

# ACQUISITION AGREEMENT

**THIS AGREEMENT** made effective as of the 10<sup>th</sup> day of June, 2022

**AMONG:**

**PETROCORP GROUP INC.,**  
a corporation incorporated under the laws of Alberta

("PetroCorp")

- and -

**FIRST LITHIUM MINERALS INC.,**  
a corporation incorporated under the laws of the Province of Ontario

("FLM")

and -

**QL MINERALS INC.,**  
a corporation incorporated under the laws of the Province of Ontario

("QL")

- and -

**1000215756 ONTARIO CORP.,**  
a corporation incorporated under the laws of the Province of Ontario

("Newco")

## RECITALS

- A. PetroCorp is an unlisted reporting issuer in all of the provinces of Canada except Québec; and
- B. PetroCorp has identified FLM and QL as target companies with which to complete a reverse takeover transaction and wishes to acquire all of the issued and outstanding securities of both FLM and QL in exchange for securities of PetroCorp by way of an amalgamation among FLM, QL and Newco, upon the terms and conditions herein set forth such that upon completion of the Amalgamation, the amalgamated corporation shall be a wholly-owned subsidiary of PetroCorp.

## AGREEMENT

**THIS AGREEMENT WITNESSES** that in consideration of the covenants, agreements, warranties and payments herein set forth and provided for, the parties hereto respectively covenant

and agree as set forth below.

## **ARTICLE 1**

### **INTERPRETATION**

#### **1.1 Definitions**

In this Agreement, including the recitals, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Agreement**" means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions "above", "below", "herein", "hereto", "hereof" and similar expressions refer to this Agreement;
- (b) "**Amalco**" means the corporation resulting from the Amalgamation;
- (c) "**Amalgamation**" means the amalgamation of FLM, QL and Newco pursuant to the Amalgamation Agreement;
- (d) "**Amalgamation Agreement**" means the amalgamation agreement to be entered into among FLM, QL and Newco in the form attached hereto as Schedule "A";
- (e) "**Closing**" means the closing of the Amalgamation;
- (f) "**Closing Date**" means the day that the Amalgamation closes, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein, and including specifically the approval of the Exchange for the listing of the Resulting Issuer Shares and all conditions contained in this Agreement shall be met or waived;
- (g) "**Continuation**" means the continuation of PetroCorp from being governed under the *Business Corporations Act* (Alberta) to the *Business Corporations Act* (Ontario);
- (h) "**FLM Debt Settlement**" has the meaning set forth in Section 2.2 hereto;
- (i) "**Encumbrances**" means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;
- (j) "**Exchange**" or "**CSE**" means the Canadian Securities Exchange;
- (k) "**FLM**" means First Lithium Minerals Inc., a corporation incorporated under the laws of the Province of Ontario;

- (l) "**FLM Assets**" means all of the right, title, estate and interest FLM has in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the FLM Financial Statements;
- (m) "**FLM Business**" means the business of FLM;
- (n) "**FLM Business Permits**" means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for FLM to own the FLM Assets and operate the FLM Business;
- (o) "**FLM Consolidation**" means the consolidation of the FLM Shares on the basis of one (1) new share for 2.5 old shares;
- (p) "**FLM Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records and any other documents or information of whatsoever nature relating to FLM, the FLM Business or the FLM Assets and any and all rights in relation thereto;
- (q) "**FLM Financial Statements**" means the audited financial statements for the fiscal year ended December 31, 2021, and unaudited financial statements for the period ended March 31, 2022, which will be prepared in accordance with International Financial Reporting Standards, applied on a consistent basis throughout the periods involved;
- (r) "**FLM Material Contracts**" means any contract, agreement (written or oral) commitment, indenture, or other instrument to which FLM is bound and which is material to the FLM Business, including those entered into in the ordinary course of business, which could materially affect the FLM Assets, or FLM Business or financial condition of FLM;
- (s) "**FLM Private Placement**" means the private placement of FLM Subscription Receipts for gross proceeds of \$5,407,500 at an issue price of \$0.25 per FLM Subscription Receipt;
- (t) "**FLM Shareholders**" means the holders of FLM Shares and "**FLM Shareholder**" means any one of them;
- (u) "**FLM Shares**" means all of the shares in the capital of FLM outstanding at the Time of Closing;
- (v) "**FLM Subscription Receipts**" means the subscriptions receipts of FLM issued to the subscribers under the FLM Private Placement, with each FLM Subscription Receipt automatically converted into a FLM Share immediately prior to the completion of the Amalgamation;

- (w) "**Governmental Authority**" means any government in Canada, or any foreign government and any agency, or department, tribunal, board, commission, court or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, as well as any arbitrator, arbitration tribunal or other tribunal or other quasi-governmental or private body exercising any regulatory, expropriation or taxation authority under or for the account of any of the foregoing;
- (x) "**Governmental Charges**" means all fees, levies and charges imposed by a Governmental Authority;
- (y) "**IFRS**" means International Financial Reporting Standards applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (z) "**Listing Statement**" means the final filing statement of PetroCorp prepared in accordance with Policy 2.4 of the CSE;
- (aa) "**Name Change**" means the change of the name of PetroCorp to "First Lithium Minerals Corp." or such other name as identified by FLM;
- (bb) "**Newco**" means 1000215756 Ontario Corp.;
- (cc) "**Orders**" means all material applicable orders, decisions, binding directives, or the like rendered by any Governmental Authority;
- (dd) "**Person**" includes any individual, corporation, company, partnership, association or any individual;
- (ee) "**PetroCorp**" means PetroCorp Group Inc., a corporation incorporated under the *Business Corporations Act* (Alberta);
- (ff) "**PetroCorp Assets**" means all of PetroCorp's right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the PetroCorp Financial Statements;
- (gg) "**PetroCorp Consolidation**" means the consolidation of the PetroCorp Shares on the basis of one (1) new share for 81.96721311 old shares;
- (hh) "**PetroCorp Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, and any other documents or information of whatsoever nature relating to PetroCorp, the PetroCorp Assets or its business and any and all rights in relation thereto;

- (ii) "**PetroCorp Financial Statements**" means the audited financial statements of PetroCorp for the years ended March 31, 2022, 2021 and 2020;
- (jj) "**PetroCorp Material Contracts**" means any contract, agreement (written or oral) commitment, indenture, or other instrument to which PetroCorp is bound and which is material to PetroCorp;
- (kk) "**PetroCorp Shares**" means the common shares of PetroCorp;
- (ll) "**QL**" means QL Minerals Inc., a corporation incorporated under the laws of the Province of Ontario;
- (mm) "**QL Assets**" means all of the right, title, estate and interest QL has in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the QL Financial Statements;
- (nn) "**QL Business**" means the business of QL;
- (oo) "**QL Business Permits**" means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for QL to own the QL Assets and operate the QL Business;
- (pp) "**QL Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records and any other documents or information of whatsoever nature relating to QL, the QL Business or the QL Assets and any and all rights in relation thereto;
- (qq) "**QL Financial Statements**" means the audited financial statements for the fiscal year ended March 31, 2022 which will be prepared in accordance with International Financial Reporting Standards, applied on a consistent basis throughout the periods involved;
- (rr) "**QL Material Contracts**" means any contract, agreement (written or oral) commitment, indenture, or other instrument to which QL is bound and which is material to the QL Business, including those entered into in the ordinary course of business, which could materially affect the QL Assets, or QL Business or financial condition of QL;
- (ss) "**QL Private Placement**" means the private placement of QL Subscription Receipts for gross proceeds of \$795,000 at an issue price of \$0.25 per QL Subscription Receipt;
- (tt) "**QL Shareholders**" means the holders of QL Shares and "**QL Shareholder**" means any one of them;

- (uu) "**QL Shares**" means all of the shares in the capital of QL outstanding at the Time of Closing;
- (vv) "**QL Subscription Receipts**" means the subscriptions receipts of QL issued to the subscribers under the QL Private Placement, with each QL Subscription Receipt automatically converted into a QL Share immediately prior to the completion of the Amalgamation;
- (ww) "**Resulting Issuer**" means PetroCorp upon completion of the Transaction;
- (xx) "**Resulting Issuer Shares**" means the common shares of the Resulting Issuer;
- (yy) "**Share Exchange Ratio**" shall mean one (1) PetroCorp Share for each FLM Share and each QL Share, each as the context requires;
- (zz) "**Subsidiary**" means any corporation, partnership or trust of which more than 50% of the outstanding shares or interests of any class carrying voting rights are beneficially owned, directly or indirectly by a Person;
- (aaa) "**Time of Closing**" means such time on the Closing Date as the parties hereto may agree; and
- (bbb) "**Transaction**" means the Amalgamation and the other transactions provided for herein.

## 1.2 Canadian Dollars

All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise indicated herein.

## 1.3 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders; and references to any statute shall extend to and include orders-in-council or regulations passed under and pursuant thereto, of any amendment or re-enactment of such statute, orders-in-council or regulations, or any statute, order-in-council or regulations substantially in replacement thereof.

## 1.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, including the letter agreement dated April 7, 2022, between PetroCorp, FLM and QL and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

## **1.5 Headings**

Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

## **1.6 Successors and Assigns**

All of the terms and provisions in this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

## **ARTICLE 2** **AMALGAMATION**

### **2.1 Consolidations**

As part of the Transaction, immediately prior to the Closing Date:

- (a) PetroCorp shall effect the PetroCorp Consolidation; and
- (b) First Lithium shall effect the FLM Consolidation.

### **2.2 FLM Debt Settlement**

As part of the Transaction, after the FLM Consolidation and immediately prior to the Closing Date, First Lithium will complete a debt settlement with certain creditors in the amount of \$3,571,591 by way of issuance of 15,873,737 FLM Shares at a price of \$0.225 per FLM Share (the "**FLM Debt Settlement**").

### **2.3 Name Change and Continuation**

Prior to the Amalgamation, PetroCorp shall effect the Name Change and Continuation.

### **2.4 Amalgamation**

Subject to the terms and conditions herein, on the Closing Date, Newco, FLM and QL shall complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. Without limiting the foregoing, on closing of the Amalgamation, pursuant to the terms of the Amalgamation Agreement, PetroCorp agrees to: (i) issue PetroCorp Shares to FLM Shareholders in exchange for the delivery to PetroCorp of all of the issued and outstanding FLM Shares, including the FLM Shares issued on the automatic conversion of the FLM Subscription Receipts and the FLM Shares issued pursuant to the FLM Debt Settlement; and (ii) issue PetroCorp Shares to QL Shareholders in exchange for the delivery to PetroCorp of all of the issued and outstanding QL Shares, including the QL Shares issued on the automatic conversion of the QL Subscription Receipts. The aggregate number of PetroCorp Shares to be issued in exchange for the issued and outstanding FLM Shares and QL Shares shall be determined by multiplying the number of FLM Shares and QL Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional PetroCorp Shares will be issued. To the extent any FLM Shareholder and QL Shareholder would

otherwise be entitled to receive a fractional number of PetroCorp Shares on Closing of the Amalgamation, the number of PetroCorp Shares to be issued to such FLM Shareholder and QL Shareholder shall be rounded to the nearest whole PetroCorp Share.

## 2.5 Finder's Fee

The Parties acknowledge and agree that a finder's fee of 3,316,372 PetroCorp Shares (on a post PetroCorp Consolidation basis) shall be issued to an arm's length party on Closing.

## **ARTICLE 3**

### **REPRESENTATIONS, WARRANTIES AND COVENANTS OF FLM**

#### 3.1 Representations, Warranties and Covenants of FLM

FLM hereby represents and warrants to PetroCorp and QL as follows, and FLM confirms that PetroCorp and QL are relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** FLM is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario).
- (b) **Status, Constatng Documents:** FLM has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of FLM as made available to PetroCorp and QL are complete and accurate.
- (c) **Authority and Binding Obligation:** FLM has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. FLM, its board of directors and shareholders have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of FLM, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of FLM are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of FLM consists of an unlimited number of common shares. The issued capital of FLM consists of 74,109,279 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares.
- (f) **No Options:** Other than FLM Subscription Receipts, FLM does not have any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating FLM to sell or issue any additional shares or securities of any class of FLM or any securities convertible into any shares of any class of FLM.



- (g) **Subsidiaries and Other Interests:** FLM has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons, other than First Lithium Minerals SpA, a wholly-owned subsidiary existing under the laws of Chile. FLM is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Title to FLM Assets by FLM:** FLM is the owner of and has good and marketable title to all of the FLM Assets, including, without limitation, all FLM Assets which will be reflected in the FLM Financial Statements and all FLM Assets acquired by FLM after the date of the FLM Financial Statements.
- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to FLM or the FLM Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of FLM there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** FLM is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as FLM may determine. FLM is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of FLM or the FLM Business. To the knowledge of FLM, there are no facts or circumstances which could materially adversely affect the ability of FLM to continue to operate the FLM Business as presently conducted following the completion of the transactions contemplated by this Agreement.
- (k) **No Guarantees:** FLM is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.
- (l) **FLM Material Contracts:** FLM has provided or made available copies of all FLM Material Contracts to PetroCorp and QL. FLM is not in default or breach of any FLM Material Contract.
- (m) **Partnerships or Joint Ventures:** FLM is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which FLM agrees to carry on any activity in such manner or by which FLM agrees to share any revenue or profit with any other Persons.
- (n) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing and the approval of the FLM Shareholders necessary to complete the Amalgamation, FLM is under no obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits,

licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by FLM:

- (i) in connection with the execution, delivery or performance by FLM of this Agreement or the completion of the Amalgamation;
  - (ii) to avoid the loss of any permit, licence, certification or other authorization on or as a result of closing of the Amalgamation, or
  - (iii) in order that the authority of FLM to carry on the FLM Business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Amalgamation.
- (o) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by FLM, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of FLM under:
- (i) any term or provision of any of the articles, by-laws or other constating documents of FLM;
  - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which FLM is a party or by which it is bound; or
  - (iii) any term or provision of any of the FLM Business Permits, FLM Material Contracts or any order of any court, governmental authority or regulatory body made against FLM or the FLM Assets or any law or regulation of any jurisdiction in which the FLM Business is carried on which is applicable to FLM or the FLM Assets.
- (p) **Shareholders' Agreements:** To the best of the knowledge of FLM, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of FLM.
- (q) **Materially Accurate:** All information, records and data furnished by FLM to PetroCorp, its representatives and counsel by FLM in connection with the negotiation of this Agreement and PetroCorp's due diligence review of FLM and the FLM Business, were and are accurate in all material respects.
- (r) **Liabilities of FLM:** There are no liabilities, contingent or otherwise, of FLM of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities

for Governmental Charges and there is no basis for assertion against FLM of any liabilities of any kind, other than:

- (i) liabilities which will be disclosed or reflected in or provided for in the FLM Financial Statements; and
  - (ii) liabilities incurred since the date of the FLM Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (s) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against FLM or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of FLM, the adjustment, compromise or composition of claims against FLM or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for FLM of any portion of the FLM Assets. No such action or proceeding has been authorized or is being considered by or on behalf of FLM and no creditor or equity security holder of FLM has threatened to commence or advise that it may commence, any such action or proceeding. FLM has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (t) **Financial Statements:**
- (i) The FLM Financial Statements will be prepared in accordance with IFRS and will be true, correct and complete in all material respects and present fairly the financial condition of FLM, on a consolidated basis, as of their respective dates;
  - (ii) There has been no material adverse change in the financial condition of FLM since the date of the FLM Financial Statements; and
  - (iii) Liabilities of FLM: There are no material liabilities, contingent or otherwise, of FLM of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against FLM of any liabilities of any kind, other than:
    - (A) liabilities to be disclosed or reflected in or provided for in the FLM Financial Statements or this Agreement; and
    - (B) liabilities incurred since the date of the FLM Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Absence of Certain Changes or Events:** Since the date of the FLM Financial Statements and except for costs incurred and actions taken in connection with the

Amalgamation or as otherwise disclosed in writing to PetroCorp, and QL. FLM has not:

- (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course of the FLM Business, none of which is materially adverse to FLM;
- (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
  - (A) current liabilities included in the FLM Financial Statements,
  - (B) current liabilities incurred since the date of the FLM Financial Statements in the ordinary course of the FLM Business,
  - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the FLM Financial Statements; and
  - (D) as specifically contemplated by this Agreement;
- (iii) created any material Encumbrance upon any of its properties or the FLM Assets;
- (iv) sold, assigned, transferred, leased or otherwise disposed of any of its material properties or the FLM Assets;
- (v) purchased, leased or otherwise acquired any material properties or assets;
- (vi) waived, cancelled or written-off any material rights, claims, accounts receivable, or amounts payable to FLM;
- (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the FLM Business or as contemplated by this Agreement or in connection with the FLM Private Placement;
- (viii) made any material change with respect to any method of management, operation or accounting in respect of the FLM Business;
- (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the FLM Business or the condition of FLM;
- (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of FLM, except increases made in the ordinary course of the FLM Business;
- (xi) made a declaration of force majeure with respect to its FLM Business; or

- (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (v) **Dividends and Distributions:** Since the date of the FLM Financial Statements, FLM has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (w) **Tax Matters:**
  - (i) FLM has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of FLM for the relevant period.
  - (ii) FLM has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the FLM Financial Statements for all Governmental Charges for the periods covered by the FLM Financial Statements. FLM has no liability for Governmental Charges other than those provided for in the FLM Financial Statements and those arising in the ordinary course since the date of the FLM Financial Statements and for which adequate provisions have been made on the books of FLM.
  - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which FLM is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by FLM or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the FLM Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of FLM.
  - (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by FLM or the period for any assessment or reassessment of Governmental Charges.
  - (v) On or before the Closing Date, all returns of FLM for capital, excise, sales or use tax required to be filed by FLM before the Closing Date shall be fully prepared and filed before the Closing Date.
- (x) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which FLM is subject to or bound, and there are no actions, suits or

proceedings, judicial or administrative (whether or not purportedly on behalf of FLM) pending or, to the knowledge of FLM, threatened, by or against or affecting FLM, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality which will or may have a material adverse effect upon FLM. To the knowledge of FLM, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success, including, without limitation, on the basis of a breach of privacy legislation. FLM is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.

- (y) **Listing Statement.** The Listing Statement, as and when filed on SEDAR, will contain disclosure of all facts relating to FLM as are required to be disclosed therein pursuant to the policies of the Exchange. All information about FLM in the Listing Statement will be true and correct.
- (z) **No Misrepresentation.** The covenants, representations and warranties of FLM contained in Section 3.1 hereof and elsewhere in this Agreement, and in any Certificate executed by FLM or other material delivered by FLM under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

#### **ARTICLE 4**

#### **REPRESENTATION, WARRANTIES AND COVENANTS OF QL**

##### **4.1 Representations, Warranties and Covenants of QL**

QL hereby represents and warrants to PetroCorp and FLM as follows, and QL confirms that PetroCorp and FLM are relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** QL is incorporated, existing and in good standing under the Business Corporations Act (Ontario).
- (b) **Status, Constatng Documents:** QL has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of QL as made available to PetroCorp and FLM are complete and accurate.
- (c) **Authority and Binding Obligation:** QL has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. QL, its board of directors and shareholders have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.

- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of QL, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of QL are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of QL consists of an unlimited number of common shares. The issued capital of QL consists of 3,000,000 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares.
- (f) **No Options:** Other than QL Subscription Receipts, QL does not have any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating QL to sell or issue any additional shares or securities of any class of QL or any securities convertible into any shares of any class of QL.
- (g) **Subsidiaries and Other Interests:** QL has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons, a wholly-owned subsidiary existing under the laws of Chile. QL is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Title to QL Assets by QL:** QL is the owner of and has good and marketable title to all of the QL Assets, including, without limitation, all QL Assets which will be reflected in the QL Financial Statements and all QL Assets acquired by QL after the date of the QL Financial Statements.
- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to QL or the QL Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of QL there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** QL is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as QL may determine. QL is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of QL or the QL Business. To the knowledge of QL, there are no facts or circumstances which could materially adversely affect the ability of QL to continue to operate the QL Business as presently conducted following the completion of the transactions contemplated by this Agreement.
- (k) **No Guarantees:** QL is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.

- (l) **QL Material Contracts:** QL has provided or made available copies of all QL Material Contracts to PetroCorp and FLM. QL is not in default or breach of any QL Material Contract.
- (m) **Partnerships or Joint Ventures:** QL is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which QL agrees to carry on any activity in such manner or by which QL agrees to share any revenue or profit with any other Persons.
- (n) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing and the approval of the QL Shareholders necessary to complete the Amalgamation, QL is under no obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by QL:
  - (i) in connection with the execution, delivery or performance by QL of this Agreement or the completion of the Amalgamation;
  - (ii) to avoid the loss of any permit, licence, certification or other authorization on or as a result of closing of the Amalgamation, or
  - (iii) in order that the authority of QL to carry on the QL Business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Amalgamation.
- (o) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by QL, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of QL under:
  - (i) any term or provision of any of the articles, by-laws or other constating documents of QL;
  - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which QL is a party or by which it is bound; or
  - (iii) any term or provision of any of the QL Business Permits, QL Material Contracts or any order of any court, governmental authority or regulatory body made against QL or the QL Assets or any law or regulation of any jurisdiction in which the QL Business is carried on which is applicable to QL or the QL Assets.



- (p) **Shareholders' Agreements:** To the best of the knowledge of QL, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of QL.
- (q) **Materially Accurate:** All information, records and data furnished by QL to PetroCorp, FLM, its respective representatives and counsel by QL in connection with the negotiation of this Agreement and PetroCorp's and FLM's due diligence review of QL and the QL Business, were and are accurate in all material respects.
- (r) **Liabilities of QL:** There are no liabilities, contingent or otherwise, of QL of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against QL of any liabilities of any kind, other than:
  - (i) liabilities which will be disclosed or reflected in or provided for in the QL Financial Statements; and
  - (ii) liabilities incurred since the date of the QL Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (s) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against QL or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of QL, the adjustment, compromise or composition of claims against QL or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for QL of any portion of the QL Assets. No such action or proceeding has been authorized or is being considered by or on behalf of QL and no creditor or equity security holder of QL has threatened to commence or advise that it may commence, any such action or proceeding. QL has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (t) **Financial Statements:**
  - (i) The QL Financial Statements will be prepared in accordance with IFRS and will be true, correct and complete in all material respects and present fairly the financial condition of QL, on a consolidated basis, as of their respective dates;
  - (ii) There has been no material adverse change in the financial condition of QL since the date of the QL Financial Statements; and
  - (iii) Liabilities of QL: There are no material liabilities, contingent or otherwise, of QL of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company

debt, or liabilities for Governmental Charges and there is no basis for assertion against QL of any liabilities of any kind, other than:

- (A) liabilities to be disclosed or reflected in or provided for in the QL Financial Statements or this Agreement; and
  - (B) liabilities incurred since the date of the QL Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Absence of Certain Changes or Events:** Since the date of the QL Financial Statements and except for costs incurred and actions taken in connection with the Amalgamation or as otherwise disclosed in writing to PetroCorp and FLM, QL has not:
- (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course of the QL Business, none of which is materially adverse to QL;
  - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
    - (A) current liabilities included in the QL Financial Statements,
    - (B) current liabilities incurred since the date of the QL Financial Statements in the ordinary course of the QL Business,
    - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the QL Financial Statements; and
    - (D) as specifically contemplated by this Agreement;
  - (iii) created any material Encumbrance upon any of its properties or the QL Assets;
  - (iv) sold, assigned, transferred, leased or otherwise disposed of any of its material properties or the QL Assets;
  - (v) purchased, leased or otherwise acquired any material properties or assets;
  - (vi) waived, cancelled or written-off any material rights, claims, accounts receivable, or amounts payable to QL;
  - (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the QL Business or as contemplated by this Agreement or in connection with the QL Private Placement;

- (viii) made any material change with respect to any method of management, operation or accounting in respect of the QL Business;
  - (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the QL Business or the condition of QL;
  - (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of QL, except increases made in the ordinary course of the QL Business;
  - (xi) made a declaration of force majeure with respect to its QL Business; or
  - (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (v) **Dividends and Distributions:** Since the date of the QL Financial Statements, QL has not declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (w) **Tax Matters:**
- (i) QL has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of QL for the relevant period.
  - (ii) QL has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the QL Financial Statements for all Governmental Charges for the periods covered by the QL Financial Statements. QL has no liability for Governmental Charges other than those provided for in the QL Financial Statements and those arising in the ordinary course since the date of the QL Financial Statements and for which adequate provisions have been made on the books of QL.
  - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which QL is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by QL or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the QL Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of QL.

- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by QL or the period for any assessment or reassessment of Governmental Charges.
- (v) On or before the Closing Date, all returns of QL for capital, excise, sales or use tax required to be filed by QL before the Closing Date shall be fully prepared and filed before the Closing Date.
- (x) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which QL is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of QL) pending or, to the knowledge of QL, threatened, by or against or affecting QL, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality which will or may have a material adverse effect upon QL. To the knowledge of QL, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success, including, without limitation, on the basis of a breach of privacy legislation. QL is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (y) **Listing Statement.** The Listing Statement, as and when filed on SEDAR, will contain disclosure of all facts relating to QL as are required to be disclosed therein pursuant to the policies of the Exchange. All information about QL in the Listing Statement will be true and correct.
- (z) **No Misrepresentation.** The covenants, representations and warranties of QL contained in Section 4.1 hereof and elsewhere in this Agreement, and in any Certificate executed by QL or other material delivered by QL under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

## ARTICLE 5

### REPRESENTATIONS, WARRANTIES AND COVENANTS OF PETROCORP

#### 5.1 Representations, Warranties and Covenants of PetroCorp

PetroCorp hereby represents and warrants to FLM and QL as follows, and PetroCorp confirms that FLM and QL are relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** PetroCorp is incorporated, existing and in good standing under the *Business Corporations Act* (Alberta). Newco is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario).

- (b) **Status, Constatng Documents:** PetroCorp has all necessary corporate power to own its assets and to carry on its businesses as it is now being conducted. The articles, by laws and other constating documents of each of PetroCorp and Newco as made available to FLM and QL are complete and accurate.
- (c) **Authority and Binding Obligation:** Each of PetroCorp and Newco has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Each of PetroCorp and Newco and their respective boards of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (d) **Corporate Records:** As of the date hereof, the corporate records and minute books of PetroCorp and Newco, are materially complete and accurate. The share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of PetroCorp and Newco are complete and accurate in all material respects.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of PetroCorp consists of an unlimited number of common shares. The issued capital of PetroCorp consists of 672,487,185 common shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares. As of the date hereof, the authorized capital of Newco consists of an unlimited number of common shares. The issued capital of Newco consists of 100 common shares which is legally and beneficially owned by PetroCorp and which has been duly issued and is outstanding as a fully paid and non- assessable share.
- (f) **No Options:** Neither of PetroCorp nor Newco has any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating PetroCorp or Newco to sell or issue any additional shares or securities of any class of PetroCorp or Newco or any securities convertible into any shares of any class of PetroCorp or Newco.
- (g) **Subsidiaries and Other Interests:** PetroCorp has no subsidiaries other than Newco and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Newco has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Neither of PetroCorp nor Newco is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Title to PetroCorp Assets by PetroCorp:** PetroCorp is the owner of and has good and marketable title to all of the PetroCorp Assets, including, without limitation, all PetroCorp Assets reflected in the PetroCorp Financial Statements and all PetroCorp Assets acquired by PetroCorp after the date of the PetroCorp Financial Statements.

- (i) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to PetroCorp, Newco or the PetroCorp Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of PetroCorp there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (j) **Restrictions on Doing Business:** PetroCorp is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct its business as PetroCorp may determine. PetroCorp is not subject to any legislation or any judgment, order or requirement of any court or governmental authority which is not of general application to Persons carrying on a business similar to the business of PetroCorp. To the knowledge of PetroCorp, there are no facts or circumstances which could materially adversely affect the ability of PetroCorp to continue to operate its business as presently conducted following the completion of the transactions contemplated by this Agreement.
- (k) **No Guarantees:** PetroCorp is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Persons.
- (l) **PetroCorp Material Contracts:** PetroCorp has provided or made available copies of all PetroCorp Material Contracts to FLM. PetroCorp is not in default or breach of any PetroCorp Material Contract.
- (m) **Newco:** Other than this Agreement, Newco is not party to any agreement or contract of any kind and has no assets or liabilities. Newco was incorporated for the sole purpose of executing this Agreement and completing the Amalgamation.
- (n) **Partnerships or Joint Ventures:** PetroCorp is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which PetroCorp agrees to carry on any activity in such manner or by which PetroCorp agrees to share any revenue or profit with any other Persons.
- (o) **Contractual and Regulatory Approvals:** Other than Exchange approval, PetroCorp is not under any obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any federal, provincial, state, municipal or local government or governmental agency, board, commission or authority are required to be obtained by PetroCorp in connection with the execution, delivery or performance by PetroCorp of this Agreement or the completion of the Amalgamation.

- (p) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by PetroCorp, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of PetroCorp under:
- (i) any term or provision of any of the articles, by-laws or other constating documents of PetroCorp;
  - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which PetroCorp is a party or by which it is bound; or
  - (iii) subject to obtaining the regulatory consents from the Exchange, any term or provision of any of the PetroCorp Material Contracts or any order of any court, Governmental Authority or regulatory body or any law or regulation to which PetroCorp is subject.
- (q) **Shareholders' Agreements:** To the best of the knowledge of PetroCorp, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of PetroCorp.
- (r) **Materially Accurate:** All information, records and data furnished to FLM, QL or its respective representatives and counsel pursuant to this Agreement, are accurate in all material respects.
- (s) **PetroCorp Financial Statements:**
- (i) the PetroCorp Financial Statements have been prepared in accordance with IFRS, are true, correct and complete in all material respects and present fairly the financial condition of PetroCorp as of the respective dates thereof; and
  - (ii) there has been no material adverse change to the financial condition of PetroCorp since the date of the PetroCorp Financial Statements.
- (t) **Liabilities of PetroCorp:** There are no liabilities, contingent or otherwise, of PetroCorp of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against PetroCorp of any liabilities of any kind, other than:
- (i) liabilities disclosed or reflected in or provided for in the PetroCorp Financial Statements; and

- (ii) liabilities incurred since the date of the PetroCorp Financial Statements which were incurred in the ordinary course or in connection with the completion of the Amalgamation.
- (u) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against PetroCorp or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of PetroCorp, the adjustment, compromise or composition of claims against PetroCorp or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for PetroCorp of any portion of the PetroCorp Assets. No such action or proceeding has been authorized or is being considered by or on behalf of PetroCorp and no creditor or equity security holder of PetroCorp has threatened to commence or advise that it may commence, any such action or proceeding. PetroCorp has not made nor is considering making an assignment for the benefit of its creditors, and it has not requested nor is considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (v) **Broker's Fees:** PetroCorp has not incurred any obligation or liability, contingent or otherwise for broker's or finder's fees in respect of the Transaction except as otherwise provided for herein.
- (w) **Absence of Certain Changes or Events:** Other than in contemplation of the Amalgamation, since the date of the PetroCorp Financial Statements, PetroCorp has not:
  - (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course none of which is materially adverse to PetroCorp;
  - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
    - (A) current liabilities included in the PetroCorp Financial Statements;
    - (B) current liabilities incurred since the date of the PetroCorp Financial Statements in the ordinary course, and
    - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the PetroCorp Financial Statements;
  - (iii) created any Encumbrance upon any of the PetroCorp Assets;
  - (iv) purchased, leased or otherwise acquired any properties or assets;
  - (v) waived, cancelled or written-off any material rights, claims, accounts receivable or any amounts payable to PetroCorp;



- (vi) entered into any transaction, contract, agreement or commitment, except in the ordinary course, except for the creation of Newco as a wholly owned subsidiary;
  - (vii) suffered any extraordinary loss relating to the PetroCorp Assets;
  - (viii) made or incurred any material change in, or become aware of any event or condition which is likely to result in a material change in the condition of PetroCorp, or
  - (ix) authorized, agreed or otherwise become committed to do any of the foregoing.
- (x) **Dividends and Distributions:** PetroCorp has never declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (y) **Tax Matters:**
- (i) PetroCorp has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by them in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of PetroCorp for the relevant period.
  - (ii) PetroCorp has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the PetroCorp Financial Statements for all Governmental Charges for the periods covered by the PetroCorp Financial Statements. PetroCorp has no liability for Governmental Charges other than those provided for in the PetroCorp Financial Statements and those arising in the ordinary course since the date of the PetroCorp Financial Statements and for which adequate provisions have been made on the books of PetroCorp.
  - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which PetroCorp is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by PetroCorp or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the PetroCorp Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of PetroCorp.
  - (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other

document or the payment of any Governmental Charges by PetroCorp or the period for any assessment or reassessment of Governmental Charges.

- (v) On or before the Closing Date, all returns of PetroCorp for capital, excise, sales or use tax required to be filed by PetroCorp before the Closing Date shall be fully prepared and filed before the Closing Date.
- (z) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which PetroCorp is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of PetroCorp) pending or, to the knowledge of PetroCorp, threatened, by or against or affecting it, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality. To the knowledge of PetroCorp, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. PetroCorp is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (aa) **Reporting Issuer Status:**
  - (i) PetroCorp is a reporting issuer in all of the Provinces of Canada except Québec and no material change relating to PetroCorp has occurred with respect to which the requisite material change report has not been filed under applicable securities laws in such provinces and no such disclosure is currently on file with any securities commissions of such provinces on a confidential basis;
  - (ii) All press releases, material change reports, financial statements and other documents filed by, or on behalf of, PetroCorp with the securities commissions in all of the Provinces of Canada except Québec were, at the respective dates of such filings, true and correct in all material respects and collectively provide disclosure of all material facts relating to PetroCorp required to be disclosed in accordance with applicable securities laws in such provinces and each such document did not contain any misrepresentation as of the respective dates of such filings;
  - (iii) there are no current orders ceasing or suspending trading in the securities of PetroCorp nor prohibiting the sale of such securities has been issued to PetroCorp or its directors, officers or promoters and, to the best of the knowledge of PetroCorp, no investigations or proceedings for such purposes are pending or threatened; and
  - (iv) PetroCorp is not in material default of any applicable securities legislation of the Provinces of Canada.

- (bb) **Duly Authorized.** The PetroCorp Shares to be issued in exchange for FLM Shares and QL Shares in connection with the Amalgamation will be, at the Time of Closing, duly authorized, validly allotted and issued as fully paid, non-assessable shares in the share capital of PetroCorp and in compliance with applicable Canadian corporate and securities laws.
- (cc) **Listing Statement.** The Listing Statement, as and when filed on SEDAR, will contain disclosure of all facts relating to PetroCorp as are required to be disclosed therein pursuant to the policies of the Exchange. All information about PetroCorp in the Listing Statement will be true and correct.
- (dd) **Special Meeting.** PetroCorp shall convene a special meeting of shareholders of PetroCorp as soon as possible to approve the following: (i) the Continuation; (ii) the PetroCorp Consolidation; and (iii) the Name Change.
- (ee) **No Misrepresentation.** The covenants, representations and warranties of PetroCorp contained in Section 5.1 hereof and elsewhere in this Agreement, and in any Certificate executed by PetroCorp or other material delivered by PetroCorp under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

## **ARTICLE 6**

### **COMPLETION OF ACQUISITION**

#### **6.1 Mutual Conditions**

The obligation of each of PetroCorp, Newco, QL and FLM to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by PetroCorp, Newco, QL or FLM, as applicable:

- (a) **Approvals.** At the Time of Closing, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of PetroCorp, Newco, QL and FLM, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied, including without limitation, the Exchange;
- (b) **Listing of Securities.** The Resulting Issuer Shares, including the Resulting Issuer Shares issuable in connection with the Transaction, shall have been approved for listing and trading on the Exchange;
- (c) **No Prohibition at Law.** At the Time of Closing, no prohibition at law against the completion of the transactions contemplated by this Agreement shall be in existence;

- (d) **Closing.** The Closing shall occur on or prior to June 30, 2022 unless FLM, QL and PetroCorp mutually agree in writing to a later date; and
- (e) **Escrow.** All current FLM Shareholders, except for those FLM Shareholders which receive FLM Shares upon the automatic conversion of FLM Subscription Receipts, shall be subject to the following escrow restrictions on the PetroCorp Shares that are issued in exchange for FLM Shares: (i) 25% of the PetroCorp Shares shall be released 6 months after Closing; (ii) 25% of the PetroCorp Shares shall be released 9 months after Closing; (iii) 25% of the PetroCorp Shares shall be released 12 months after Closing; and, (iv) 25% of the PetroCorp Shares shall be released 15 months after Closing.

## 6.2 PetroCorp's Conditions

The obligation of PetroCorp to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by PetroCorp:

- (a) **FLM's Representations, Warranties and Covenants.** At the Time of Closing, FLM shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 3.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FLM shall have been delivered to PetroCorp as of the Time of Closing;
- (b) **QL's Representations, Warranties and Covenants.** At the Time of Closing, QL shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 4.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of QL shall have been delivered to PetroCorp as of the Time of Closing;
- (c) **No FLM Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the FLM Assets, liabilities, capitalization, or FLM Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of FLM shall have been delivered to PetroCorp as of the Time of Closing;
- (d) **No QL Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the QL Assets, liabilities, capitalization, or QL Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of QL shall have been delivered to PetroCorp as of the Time of Closing;
- (e) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by FLM, QL and its respective board of directors and shareholders to permit the closing of the Amalgamation;

- (f) **Inspection of Financial Books and Records.** Until and including the Time of Closing, FLM and QL shall each make available to PetroCorp all material books, accounts, records and other financial and accounting data of FLM and QL (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of FLM and QL to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (g) **Inspection of FLM Non-Financial Books and Records.** Until and including the Time of Closing, FLM shall make available to PetroCorp all FLM Documents, minute books and other corporate records and all documents of title and related records and other material data of FLM in order to enable PetroCorp to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as PetroCorp considers appropriate;
- (h) **Inspection of QL Non-Financial Books and Records.** Until and including the Time of Closing, QL shall make available to PetroCorp all QL Documents, minute books and other corporate records and all documents of title and related records and other material data of QL in order to enable PetroCorp to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as PetroCorp considers appropriate;
- (i) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to FLM, QL or any of their respective directors or officers, commenced or threatened by any officer or official of the Exchange, any Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on FLM, QL, PetroCorp or the Resulting Issuer upon Closing; and
- (j) **Closing Documents.** FLM and QL shall have each executed and delivered to PetroCorp all documents as PetroCorp may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement.

If any such conditions shall not be fulfilled or waived in writing by PetroCorp at or prior to the Time of Closing, PetroCorp may rescind this Agreement by written notice to FLM and QL and, in such event, PetroCorp, QL and FLM shall be released from all obligations hereunder.

### 6.3 FLM's Conditions

The obligations of FLM to complete the transactions contemplated herein, are subject to the fulfillment of the following conditions precedent, unless waived in writing by FLM:

- (a) **PetroCorp's Representations, Warranties and Covenants.** At the Time of Closing, PetroCorp shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 5.1 shall be true and correct at the Time of Closing, with the same effect

as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of PetroCorp shall have been delivered to FLM as of the Time of Closing;

- (b) **QL's Representations, Warranties and Covenants.** At the Time of Closing, QL shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 4.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of QL shall have been delivered to FLM as of the Time of Closing;
- (c) **No PetroCorp Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the PetroCorp Assets, liabilities, capitalization, or its business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of PetroCorp shall have been delivered to FLM as of the Time of Closing;
- (d) **No QL Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the QL Assets, liabilities, capitalization, or QL Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of QL shall have been delivered to FLM as of the Time of Closing;
- (e) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings, as approved by FLM, shall have been taken to permit the Resulting Issuer Shares to be duly and regularly issued by the Resulting Issuer as contemplated in this Agreement. At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by QL and its board of directors and shareholders to permit the closing of the Amalgamation;
- (f) **Inspection of Financial Books and Records.** Until and including the Time of Closing, PetroCorp and QL shall each make available to FLM all material books, accounts, records and other financial and accounting data of PetroCorp and QL (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of PetroCorp and QL to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (g) **Inspection of PetroCorp Non-Financial Books and Records.** Until and including the Time of Closing, PetroCorp shall make available to FLM all PetroCorp Documents and Newco documents, minute books and other corporate records and all documents of title and related records and other material data of PetroCorp and Newco in order to enable FLM to make an examination of the same;
- (h) **Inspection of QL Non-Financial Books and Records.** Until and including the Time of Closing, QL shall make available to FLM all QL Documents, minute books and other corporate records and all documents of title and related records and other

material data of QL in order to enable FLM to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as FLM considers appropriate;

- (i) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to PetroCorp, Newco, QL or any of their directors or officers, commenced or threatened by any officer or official of the Exchange, any Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on QL, PetroCorp or Newco;
- (j) **Closing Documents.** QL, PetroCorp and Newco shall have executed and delivered to FLM all documents as FLM may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement;
- (k) **Name Change and Consolidation.** PetroCorp shall have effected the Name Change and Consolidation; and
- (l) **Resignation and Appointment of Officers and Directors.** PetroCorp shall have delivered:
  - (i) resignation by of all current officers of PetroCorp to take effect on Closing; and
  - (ii) resignation of all current directors of PetroCorp to take effect on Closing;

which resignations shall be staged in such a manner that new directors as directed by FLM can be appointed by the remaining board members to fill each vacancy and the board members of PetroCorp shall have signed such resolutions as may be necessary to give effect to this reorganization of the PetroCorp board on Closing.

If any such conditions shall not be fulfilled or waived in writing by FLM at or prior to the Time of Closing, FLM may rescind this Agreement by written notice to PetroCorp and QL and, in such event, PetroCorp, QL and FLM shall be released from all obligations hereunder

#### 6.4 QL's Conditions

The obligations of QL to complete the transactions contemplated herein, are subject to the fulfillment of the following conditions precedent, unless waived in writing by QL:

- (a) **PetroCorp's Representations, Warranties and Covenants.** At the Time of Closing, PetroCorp shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 5.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of PetroCorp shall have been delivered to QL as of the Time of Closing;

- (b) **FLM's Representations, Warranties and Covenants.** At the Time of Closing, FLM shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 3.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FLM shall have been delivered to QL as of the Time of Closing;
- (c) **No PetroCorp Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the PetroCorp Assets, liabilities, capitalization, or its business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of PetroCorp shall have been delivered to QL as of the Time of Closing;
- (d) **No FLM Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of the FLM Assets, liabilities, capitalization, or FLM Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of FLM shall have been delivered to QL as of the Time of Closing;
- (e) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings, as approved by QL, shall have been taken to permit the Resulting Issuer Shares to be duly and regularly issued by the Resulting Issuer as contemplated in this Agreement. At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by FLM and its board of directors and shareholders to permit the closing of the Amalgamation;
- (f) **Inspection of Financial Books and Records.** Until and including the Time of Closing, PetroCorp and FLM shall each make available to QL all material books, accounts, records and other financial and accounting data of PetroCorp and FLM (including all available unaudited financial statements) in order to enable such representatives to make an examination of the same and shall cause the accountants of PetroCorp and FLM to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (g) **Inspection of PetroCorp Non-Financial Books and Records.** Until and including the Time of Closing, PetroCorp shall make available to QL all PetroCorp Documents and Newco documents, minute books and other corporate records and all documents of title and related records and other material data of PetroCorp and Newco in order to enable QL to make an examination of the same;
- (h) **Inspection of FLM Non-Financial Books and Records.** Until and including the Time of Closing, FLM shall make available to QL all FLM Documents, minute books and other corporate records and all documents of title and related records and other material data of FLM in order to enable QL to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as QL considers appropriate;



- (i) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to PetroCorp, Newco, FLM or any of their directors or officers, commenced or threatened by any officer or official of the Exchange, any Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on FLM, PetroCorp or Newco;
- (j) **Closing Documents.** FLM, PetroCorp and Newco shall have executed and delivered to QL all documents as QL may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement;
- (k) **Name Change and Consolidation.** PetroCorp shall have effected the Name Change and Consolidation; and
- (l) **Resignation and Appointment of Officers and Directors.** PetroCorp shall have delivered:
  - (i) resignation by of all current officers of PetroCorp to take effect on Closing; and
  - (ii) resignation of all current directors of PetroCorp to take effect on Closing;

which resignations shall be staged in such a manner that new directors as directed by FLM can be appointed by the remaining board members to fill each vacancy and the board members of PetroCorp shall have signed such resolutions as may be necessary to give effect to this reorganization of the PetroCorp board on Closing.

If any such conditions shall not be fulfilled or waived in writing by QL at or prior to the Time of Closing, QL may rescind this Agreement by written notice to PetroCorp and FLM and, in such event, PetroCorp, QL and FLM shall be released from all obligations hereunder.

## **ARTICLE 7**

### **TERMINATION AND WAIVER**

#### **7.1 Termination**

- (a) The parties hereto may terminate this Agreement at any time prior to Closing upon written agreement of all the parties. In addition, this agreement shall terminate automatically if the Amalgamation is not closed by 5:00pm (Toronto time) on June 30, 2022 or such later date as PetroCorp, QL and FLM may agree upon in writing.
- (b) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by FLM in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of FLM within 20 days

of FLM receiving notice to that effect from PetroCorp or QL, then PetroCorp or QL at the expiry of such period, by giving notice to FLM, may terminate this Agreement and its obligations hereunder.

- (c) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by QL in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of QL within 20 days of QL receiving notice to that effect from PetroCorp or FLM, then PetroCorp or FLM at the expiry of such period, by giving notice to QL, may terminate this Agreement and its obligations hereunder.
- (d) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by PetroCorp in this Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of PetroCorp within 20 days of PetroCorp receiving notice to that effect from FLM or QL, then FLM, or QL at the expiry of such period, by giving notice to PetroCorp, may terminate this Agreement and its obligations hereunder.
- (e) If this Agreement is terminated, this Agreement will forthwith have no further force or effect and there will be no obligation on the part of FLM, QL or PetroCorp hereunder.
- (f) Nothing in this Section 7.1 will relieve any party from liability for any breach of this Agreement.

## **7.2 Amendment**

This Agreement may be amended by mutual agreement between the parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the parties hereto.

## **7.3 Waiver**

PetroCorp, QL or FLM may:

- (a) extend the time for the performance of any of the obligations or other acts of the other;
- (b) waive compliance with any of the other's agreement or the fulfilment of any conditions to its own obligations contained herein; or

- (c) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto;

provided, however, that any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party.

## **ARTICLE 8** **GENERAL**

### **8.1 Expenses**

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, legal counsel and other professional advisers) incurred in connection with this Agreement and the completion of the transactions contemplated by this Agreement are to be paid by the Party incurring those costs and expenses. If this Agreement is terminated, the obligation of each Party to pay its own costs and expenses is subject to each Party's respective rights arising from a breach or termination.

### **8.2 Time of the Essence**

Time shall be of the essence of this Agreement.

### **8.3 Governing Law**

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

### **8.4 Counterparts and Delivery**

This Agreement may be executed in several counterparts and delivered by a facsimile copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

### **8.5 Notices**

Any notice required or permitted to be given by a party hereto to the other shall be given in writing and addressed:

- (a) if to PetroCorp at:

PetroCorp Group Inc.  
Suite 800 Dome Tower  
333 - 7th Avenue SW  
Calgary, Alberta  
T2P 2Z1

Attention: Andrew Lindzon  
Email: [andrew@ashlin.ca](mailto:andrew@ashlin.ca)

if to FLM at:

FLM Lithium Minerals Inc.  
77 King Street West, Suite 3000  
Toronto, Ontario  
M5K 1G8  
Attention: Rob Saltsman  
Email: [rob@paigecapital.ca](mailto:rob@paigecapital.ca)

if to QL at:

QL Minerals Inc.  
77 King Street West, Suite 3000  
Toronto, Ontario  
M5K 1G8  
Attention: Rob Saltsman  
Email: [rob@paigecapital.ca](mailto:rob@paigecapital.ca)

Any such notice shall be delivered by hand or by prepared courier or mailed by prepaid registered post. Any notice delivered as aforesaid shall be deemed to have been received by the party hereto to which it is so delivered at the time on the date of its being so delivered. Any notice mailed as aforesaid shall be deemed to have been received by the party hereto to which it is so mailed on the fifth business day next following the time on the date of it being so mailed. Any party may change its address for notice by giving notice to that effect.

## **8.6 Enurement**

This Agreement shall enure to the benefit of the parties, their respective heirs, successors and permitted assigns.

## **8.7 Further Assurances**

The parties hereto will from time to time, on and after the Closing Date, at the request and expense of the other parties hereto, execute and deliver all such other additional instruments, notices, releases, acquaintances and other documents and shall do all such other acts and things as may be reasonably necessary to carry out the terms and conditions of this Agreement in accordance with their true intent.

## **8.8 Public Announcement**

- (a) No news release or public announcement with respect the subject matter of this Agreement shall be made by either party, without the prior approval of the other parties.

- (b) Notwithstanding the foregoing, the parties may disclose any information required to be disclosed to any federal, provincial, state or local government or governmental agency or regulatory body, branch, board, agency or necessary to comply with applicable law.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above written.

**FIRST LITHIUM MINERALS INC.**

*/s/ "Rob Saltsman"*

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Name: Rob Saltsman

Title: CEO

**QL MINERALS INC.**

*/s/ "Rob Saltsman"*

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Name: Rob Saltsman

Title: CEO

**PETROCORP GROUP INC.**

*/s/ "Andrew Lindson"*

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Name: Andrew Lindzon

Title: Chief Executive Officer

**1000215756 ONTARIO CORP.**

*/s/ "Andrew Lindson"*

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Name: Andrew Lindzon

Title: Chief Executive Officer

**SCHEDULE "A"**  
**AMALGAMATION AGREEMENT**

**THIS AMALGAMATION AGREEMENT** is made as of the ► day of ►, 2022 by and among PetroCorp Group Inc. ("**PetroCorp**"), 1000215756 Ontario Corp. ("**Newco**"), QL Minerals Inc. ("**QL**") and First Lithium Minerals Inc. ("**FLM**").

**WHEREAS** Newco, QL and FLM are each incorporated under the OBCA (as hereinafter defined);

**AND WHEREAS** Newco is a wholly owned subsidiary of PetroCorp;

**AND WHEREAS** Newco, QL and FLM propose to amalgamate and continue as one corporation pursuant to the OBCA upon the terms and subject to the conditions hereinafter set out; and

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT**, in consideration of the mutual covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

**1. Definitions.**

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

"**Acquisition Agreement**" means the Acquisition Agreement dated June 10, 2022 between the parties hereto;

"**Agreement**" means this agreement as the same may be amended, modified or supplemented from time to time;

"**Amalco Shares**" means the common shares in the capital of the Amalgamated Corporation;

"**Amalgamated Corporation**" means the corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Newco, QL and FLM contemplated by this Agreement;

"**Certificate of Amalgamation**" means the articles of amalgamation endorsed with a certificate by the Director in respect of the Amalgamation;

"**Closing Date**" means the day that the Amalgamation closes, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein, and including specifically the approval of the Exchange for the listing of the Resulting Issuer Shares and all conditions contained in this Agreement shall be met or waived;

"**FLM Debt Settlement**" means, after the FLM Consolidation and immediately prior to the Closing Date, First Lithium will complete a debt settlement with certain creditors in the amount of \$3,571,591 by way of issuance of 15,873,737 FLM Shares at a price of \$0.225 per FLM Share;

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**Exchange**" means the Canadian Securities Exchange;

"**FLM Consolidation**" means the consolidation of the FLM Shares on the basis of one (1) new share for 2.5 old shares;

"**FLM Meeting**" means the meeting of shareholders of FLM held on ►, 2022 to, among other things, consider and approve the Amalgamation;

"**FLM Private Placement**" means the private placement of FLM Subscription Receipts for gross proceeds of \$5,407,500 at an issue price of \$0.25 per FLM Subscription Receipt;

"**FLM Shareholders**" means the holders of FLM Shares and "FLM Shareholder" means any one of them;

"**FLM Shares**" means all of the shares in the capital of FLM outstanding at the Time of Closing;

"**FLM Subscription Receipts**" means the subscriptions receipts of FLM issued to the subscribers under the FLM Private Placement, with each FLM Subscription Receipt automatically converted into a FLM Share immediately prior to the completion of the Amalgamation;

"**Newco Shares**" means the common shares in the capital of Newco;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**PetroCorp Consolidation**" means the consolidation of the PetroCorp Shares on the basis of one (1) new share for 81.96721311 old shares;

"**PetroCorp Shares**" means the common shares of PetroCorp;

"**QL Private Placement**" means the private placement of QL Subscription Receipts for gross proceeds of \$795,000 at an issue price of \$0.25 per QL Subscription Receipt;

"**QL Resolution**" means the special resolution of shareholders of QL unanimously consented to on ►, 2022 to, among other things, approve the Amalgamation;

"**QL Shareholders**" means the holders of QL Shares and "QL Shareholder" means any one of them;

"**QL Shares**" means all of the shares in the capital of QL outstanding at the Time of Closing;

"**QL Subscription Receipts**" means the subscriptions receipts of QL issued to the subscribers under the QL Private Placement, with each QL Subscription Receipt automatically converted into a QL Share immediately prior to the completion of the Amalgamation;

"**Registrar and Transfer Agent**" means Computershare Trust Company of Canada, and any other Person which may be appointed as registrar and transfer agent of PetroCorp as applicable, from time to time;



**"Resulting Issuer"** means PetroCorp as it exists upon completion of the Amalgamation to be known as "First Lithium Minerals Corp.", or such other name determined by the board of directors of the Resulting Issuer;

**"Resulting Issuer Shares"** means the common shares of the Resulting Issuer including those issued upon the Amalgamation;

**"Share Exchange Ratio"** shall mean one (1) PetroCorp Share for each FLM Share and each QL Share, each as the context requires;

**"Time of Closing"** means such time on the Closing Date as the parties hereto may agree;

**"Transaction"** means the Amalgamation and the other transactions provided for herein;

**"U.S. Person"** means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

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

## **2. Amalgamation.**

Newco, QL and FLM hereby agree to amalgamate and continue as one corporation under the provisions of the OBCA on the date first above written upon the terms and subject to the conditions hereinafter set out.

## **3. Name.**

The name of the Amalgamated Corporation shall be "First Lithium Minerals Inc."

## **4. Registered Office.**

The registered office of the Amalgamated Corporation shall be located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

## **5. Authorized Capital.**

The authorized capital of the Amalgamated Corporation shall consist of an unlimited number of Amalco Common Shares. The rights, privileges, restrictions and conditions attaching to the Amalco Shares are set forth in Schedule 1 to this Agreement.

## **6. Restrictions on Shares.**

There are no restrictions on the issue, transfer or ownership of Amalco Shares set out in the Certificate of Amalgamation.

## **7. Directors.**

The board of directors of the Amalgamated Corporation shall consist of a minimum of one director and a maximum of ten directors. The number of directors of the Amalgamated Corporation and

the number of directors to be elected at the annual meeting of the shareholders of the Amalgamated Corporation or by the signing of a resolution in lieu thereof, until changed in accordance with the OBCA, shall be one (1).

#### **8. First Directors.**

The name and address of each of the first directors of the Amalgamated Corporation shall be as follows:

Name	Address
Rob Saltsman	38 Edmund Seager Drive, Thornhill, Ontario, L4J 4R9

Each of the said first directors shall hold office until the first annual meeting of the shareholders of the Amalgamated Corporation, or until a successor is elected or appointed. The subsequent directors shall be elected in accordance with the provisions of the OBCA. The affairs and business of the Amalgamated Corporation shall be under the management of the board of directors of the Amalgamated Corporation from time to time, subject to the provisions of the OBCA.

#### **9. Business.**

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

#### **10. Entitlements on Amalgamation.**

Upon the terms and subject to the conditions set forth herein, following completion of the FLM Consolidation and the PetroCorp. Consolidation, at the time of the Amalgamation,

- (a) Resulting Issuer Shares shall be issued to FLM Shareholders in exchange for the delivery to PetroCorp of all of the issued and outstanding FLM Shares, including the FLM Shares to be issued on conversion of the FLM Subscription Receipts and the FLM Shares issued pursuant to the FLM Debt Settlement (except for FLM Shares held by holders that have validly exercised their dissent rights in connection with the FLM Meeting). The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding FLM Shares shall be determined by multiplying the number of FLM Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional Resulting Issuer Shares will be issued. To the extent any FLM Shareholder would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on Closing of the Amalgamation, the number of Resulting Issuer Shares to be issued to such FLM Shareholder shall be rounded to the nearest whole Resulting Issuer Share. The Resulting Issuer Shares issued to FLM Shareholders, except for those FLM Shareholders which receive FLM Shares upon the automatic conversion of FLM Subscription Receipts, shall be subject to the following escrow restrictions on the Resulting Issuer Shares

that are issued in exchange for FLM Shares: (i) 25% of the Resulting Issuer Shares shall be released 6 months after Closing; (ii) 25% of the Resulting Issuer Shares shall be released 9 months after Closing; (iii) 25% of the Resulting Issuer Shares shall be released 12 months after Closing; and, (iv) 25% of the Resulting Issuer Shares shall be released 15 months after Closing.

- (b) Resulting Issuer Shares shall be issued to QL Shareholders in exchange for the delivery to PetroCorp of all of the issued and outstanding QL Shares, including the QL Shares to be issued on conversion of the QL Subscription Receipts. The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding QL Shares shall be determined by multiplying the number of QL Shares issued and outstanding at the time of Closing by the Share Exchange Ratio. No fractional Resulting Issuer Shares will be issued. To the extent any QL Shareholder would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on Closing of the Amalgamation, the number of Resulting Issuer Shares to be issued to such QL Shareholder shall be rounded to the nearest whole Resulting Issuer Share; and
- (c) each issued and outstanding Newco Share will be converted into one (1) Amalco Common Share and each Newco Share will be cancelled without reimbursement of the capital in respect thereof.

FLM Shares held by holders who have validly exercised their dissent rights in connection with the applicable shareholder resolution to approve the Amalgamation in accordance with the OBCA will not be exchanged pursuant to this Section 10. However, if any such dissenting holder fails to perfect or effectively withdraws its claim pursuant to the OBCA or forfeits its right to make a claim under the OBCA or if its rights as a shareholder of FLM, are otherwise reinstated, the FLM Shares held by such holders shall thereupon be deemed to have been exchanged as of the time of the Amalgamation in accordance with this Section.

## **11. Certificates**

At the time of Amalgamation:

- (a) the registered holders of FLM Shares shall cease to be holders FLM Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled in accordance with Section 10 hereof, all certificates evidencing FLM Shares shall be null and void, and on or after the effective time of the Amalgamation, subject to the provisions of any escrow requirement, if applicable, the Resulting Issuer shall provide instructions to the Resulting Issuer Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Resulting Issuer Shares to which they are so entitled and/or register the holders thereof;
- (b) the registered holders of QL Shares shall cease to be holders QL Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled in accordance with Section 10 hereof, all certificates evidencing QL Shares

shall be null and void, and on or after the effective time of the Amalgamation, subject to the provisions of any escrow requirement, if applicable, the Resulting Issuer shall provide instructions to the Resulting Issuer Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Resulting Issuer Shares to which they are so entitled and/or register the holders thereof; and

- (c) notwithstanding the foregoing, all certificates representing FLM Shares held by persons who have validly exercised their dissent rights in connection with the FLM Meeting, shall represent only the right to receive fair value of the FLM Shares, formerly represented by such certificates in accordance with the OBCA.

## **12. Stated Capital.**

The stated capital in respect of the Amalco Common Shares will be equal to the aggregate stated capital of the Newco Shares, QL Shares and the FLM Shares immediately prior to the Amalgamation.

## **13. By-laws.**

The by-laws of FLM shall be the by-laws of the Amalgamated Corporation with such amendments thereto as may be necessary to give effect to this Agreement until repealed, amended, altered or added to.

## **14. Articles of Amalgamation.**

Upon the shareholders of FLM, the shareholders of QL and the shareholder of Newco approving, by special resolution, the Amalgamation, this Agreement and any variations thereof, and provided that the conditions to the completion of the Amalgamation specified herein and in the Acquisition Agreement have then been satisfied or waived, Newco, QL and FLM shall jointly file, in duplicate, with the Director, articles of amalgamation in prescribed form providing for the Amalgamation and such other documents as may be required pursuant to the OBCA.

## **15. Amendment.**

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation, change the time for performance of any of the obligations or acts of the parties hereto or waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by shareholders of FLM and the shareholders of QL in exchange for their FLM Shares and QL Shares, respectively, without approval by the FLM shareholders and QL shareholders given in the same manner as required for the approval of the Amalgamation.

**16. Termination.**

Subject to the terms of the Acquisition Agreement, this Agreement may be terminated by a resolution passed by the directors of Newco, PetroCorp, QL or FLM at any time before the issue of the Certificate of Amalgamation, notwithstanding the approval of this Agreement by the shareholders of any or all of Newco, QL and FLM. If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

**17. Further Assurances.**

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

**18. Time of Essence.**

Time shall be of the essence of this Agreement.

**19. Binding Effect.**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and assigns.

**20. Assignment.**

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.

**21. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

**1000215756 ONTARIO CORP.**

Per: \_\_\_\_\_  
Name: Andrew Lindzon  
Title: Chief Executive Officer  
*I have authority to bind the Corporation*

**PETROCORP GROUP INC.**

Per: \_\_\_\_\_  
Name: Andrew Lindzon  
Title: Chief Executive Officer  
*I have authority to bind the Corporation*

**FIRST LITHIUM MINERALS INC.**

Per: \_\_\_\_\_  
Name: Rob Saltsman  
Title: CEO  
*I have authority to bind the Corporation*

**QL MINERALS INC.**

Per: \_\_\_\_\_  
Name: Rob Saltsman  
Title: CEO  
*I have authority to bind the Corporation*

## **Schedule 1**

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

### **1. Voting**

The holders of the Common Shares shall be entitled to receive notice of and to attend and shall be entitled to one (1) vote at any meeting of the shareholders of the Corporation for each Common Share held.

### **2. Dividends**

The holders of the Common Shares shall be entitled to receive dividends as and when the directors shall in their discretion declare dividends on the Common Shares and pay the same.

### **3. Dissolution**

The holders of the Common Shares shall be entitled to receive the remaining property of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.