequent fiscal quarters each being a “**Determination Date**”) calculated as follows:

$$X = [A \times 40\% - B] \times (C/D)$$

Where, on the Determination Date:

X = Maximum Number of Subordinate Voting Shares which may be issued upon exercise of the Share Conversion Right.

A = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on such Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on such Determination Date.

C = Aggregate Number of Multiple Voting Shares held by such holder on such Determination Date.

D = Aggregate Number of All Multiple Voting Shares on such Determination Date.

The Company shall determine as of each Determination Date, in its sole discretion, acting reasonably, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents, and the maximum number of Subordinate Voting Shares which may be issued upon exercise of the Share Conversion Right, generally in accordance with the formula set forth immediately above. Upon request by a holder of Multiple Voting Shares, the Company will provide each holder of Multiple Voting Shares with notice of such maximum number as at the most recent Determination Date, or a more recent date as may be determined by the Company in its discretion. During the Restricted Conversion Period, to the extent that issuances of Subordinate Voting Shares on exercise of the Share Conversion Right would result in the 40% Threshold being exceeded, the number of Subordinate Voting Shares to be issued will be pro-rated among each holder of Multiple Voting Shares exercising the Share Conversion Right.

Notwithstanding the provisions of Articles 28.6(c) and 28.6(d), the directors may by resolution waive the application of the FPI Restriction to any exercise or exercises of the Share Conversion Right to which the FPI Restriction would otherwise apply, or to future conversion restrictions generally, including with respect to a period of time.

- (e) **Mechanics of Conversion.** Before any holder of Multiple Voting Shares shall be entitled to voluntarily convert Multiple Voting Shares into Subordinate Voting Shares in accordance with Article 28.6(a), the holder shall surrender the certificate(s) or direct registration statement(s), if any, representing the Multiple Voting Shares to be converted at the head office of the Company, or the office of any transfer agent for the Multiple Voting Shares, and shall give written notice to the Company at its head office of its, his or her election to convert such Multiple Voting Shares and shall state therein the name or names in which the certificate(s) or direct registration statement(s) representing the Subordinate Voting Shares are to be issued (a “**Conversion Notice**”). The Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or its, his or her nominee, a certificate(s) or direct registration statement(s) representing the number of Subordinate Voting Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate(s) or direct registration statement(s) representing the Multiple Voting Shares to be converted is surrendered and the Conversion Notice is delivered, and the person or

persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Subordinate Voting Shares as of such date.

## 28.7 Mandatory Conversion

The Company shall have the following rights in respect of conversion of the Multiple Voting Shares:

- (a) **Right to Convert Multiple Voting Shares.** Notwithstanding anything contained herein to the contrary, the Company shall have the right (the “**Company Share Conversion Right**”) to require each holder of Multiple Voting Shares to convert (the “**MVS Conversion**”) all, and not less than all, of the Multiple Voting Shares held by such holder into such number of Subordinate Voting Shares as is determined by multiplying the number of Multiple Voting Shares in respect of which the Company Share Conversion Right is exercised by 100. Fractions of Multiple Voting Shares may be converted into such number of Subordinate Voting Shares as is determined by multiplying the fraction by 100, rounded down to the nearest whole number and no payment shall be made or consideration provided on account of any such rounding. The Company Share Conversion Right may be exercised by the Company if all the following conditions are either satisfied (and, for certainty, the following conditions continue to be satisfied at the Conversion Time (as defined below)) or waived by special resolution of the holders of Multiple Voting Shares:
  - (i) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and
  - (ii) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange including the New York Stock Exchange, the NYSE American Stock Exchange, the NASDAQ Stock Market, the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other Canadian stock exchange recognized as such by the British Columbia Securities Commission).
- (b) **Mechanics of Conversion**
  - (i) In order to exercise the Company Share Conversion Right, the Company shall issue or cause its transfer agent to issue to each holder of Multiple Voting Shares of record a notice (the “**MVS Conversion Notice**”) at least 10 days prior to the record date of the MVS Conversion (the “**MVS Conversion Date**”) which shall specify therein: (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible pursuant to the MVS Conversion; and (ii) the MVS Conversion Date;
  - (ii) At the time of conversion (the “**Conversion Time**”) on the MVS Conversion Date, each certificate or direct registration statement representing Multiple Voting Shares shall be null and void and the former holders of Multiple Voting Shares shall be entered on the register maintained for the Subordinate Voting Shares as holders of Subordinate Voting Shares and shall be treated for all purposes as the record holder or holders of the number of Subordinate Voting Shares to which each former holder or holders of Multiple Voting Shares is entitled pursuant to Article 28.7(a); and
  - (iii) As soon as practicable on or after the MVS Conversion Date, and in any event within ten (10) days of the MVS Conversion Date, the Company will issue or send, or cause its transfer agent to issue or send certificate(s) or direct registration statement(s) (at the sole discretion of the Company) to each former holder of Multiple Voting Shares representing the number of Subordinate Voting Shares into which the Multiple Voting Shares have been converted.
- (c) **Effect of Conversion.** All Multiple Voting Shares which shall have been converted pursuant to the MVS Conversion shall no longer be deemed to be outstanding and all rights and special rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor in accordance with this Article 28.7.

**SCHEDULE "C"**  
**PROMINEX DISCLOSURE SCHEDULE**

*[REDACTED]*