AMALGAMATION AGREEMENT

AMONG:

ROYAL COAL CORP.

AND:

1268712 B.C. LTD.

AND:

CLIMB CREDIT INC.

OCTOBER 9, 2020

TABLE OF CONTENTS

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is dated as of the 9th day of October, 2020.

AMONG:

ROYAL COAL CORP., a corporation existing under the laws of the Province of Ontario

("**Royal**");

AND:

1268712 B.C. LTD., a corporation existing under the laws of the Province of British Columbia

("**Royal Sub**");

AND:

CLIMB CREDIT INC., a corporation existing under the laws of the Province of British Columbia

("**Climb**");

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

WHEREAS:

(A) Climb and Royal propose to combine the business and assets of Climb with those of Royal, and upon completion of such business combination, Royal will through Amalco (as defined below), carry on the business presently carried on by Climb with the name Climb Credit Holding Corp. or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of Climb (the "**Transaction**");

(B) The Parties intend to carry out the proposed business combination whereby Climb will acquire all of the issued and outstanding shares of Royal by means of a three-cornered amalgamation among Climb, Royal, and the Royal Sub under the provisions of the *Business Corporations Act* (British Columbia) and related transaction steps (the "**Amalgamation**");

(C) Upon the Amalgamation taking effect, shareholders of Climb will receive common shares of Royal in the proportion and to the extent set out herein;

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

PART 1
INTERPRETATION

Definitions

1.1 In this Agreement, the following defined terms have the meanings hereinafter set forth:

(a) "**Agreement**" means this Amalgamation Agreement (including the exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;

(b) "**Amalco**" means the corporation continuing from the Amalgamation;

(c) "**Amalco Shares**" means the common shares in the capital of Amalco;

(d) "**Amalgamation**" has the meaning ascribed thereto in the recitals to this Agreement;

(e) "**Amalgamation Application**" means the amalgamation application to be filed with the Registrar, as contemplated by the BCBCA, in substantially the form attached as Exhibit "A" to this Agreement;

(f) "**Amalgamation Resolution**" means the special resolution of the Climb Shareholders approving the Amalgamation, as required by Applicable Laws;

(g) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;

(h) "**Applicable Laws**", in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or persons or its or their business, undertaking, property or securities;

(i) "**Articles**" means the Articles of Amalco, which will be in substantially the form set out in Exhibit "B" to this Agreement;

(j) "**August 18 Broker Warrants**" means 38,200 broker warrants entitling the holder thereof to purchase one (1) additional Climb Share at a price of $0.125 per share until August 18, 2022.

(k) "**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

(l) "**Business**" means the business and activities currently carried on by Climb, which include operating a consumer lending and credit consultancy business which assists customers in rebuilding their credit scores;

(m) "**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Toronto, Ontario, are not generally open for business;

(n) "**Climb**" has the meaning ascribed thereto on the first page of this Agreement;

(o) "**Climb Broker Warrants**" means the December 31 Broker Warrants, the May 22 Broker Warrants, the June 18 Broker Warrants, and the August 18 Broker Warrants.

(p) "**Climb Convertible Notes**" means two (2) convertible promissory notes issued to certain creditors in the aggregate amount of $124,000, and convertible into Climb Shares at $0.07.

(q) "**Climb Financial Statements**" means the audited financial statements of Climb for the fiscal years ended December 31, 2019 and December 31, 2018;

(r) "**Climb Financing**" means the private placement of Climb Shares at a price of $0.25 per share for minimum gross proceeds of $3,000,000;

(s) "**Climb Management Warrants**" means 1,428,572 warrants entitling the holders thereof to purchase one (1) Climb Share at a price of $0.07 per share until March 31, 2022

(t) "**Climb Options**" means the 3,064,350 common share purchase options entitling the holders thereof to purchase one (1) Climb Share at a price of $0.07 per share until January 31, 2023;

(u) "**Climb Shareholders**" means the holders of Climb Shares;

(v) "**Climb Shares**" means the issued and outstanding common shares in the capital of Climb;

(w) "**Climb Warrants**" means the Climb Management Warrants, the June 18 Warrants, and the June 18 Consultant Warrants.

(x) "**Completion Deadline**" means March 31, 2021;

(y) "**Consolidation**" means the consolidation of the Royal Shares on a basis of one new Royal Share for 515.481342 Royal Shares held by a Royal Shareholder, subject to adjustment by mutual consent of the Parties, and provided that Climb may refuse to consent to any such adjustment in its sole discretion;

(z) "**Consolidation Resolution**" means the special resolution of the board of directors of Royal authorizing the Consolidation;

(aa) "**Constating Documents**" means with respect to the Parties the charter, memorandum, articles of association, the articles of incorporation, the articles of continuance, the articles of amalgamation, the by-laws and any other instrument pursuant to which the Party is created, incorporated, continued, amalgamated or otherwise established, as the case may be, and/or which governs in whole or in part such Party's affairs, together with any amendments thereto;

(bb) "**Corporate Records**" means as to each of the Parties its corporate records including Constating Documents, central securities register, registers of directors, list of bank accounts and signing authorities and minutes of shareholders' and directors' meetings;

(cc) "**Debt Settlement**" means the debt settlement of Royal Coal settling the aggregate amount of $300,000 outstanding through the issuance of 15,000,000 post-Consolidation Royal Shares.

(dd) "**December 31 Broker Warrants**" means 1,394,018 broker warrants issued to certain registered finders entitling the holders thereof to purchase one (1) Climb Share at a price of $0.07 per share until December 31, 2019.

(ee) "**Depositary**" means the depositary for the Climb Shares as agreed to by Royal and Climb;

(ff) "**Director Appointment**" means, subject to the completion of the Amalgamation, the reconstitution of the board of directors of Royal to consist of the nominees of Climb;

(gg) "**Dissenting Climb Shares**" means the Climb Shares held by Dissenting Shareholders;

(hh) "**Dissenting Shareholder**" means a registered holder of Climb Shares who, in connection with the Amalgamation Resolution, has exercised the right to dissent pursuant to Section 238 of the BCBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its Climb Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 245 of the BCBCA;

(ii) "**Effective Date**" means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;

(jj) "**Effective Time**" means the effective time of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;

(kk) "**Encumbrances**" means any encumbrance of any kind whatever and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim or encumbrance of any kind or character whatsoever or howsoever arising, and any right or privilege capable of becoming any of the foregoing;

(ll) "**Exchange**" means the CSE;

(mm) "**fair value**" where used in relation to a Climb Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 245 of the BCBCA or as agreed between Climb and the Dissenting Shareholder;

(nn) "**Finder**" means First Republic Capital Corp.;

(oo) "**Governmental Authority**" means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;

(pp) "**IFRS**" means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;

(qq) "**ITA**" means the *Income Tax Act* (Canada), as amended and all regulations thereunder;

(rr) "**Listing Statement**" means a listing statement to be prepared by Climb with the assistance of Royal, in respect of the proposed listing of the Royal Shares in accordance with Policy 2 of the CSE;

(ss) "**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Party prior to the date of this Agreement; (ii) any action or inaction taken by such Person to which the other Person had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this

Agreement; or (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions in the United States, Canada or worldwide;

(tt) "**Material Change**" and "**Material Fact**" has the meanings ascribed thereto under Applicable Canadian Securities Laws;

(uu) "**Material Contract**" means those contracts, agreements, understandings or arrangements entered into which have individual payment obligations that exceed $50,000, are for a term extending one (1) year after the Effective Time, have been entered into out of the ordinary course of business, or are otherwise material;

(vv) "**May 22 Broker Warrants**" means 505,000 broker warrants issued to certain registered finders entitling the holders thereof to purchase one (1) Climb Share at a price of $0.07 per share until May 22, 2022.

(ww) "**June 18 Broker Warrants**" means 800,000 broker warrants issued to certain registered finders entitling the holders thereof to purchase one additional Climb Share at a price of $0.07 per share until June 18, 2022.

(xx) "**June 18 Consultant Warrants**" means 2,857,143 warrants entitling the holders thereof to purchase one (1) additional Climb Share at a price of $0.175 per share until June 18, 2022.

(yy) "**June 18 Warrants**" means 11,428,571 warrants entitling the holders thereof to purchase one additional Climb Share at $0.14 per share until June 18, 2022.

(zz) "**Name Change**" has the meaning ascribed thereto in Section 5.6;

(aaa) "**Officer Appointment**" means, subject to the completion of the Amalgamation, the reconstitution of the officers of Royal to consist of Climb's nominees;

(bbb) "**Parties**" and "**Party**" has the meaning ascribed thereto in the recitals of this Agreement;

(ccc) "**Permit**" means any and all permits, licences, agreements, concessions, approvals, certificates, consents, certificates of approval, rights, privileges or franchises, registrations (including any required export/import approvals) and exemptions of any nature and other authorizations, conferred or otherwise granted by any Governmental Authority;

(ddd) "**Person**" means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.

(eee) "**Promissory Notes**" means the six (6) unsecured promissory notes issued by Climb, each in the principal amount of $30,000, for an aggregate principal amount of $180,000;

(fff) "**Public Record**" means all information filed by Royal with any securities commission or similar regulatory authority which are available through the SEDAR website as of the date hereof;

(ggg) "**Registrar**" means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;

(hhh) "**Royal**" has the meaning ascribed thereto on the first page of this Agreement;

(iii) "**Royal Financial Statements**" has the meaning ascribed thereto in Section 4.1(k);

(jjj) "**Royal Meeting**" means the annual and special meeting of the holders of Royal Shares to be called to consider and, if thought fit, authorize, approve, and adopt the Name Change and the Director Appointment, and related matters, and includes any adjournments thereof;

(kkk) "**Royal Shares**" means the common shares in the capital of Royal;

(lll) "**Royal Sub**" has the meaning ascribed thereto on the first page of this Agreement;

(mmm) "**Royal Sub Shares**" means common shares in the capital of Royal Sub;

(nnn) "**Sandstorm**" means Sandstorm Metals & Energy Inc.;

(ooo) "**Sandstorm Release**" means the full and final release issued in favour of Royal by Sandstorm;

(ppp) "**Sandstorm Transfer and Settlement**" means the transfer of 4,000,000 post-Consolidation Royal Shares by certain shareholders of Royal to Sandstorm in connection with the Sandstorm Release and to settle certain debts outstanding of Royal in full.

(qqq) "**Securities Act**" means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

(rrr) "**subsidiary**" has the meaning ascribed thereto in the Securities Act;

(sss) "**Transaction**" has the meaning ascribed thereto in the recitals of this Agreement;

(ttt) "**Transfer Agent**" means AST Trust Company (Canada), the transfer agent for the Royal Shares; and

(uuu) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder.

Interpretation

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

(a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereto", "herein" and "hereunder" and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;

(b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;

(c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;

(d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place;

(e) any reference in this Agreement to any statute or any section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document will be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;

(f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;

(g) unless otherwise stated, all accounting terms used in this Agreement will have the meanings attributable thereto under IFRS and all determinations of an accounting nature are required to be made will be made in a manner consistent with IFRS;

(h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);

(i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry; and

(j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

Exhibits

1.3 The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

Exhibit "A" – Amalgamation Application

Exhibit "B" – Articles of Amalco

Exhibit "C" – Materials Contracts of Climb

PART 2
THE AMALGAMATION

Agreement to Amalgamate

2.1 The Parties agree that Royal Sub and Climb will amalgamate pursuant to the provisions of the BCBCA as of the Effective Date and continue as one corporation on the terms and conditions set out in this Agreement.

Effect of Amalgamation

2.2 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, the Parties shall cause the Amalgamation Application to be filed to effect the Amalgamation, pursuant to which

(a) Climb and Royal Sub will be amalgamated and continue as one corporation as of the Effective Date under the terms and conditions prescribed in this Agreement;

(b) each of Climb and Royal Sub will cease to exist as entities separate from Amalco;

(c) the property of each of Royal Sub and Climb will continue to be the property of Amalco and Amalco shall possess all the rights, privileges and franchises and be subject to all the liabilities, including civil, criminal and quasi-criminal, and all the contracts, disabilities and debts of each of Royal Sub and Climb;

(d) a conviction against, or ruling, order or judgment in favour of or against either Royal Sub or Climb may be enforced by or against Amalco;

(e) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against either Royal Sub or Climb before the Amalgamation has become effective; and

(f) the Articles attached hereto as Exhibit "A" will be the articles of Amalco.

Name

2.3 The name of Amalco will be "Climb Credit Holding Corp.".

Registered Office

2.4 The registered office of Amalco will be 82A Lakeshore Rd E, Mississauga, ON, L5G 1E1.

Authorized Capital and Restrictions on Share Transfers

2.5 The authorized capital of Amalco will consist of an unlimited number of common shares without par value, which will have the rights, privileges, restrictions and conditions set out in the Articles, and an unlimited number of preferred shares without par value, which will have the rights, privileges, restrictions, and conditions set out in the Articles. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles.

Fiscal Year

2.6 The fiscal year end of Amalco will be December 31 of each calendar year.

Business

2.7 There will be no restriction on the business which Amalco is authorized to carry on.

Initial Directors

2.8 The first director of Amalco will be the persons whose name and address appear below:

Name	**Address**
Ryan Watt	[redacted]

Such director will hold office until the first annual meeting of shareholders of Amalco or until his successor is elected or appointed.

Initial Officers

2.9 The first officers of Amalco will be the persons whose name and position appear below:

Name	Position
Ryan Watt	CEO

Exchange of Royal Sub Shares and Climb Shares

2.10 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

(a) each Climb Shareholder (other than a Climb Dissenting Shareholders described in paragraph 2.15 below) will receive one (1) fully paid and non-assessable post-Consolidation Royal Share in exchange for one (1) Climb Share held by such holder, following which all such Climb Shares will be cancelled;

(b) Royal will receive one (1) fully paid and non-assessable Amalco Share in exchange for each one (1) Royal Sub Share held by it, following which the Royal Sub Shares will be cancelled;

(c) in consideration for Royal's issuance of post-Consolidation Royal Shares referenced in §2.10(a), Amalco will issue to Royal one (1) Amalco Share for each Royal Share issued by Royal under Section 2.10(a);

(d) Royal shall add to the stated capital maintained in respect of the Royal Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the Climb Shares immediately prior to the Amalgamation (less the paid-up capital of any Climb Shares held by Dissenting Shareholders who do not exchange their Climb Shares for post-Consolidation Royal Shares on the Amalgamation);

(e) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Royal Sub Shares and Climb Shares immediately prior to the Amalgamation;

(f) Royal shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of Climb Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Climb Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority;

(g) Amalco will become a wholly-owned subsidiary of Royal;

(h) subject to Section 2.15, the registered holders of Climb Shares shall become the registered holders of the post-Consolidation Royal Shares to which they are

entitled, calculated in accordance with the provisions of this Agreement, and the holders of share certificates representing such Climb Shares may surrender such certificates to the Depositary and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Time shall receive, share certificates or DRS statements representing the number of post-Consolidation Royal Shares to which they are so entitled, provided that certificates or DRS statements being delivered to United States holders shall bear on the face thereof the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR STATE SECURITIES LAWS. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF ROYAL COAL CORP. AND ANY SUCCESSOR ENTITY (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, AFTER PROVIDING A LEGAL OPINION SATISFACTORY TO THE CORPORATION, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES PURSUANT TO EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, OR (D) INSIDE THE UNITED STATES PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION;

and

(i) Royal shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof

Climb Warrants, Climb Broker Warrants, and Climb Options

2.11 The Parties acknowledge that, as at the Effective Time, the Climb Warrants, Climb Broker Warrants, and Climb Options will cease to represent a right to acquire Climb Shares and will instead provide the right to acquire post-Consolidation Royal Shares, all in accordance with the share exchange ratio contemplated in Section 2.10(a) and the adjustment provisions provided in the certificates representing the Climb Warrants and Climb Broker Warrants.

Completion of the Amalgamation and Effective Date

2.12 Upon the satisfaction or waiver of the conditions contained herein of each Party, Climb and Royal Sub will immediately deliver to the Registrar the Amalgamation Application

and such other documents as may be required to give effect to the Amalgamation. The Amalgamation will become effective at the Effective Time.

Acknowledgment of Escrow

2.13 Climb acknowledges and agrees that in accordance with the policies of the Exchange, the Royal Shares issued to certain Climb Shareholders will be subject to escrow restrictions under the policies of the Exchange.

Royal Guarantee

2.14 Royal hereby unconditionally and irrevocably guarantees the due and punctual performance by Royal Sub of each and every covenant and obligation of Royal Sub arising under the Amalgamation. Royal hereby agrees that Climb will not have to proceed first against Royal Sub before exercising its rights under this guarantee against Royal.

Dissenting Shareholders

2.15 On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and Climb for the purchase of their Dissenting Climb Shares or the pronouncement of a court order pursuant to Section 238 of the BCBCA, a Dissenting Shareholder shall cease to have any rights as a Climb Shareholder other than the right to be paid the fair value of its Dissenting Climb Shares in the amount agreed to or as ordered by the court, as the case may be. In the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder's claim under Section 238 of the BCBCA or otherwise forfeits the Dissenting Shareholder's right to make a claim under Section 238 of the BCBCA, the Dissenting Shareholder's Dissenting Climb Shares shall thereupon be deemed to have been exchanged as of the Effective Date for Royal Shares on the basis set forth in Section 2.10 hereof.

Fractional Shares

2.16 No fractional Royal Shares will be issued or delivered to any Climb Shareholders. Instead, the number of Royal Shares issued to each former holder of Climb Shares will be rounded down to the nearest whole number.

PART 3
COVENANTS

Mutual Covenants

3.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 8, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of the Parties will:

(a) carry on its business in the usual, regular and ordinary course of business consistent with its past practice;

(b) not incur any indebtedness other than in the ordinary course of business consistent with its past practice, or as required in connection with the Amalgamation;

(c) other than with respect to the Consolidation and Name Change, not alter or amend its Constating Documents as the same exist at the date of this Agreement;

(d) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Amalgamation, including using reasonable commercial efforts:

(i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;

(iii) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and

(iv) to reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors will consider necessary, acting reasonably;

(e) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;

(f) use reasonable commercial efforts to obtain and maintain the third party approvals applicable to them and provide the same to the other Parties on or prior to the Effective Date;

(g) use their commercially reasonable best efforts to complete the Amalgamation on or prior to the Completion Deadline or as soon as reasonably practicable thereafter;

(h) shall not, other than as contemplated by this Agreement, directly or indirectly do or permit to occur any of the following:

(i) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person other than inter-corporate loans and advances;

(ii) issue, grant, sell or pledge or agree to issue, grant or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than in connection with (A) the Climb Financing; (B) the exercise of previously issued convertible securities of Climb; (C) the granting of Climb Options; and (D) the issuance of the post-Consolidation Royal Shares in connection with the Debt Settlement;

(iii) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;

(iv) split, combine or reclassify any of its shares;

(v) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its subsidiaries; or

(vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted by this Agreement;

(i) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information will be true and complete in all material respects and will not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;

(j) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties will in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to this Section 3.1(j);

(k) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and

(l) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the transactions contemplated in this Agreement.

Additional Covenants of Royal and Royal Sub

3.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 8, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of Royal and Royal Sub covenant and agree that:

(a) Royal and Royal Sub will use their best efforts to satisfy, or cause the satisfaction of, the conditions set forth in Section 6.1 and Section 6.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Royal or Royal Sub, as the case may be;

(b) Royal will, as the sole shareholder of Royal Sub, approve by special resolution the Amalgamation, together with such matters as are required to effect the Amalgamation;

(c) Royal will take all necessary actions required to effect the Name Change and the Director Appointment, concurrently with the Effective Time;

(d) cause, as of the Effective Time, the Director Appointment and the Officer Appointment;

(e) Royal will, on the Effective Date, provide to the Transfer Agent a direction authorizing and directing the Transfer Agent to issue the Royal Shares issuable under the Amalgamation to holders of the Climb Shares pursuant to a written direction from Climb and will direct the Transfer Agent to distribute the Royal Shares to the holders of the Climb Shares in accordance with the terms of the Amalgamation.

Additional Covenants of Climb

3.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 8, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, Climb covenants and agrees that:

(a) Climb will use commercially reasonable efforts to satisfy or cause the satisfaction of the conditions set forth in Section 6.1 and Section 6.2 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Climb;

(b) Climb will use commercially reasonable efforts to seek approval of the Amalgamation Resolution, together with the approval of such other matters as are required to effect the Amalgamation; and

(c) Climb will promptly advise Royal of written objections to the Amalgamation.

PART 4
REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Royal and Royal Sub

4.1 Each of Royal and Royal Sub represent and warrant to Climb as follows, and acknowledge that Climb is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) each of Royal and Royal Sub has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;

(b) Royal is duly incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**") and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;

(c) Royal Sub is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;

(d) Royal is a "reporting issuer" in the provinces of Ontario, Alberta, Manitoba, and British Columbia and is not currently listed on any stock exchange, and is not currently in default of any requirement of the Applicable Canadian Securities Laws of each of such reporting jurisdictions and other regulatory instruments of the securities commissions or securities regulatory authorities in such provinces, and no order ceasing, halting or suspending trading in securities of Royal or prohibiting the distribution of such securities has been issued to and is outstanding against Royal and no investigations or proceedings for such purposes are, to the knowledge of Royal, pending or threatened;

(e) each of Royal and Royal Sub has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by it and to own its assets and is in compliance in all material respects with such certificates, authorities, permits or licences. Each of Royal and Royal Sub has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Royal and Royal Sub;

(f) Royal is authorized to issue an unlimited number of Royal Shares and an unlimited number of special shares issuable in series, of which 256,740,671 Royal Shares and no special shares are outstanding as at the date hereof;

(g) Royal Sub is authorized to issue an unlimited number of common shares of which 1 common share is outstanding as at the date hereof, which is held by Royal;

(h) other than the securities referred to in Section 4.1(f) and Section 4.1(g) there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Royal and Royal Sub (as that term is defined in the Securities Act) and, other than the transactions contemplated hereby, Royal and Royal Sub have no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Royal of any Royal Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Royal Shares;

(i) other than as previously provided to Climb, there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Royal or Royal Sub at law or in equity or before or by any Governmental Authority, nor are there, to their knowledge, any pending or threatened;

(j) other than as previously provided to Climb, each of Royal and Royal Sub has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof an such returns and documents are complete and correct. Each of Royal and Royal Sub has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns.

(k) the audited financial statements of Royal for the years ended December 31, 2019 2018, and 2017 and the notes thereto, and the interim unaudited financial statements of Royal for the interim period ended September 30, 2020 and the notes thereto (collectively, the "**Royal Financial Statements**"), in each case, have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of Royal as at such date, and do not omit to state any material fact that is required by IFRS or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

(l) this Agreement is a binding agreement on Royal and Royal Sub and is enforceable against each of them in accordance with its terms and conditions;

(m) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts and the Constating Documents of Royal or Royal Sub, director or shareholder minutes of Royal or Royal Sub, any agreement or instrument to which Royal or Royal Sub is a party or by which

Royal or Royal Sub is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Royal or Royal Sub;

(n) the documents and materials comprising the Public Record of Royal are in all material respects accurate and up to date and contain no misrepresentation, nor omit any facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

(o) Royal does not have any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Royal of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than (i) liabilities disclosed or reflected in the financial statements of Royal as disclosed in the Public Record or (ii) incurred in the ordinary course of business or in connection with the transactions contemplated hereby following the dates of the most recent financial statements of Royal;

(p) Other than as stated in the Royal Financial Statements, Royal will not, as of the Effective Time, have any continuing obligations;

(q) the information in the Listing Statement relating to Royal and Royal Sub will be true, correct and complete in all material respects and not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;

(r) neither Royal nor Royal Sub has any outstanding taxes due and payable;

(s) Royal is up to date and current with all filings required by the securities commissions of Ontario, Alberta, Manitoba and British Columbia;

(t) the Corporate Records of Royal and Royal Sub are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Royal and Royal Sub, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Royal and Royal Sub (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

(u) as at the date hereof, there are no reasonable grounds for believing that any creditor of Royal or Royal Sub will be prejudiced by the Amalgamation;

(v) neither Royal nor Royal Sub is party to any Material Contracts as of the date hereof;

(w) except for any related party transactions disclosed in the Royal Financial Statements, Royal has not engaged in any transaction with any non-arm's length person;

(x) Royal Sub has not engaged in any transaction with any non-arm's length person;

(y) as at the date hereof, Royal has no subsidiaries, except for Royal Sub;

(z) to the knowledge of Royal and Royal Sub, after due inquiry all activities of Royal and Royal Sub have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all Applicable Laws;

(aa) there is not, in the Constating Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Royal or Royal Sub is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of Royal or Royal Sub or the payment of dividends by Royal or Royal Sub to the holders of its securities;

(bb) each of Royal and Royal Sub is not a party to any debt instrument or any agreement, contract or commitment to create, assume or issue any debt instrument;

(cc) each of Royal and Royal Sub is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Royal and Royal Sub to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Royal and Royal Sub or which would prohibit or restrict Royal and Royal Sub from entering into and completing the Amalgamation;

(dd) each of Royal and Royal Sub is not a party to any agreement nor is Royal and Royal Sub aware of any agreement, which in any manner affects the voting control of any of the securities of Royal and Royal Sub;

(ee) Royal Sub is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all Encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the Royal Financial Statements;

(ff) no proceedings have been taken, are pending or authorized by Royal or Royal Sub or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Royal or Royal Sub;

(gg) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Royal or Royal Sub or any instruments binding on it or its assets:

(i) which would preclude it from entering into this Agreement;

(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Royal or Royal Sub;

(iii) which would impose restrictions on the ability of Amalco:

(A) to carry on any business which it might choose to carry on within any geographical area;

(B) to acquire property or dispose of its property and assets as an entirety;

(C) to pay dividends, redeem shares or make other distributions to its shareholders;

(D) to borrow money or to mortgage and pledge its property as security therefore; or

(E) to change its corporate status;

(hh) all information supplied by Royal or its representatives to Climb in the course of Climb's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and

(ii) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Climb in seeking full information as to Royal and Royal Sub and their assets, liabilities and business.

Representations and Warranties of Climb

4.2 Climb represents and warrants to Royal and Royal Sub as follows, and acknowledges that Royal and Royal Sub are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;

(b) it is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;

(c) it has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licences issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by it and to own its assets and is in compliance in all

material respects with such certificates, authorities, permits or licences. It has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or licence which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Climb;

(d) it is authorized to issue an unlimited number of Climb Shares, of which 83,752,577 Climb Shares are outstanding as at the date hereof;

(e) as of the date hereof, it has 714,285 Climb Management Warrants outstanding;

(f) as of the date hereof, it has 1,394,018 December 31 Broker Warrants outstanding;

(g) as of the date hereof, it has 505,000 May 22 Broker Warrants outstanding;

(h) as of the date hereof, it has 11,428,571 June 18 Warrants outstanding;

(i) as of the date hereof, it has 800,000 June 18 Broker Warrants outstanding;

(j) as of the date hereof, it as 2,857,143 June 18 Consultant Warrants outstanding;

(k) as of the date hereof, it has 38,200 August 18 Broker Warrants outstanding;

(l) as of the date hereof, it has 3,064,350 Climb Options outstanding;

(m) other than the securities referred to in Section 4.2 (d), Section 4.2(e), Section 4.2(f), Section 4.2(g), Section 4.2(h), Section 4.2(i), Section 4.2(j), Section 4.2(k), and Section 4.2(l), the Promissory Notes, and the Climb Convertible Notes, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Climb (as that term is defined in the Securities Act) and Climb has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Climb of any Climb Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Climb Shares;

(n) Climb has no subsidiaries;

(o) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Climb at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to its knowledge, any pending or threatened;

(p) this Agreement is a binding agreement on Climb, enforceable against it in accordance with its terms and conditions;

(q) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constating Documents of Climb, director or shareholder minutes of Climb, any agreement or instrument to which Climb is a party or by which Climb is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Climb;

(r) Climb is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Climb, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and Climb, as applicable, is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Climb has not received any notice of a default by Climb or its subsidiaries, as applicable, or a dispute between Climb and any other party in respect of any Material Contract. Complete and correct copies of each of the Material Contracts have been provided or made available to Royal prior to the date hereof;

(s) Climb does not have any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Climb of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in or provided for in the Climb Financial Statements or incurred in the ordinary course of business following the date of the Climb Financial Statements, other than the Promissory Notes and the Climb Convertible Notes;

(t) the information in the Listing Statement relating to Climb will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;

(u) the Corporate Records of Climb are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Climb, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Climb (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the

transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

(v) no proceedings have been taken, are pending or authorized by Climb or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Climb;

(w) the Climb Financial Statements have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of Climb as at such date, and do not omit to state any material fact that is required by IFRS or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;

(x) as at the date hereof there are no reasonable grounds for believing that any creditor of Climb will be prejudiced by the Amalgamation;

(y) Exhibit "C" provides a complete and accurate list of all Material Contracts of Climb;

(z) except for any related party transactions disclosed in the Climb Financial Statements, Climb has not engaged in any transaction with any non-arm's length person;

(aa) there is no person, firm or company acting or purporting to act at the request of Climb who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in this Agreement;

(bb) to the knowledge of Climb, after due inquiry all activities of Climb have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all Applicable Laws;

(cc) there is not, in the Constating Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Climb is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of Climb or the payment of dividends by Climb to the holders of its securities;

(dd) except for the Promissory Notes and the Climb Convertible Notes, Climb is not a party to any debt instrument or any agreement, contract or commitment to create, assume or issue any debt instrument;

(ee) Climb is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Climb to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Climb or which would prohibit or restrict Climb from entering into and completing the Amalgamation;

(ff) Climb is not a party to any agreement nor is Climb aware of any agreement, which in any manner affects the voting control of any of the securities of Climb;

(gg) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Climb or any instruments binding on their assets:

(i) which would preclude Climb from entering into this Agreement;
(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Climb;
(iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Climb is a party or to purchase any of Climb's, the Climb Subsidiaries', or Amalco's assets; or
(iv) which would impose restrictions on the ability of Amalco:
(A) to carry on any business which it might choose to carry on within any geographical area;
(B) to acquire property or dispose of its property and assets as an entirety;
(C) to pay any dividends, redeem shares or make other distributions to its shareholders;
(D) to borrow money or to mortgage and pledge its property as security therefor; or
(E) to change its corporate status;

(hh) Climb hold all Permits necessary in order to conduct the Business;

(ii) Climb is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all Encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the Climb Financial Statements;

(jj) all information supplied by Climb or its representatives to Royal in the course of Royal's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and

(kk) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Royal or Royal Sub in seeking full information as to Climb and its assets, liabilities and business.

Survival of Representation and Warranties

4.3 The representations and warranties herein will survive the performance of the Parties respective obligations hereunder and the termination of this Agreement but will expire at the Effective Time.

PART 5
AGREEMENTS

Amalgamation Resolution

5.1 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), Climb will use all commercially reasonable efforts to obtain the Amalgamation Resolution.

5.2 As promptly as practical following the execution of this Agreement and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), Royal will use all commercially reasonable efforts to obtain the written consent of 51% of its shareholders to approve the Transaction in accordance with the policies of the CSE.

Transaction

5.3 Royal will:

(a) diligently seek the approval of the Royal shareholders for such matters which may be determined to require the approval of Royal shareholders in connection with the Transaction including among other things the Consolidation and the Name Change;

(b) as soon as practicable deliver to the Exchange, or direct Climb to do so on its behalf, the Listing Statement as contemplated by this Agreement; and

(c) use its commercially reasonable efforts to consummate the transactions contemplated by this Agreement.

Listing Statement

5.4 As promptly as practical following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws) and the policies of the Exchange:

(a) Royal and Climb will cooperate in the preparation of the Listing Statement and Royal will provide to Climb the necessary information in respect of Royal to ensure that the Listing Statement provides information in compliance in all material respects with Exchange policies on the date of filing thereof;

(b) Royal will cause the Listing Statement to be filed with applicable regulatory authorities in all jurisdictions where the same is required to be filed; and

(c) Royal and Climb will cause such other filings required for the Royal Shares to be listed on the Exchange following the Amalgamation to be submitted to the Exchange.

Preparation of Filings

5.5 (a) Royal and Climb will cooperate in the taking of all such action as may be required under the BCBCA, the OBCA, Applicable Canadian Securities Laws, and other Applicable Laws in connection with the transactions contemplated by this Agreement and the Amalgamation.

(b) Each of Royal and Climb will promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement and the provisions of this Section 5.5.

Name Change

5.6 On or prior to the Effective Date, Royal will change its name to "Climb Credit Inc." or such other name as may be agreed by the Parties, subject to the approval of the Exchange and as may be accepted by the Registrar (the "**Name Change**").

Financings

5.7 The Parties acknowledge and agree that, prior to the Effective Date, Climb will use commercially reasonable efforts to complete the Climb Financing for targeted gross proceeds of $5,500,000.

PART 6
CONDITIONS PRECEDENT

Mutual Conditions Precedent

6.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) upon the completion of the Amalgamation, Royal will meet the minimum listing requirements of the Exchange;

(b) the Amalgamation Resolution will have been passed by a special majority of Climb Shareholders;

(c) any matters requiring the approval of the shareholders of Royal in connection with the Transaction, including the Name Change and the Consolidation, will have been approved by the Royal shareholders;

(d) the Amalgamation will have become effective on or prior to the Completion Deadline;

(e) the number of Climb Shares in respect of which Climb Shareholders have dissented in connection with the Amalgamation Resolution shall not exceed 10% of the number of issued and outstanding Climb Shares;

(f) all other consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the transactions provided for in this Agreement and the Amalgamation will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;

(g) this Agreement will not have been terminated under Part 8;

(h) the availability of prospectus exemptions for the Amalgamation under Applicable Canadian Securities Laws;

(i) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation; and

(j) receipt of conditional approval from the Exchange.

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

Additional Conditions to Obligations of Royal

6.2 The obligations of Royal and Royal Sub to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) Climb shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Climb contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had three days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of Climb or another officer satisfactory to Royal shall so certify immediately prior to the Effective Date;

(b) Climb will have furnished Royal with:

(i) certified copies of the resolutions duly passed by the board of directors of Climb approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby;

(ii) certified copies of the Amalgamation Resolution approved by the Climb Shareholders;

(iii) certified copies of Climb's Constating Documents;

(iv) a certificate of good standing of Climb dated within three (3) days of the Effective Date;

(v) a certificate of Climb addressed to Royal and dated the Effective Date, signed on behalf of Climb by a senior officer of Climb, confirming that the condition in Section 6.2(a) has been satisfied; and

(vi) such other closing documents as may be requested by Royal acting reasonably;

(c) no act, action, suit, proceeding, objection or opposition will have been taken against or affecting Climb before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) will have been enacted, promulgated, amended or applied, which in the sole judgment of Climb, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Climb or would materially impede the ability of the Parties to complete the Amalgamation; and

(d) there will not have occurred any Material Adverse Change of Climb.

If any of the above conditions shall not have been complied with or waived by Royal on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in section 6.2(a), Royal may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Royal or Royal Sub. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Royal or Royal Sub of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Royal and Royal Sub shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

Additional Conditions to Obligations of Climb

6.3 The obligations of Climb to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) Royal and Royal Sub shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Royal and Royal Sub contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and shall not have ceased to be true and correct in any material respect thereafter (provided, however, that if the breaching Party has been given written notice by the other Party specifying in reasonable detail any such misrepresentation, breach or non-performance, the breaching Party shall have had three days to cure such misrepresentation, breach or non-performance), and the Chief Executive Officer of Royal or another officer satisfactory to Climb shall so certify immediately prior to the Effective Date;

(b) the Royal Shares to be issued to the Climb Shareholders will be issued as fully paid and non-assessable common shares in the capital of Royal, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant Exchange policies;

(c) the securities of Royal to be issued to the holders of Climb Options, Climb Warrants, and Climb Broker Warrants will be issued on substantially the same terms as the securities of Climb they replace, and be free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant Exchange policies;

(d) Royal will have furnished Climb with;

(i) certified copies of the resolutions duly passed by the boards of directors of Royal and Royal Sub approving this Agreement and the consummation of the transactions contemplated hereby;

(ii) certified copies of the resolutions of Royal, as the sole shareholder of Royal Sub, approving this Agreement and the consummation of the transactions contemplated hereby;

(iii) certified copies of Royal and Royal Sub’s Constating Documents;

(iv) certificates of good standing of Royal and Royal Sub dated within three (3) days of the Effective Date;

(v) a certificate of Royal addressed to Climb and dated the Effective Date, signed on behalf of Royal by a senior officer of Royal, confirming that the condition in Section 6.3 (a) has been satisfied; and

(vi) such other closing documents as may be requested by Climb, acting reasonably;

(e) no act, action, suit, proceeding, objection or opposition will have been taken against or affecting Royal before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) will have been enacted, promulgated, amended or applied, which in the sole judgment of Climb acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Royal or would materially impede the ability of the Parties to complete the Amalgamation;

(f) there will not have occurred any Material Adverse Change of Royal or Royal Sub;

(g) at the time of the closing of the Amalgamation, each of the current directors and officers of Royal and Royal Sub as at the date hereof, will have provided a resignation and mutual release in form and substance satisfactory to Climb, acting reasonably, and the board of directors and officers of Royal will have been reconstituted to be comprised exclusively of nominees of Climb;

(h) Royal will have reserved a sufficient number of Royal Shares for issuance to Climb Shareholders at the Effective Time;

(i) Royal will have completed the Consolidation, the Name Change and the Debt Settlement.;

(j) Royal shall have received the Sandstorm Release and completed the Sandstorm Transfer and Settlement;

(k) Royal will have no liabilities as at the Effective Date, including, without limitation, any amounts owing to Canada Revenue Agency; and

(l) the completion of the Climb Financing.

If any of the above conditions shall not have been complied with or waived by Climb on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to the cure provision provided for in section 6.3(a), Climb may terminate this Agreement in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Climb. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by Climb of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default, Climb shall not rely on such failure (to satisfy one or more of the above conditions) as a basis for its own noncompliance with its obligations under this Agreement.

Notice and Effect of Failure to Comply with Conditions

6.4 Each of Royal and Climb will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

Satisfaction of Conditions

6.5 The conditions set out in this Part 6 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the BCBCA to give effect to the Amalgamation.

PART 7
AMENDMENT

Amendment

7.1 This Agreement may at any time and from time to time before or after obtaining the Amalgamation Resolution be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by Climb Shareholders without approval by the affected Climb Shareholders given in the same manner as required for the approval of the Amalgamation.

PART 8
TERMINATION

Termination

8.1 (a) This Agreement may be terminated at any time in each of the following circumstances:

(i) by written agreement executed and delivered by Royal and Climb;

(ii) by any Party if the Effective Date has not occurred by the Completion Deadline; or

(iii) as set forth in Sections 6.1, 6.2 and 6.3 of this Agreement.

(b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 8.1, this Agreement will forthwith become void and no Party will have any liability or further obligation to the other Parties hereunder except for each Party's obligations under Section 9.1, Section 9.8, Section 9.9 and Section 9.13 hereunder, which will survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 8.1(b) will relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

PART 9
GENERAL

Notices

9.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by electronic transmission:

(a) in the case of Royal or Royal Sub, to:

100 King Street West, Suite 5600
Toronto, Ontario, M5X 1C9

Attention: Thomas Griffis, President and Director
Email: info@royalcoal.com

with a copy to:

Irwin Lowy LLP
217 Queen Street West, Suite 401

Toronto, Ontario
M5V 0R2

Attention: Chris Irwin
Email: cirwin@irwinlowy.com

(b) In the case of Climb, to:

82A Lakeshore Rd E,
Mississauga, ON, L5G 1E1

Attention: Ryan Watt, Chief Executive Officer
Email: ryan.watt@climb.ca

with a copy to:

Garfinkle Biderman LLP
1 Adelaide Street East
Suite 801, Dynamic Funds Tower
Toronto, Ontario, M5C 2V9

Attention: Shimmy Posen
Email: sposen@garfinkle.com

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

Binding Effect

9.2 This Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Assignment

9.3 Neither this Agreement nor any of the rights, interests or obligations hereunder will be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

Entire Agreement

9.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

Public Communications

9.5 Each of Royal and Climb agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party will issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing will be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure will use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

No Shop

9.6 Each of the Parties will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, lawyers and accountants) directly or indirectly to, solicit, discuss, encourage or accept any offer for the purchase of such party or the business or the assets of such party, whether as a primary or backup offer, or take any other action with the intention or reasonable foreseeable effect of leading to any commitment or agreement to sell such party or business or the assets of such party (an "**alternative transaction**"). In addition, each of the Parties will conduct its respective operations according to its ordinary and usual course of business consistent with past practices and will not enter into any material transactions or incur any material liabilities (including without limitation, issuing or agreeing to issue any securities other than as expressly contemplated in this Agreement) without obtaining the consent of the other party hereto, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, nothing herein will restrict the parties hereto from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate laws.

9.7 Each Party represents and warrants to the other that it is not currently in any discussions or negotiations with any other person with respect to any alternative transaction. Each Party will promptly notify the other Parties of any alternative transaction of which any director, senior officer or agent of the Party is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to the Party. Such notice will include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.

Costs

9.8 Each of Climb and Royal will pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) in connection with the Transaction, including without limitation, expenses related to the preparation, execution and delivery of this Agreement and other documents referenced herein. Climb will be responsible for paying all costs and fees payable to the Exchange in connection with its review of the Transaction, all listing fees

incurred or to be incurred in connection with the Transaction and all costs and fees associated with the preparation and filing of a listing statement, or other cots as may be required by the Exchange.

Confidentiality

9.9 (a) The Parties acknowledge that each will and has provided to the other information that is non-public, confidential, and proprietary in nature. Each of the Parties (and their respective directors, officers, affiliates, representatives, agents and employees) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the purposes of consummating the Amalgamation and the other transactions contemplated by this Agreement. The foregoing will not apply to information that:

(i) becomes generally available to the public absent any breach of the foregoing;

(ii) was available on a non-confidential basis to a Party prior to its disclosure; or

(iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential.

(b) Each of the Parties agrees that immediately upon termination of this Agreement, each Party will return to the other all confidential information.

Severability

9.10 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein will be and will be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof will not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Further Assurances

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

Time of Essence

9.12 Time will be of the essence of this Agreement.

Applicable Law and Enforcement

9.13 This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Waiver

9.14 Any Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the other Parties, (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver will be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

Counterparts

9.15 This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

[signature page follows]

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

ROYAL COAL CORP.

Per: *"Elia Crespo"*
Authorized Signatory

1268712 B.C. LTD.

Per: *"Elia Crespo"*
Authorized Signatory

CLIMB CREDIT INC.

Per: *"Ryan Watt"*
Authorized Signatory

EXHIBIT "A"

ARTICLES OF AMALCO

(See attached)

Incorporation Number: BC_____

CLIMB CREDIT HOLDING CORP.

(the "Company")

The Company has as its articles the following articles.

_____ ***Signature*** _____ Print Name	_____ Dated

CLIMB CREDIT HOLDING CORP.

(the "Company")

ARTICLES

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

(2) "***Business Corporations Act***" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(3) "**legal personal representative**" means the personal or other legal representative of a shareholder;

(4) "**public company**" has the meaning ascribed to it in the *Business Corporations Act*;

(5) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register; and

(6) "**seal**" means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

(1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may, at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the directors in their discretion have determined that the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

(1) a duly signed instrument of transfer in respect of the share has been received by the Company;

(2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent that maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(1) in the name of the person named as transferee in that instrument of transfer; or

(2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

8. BORROWING POWERS

8.1 Power to Borrow and Issue Debt Obligations

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Features of Debt Obligations

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

(1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

A. decrease the par value of those shares; or

B. if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(2) by ordinary resolution otherwise alter its shares or authorized share structure.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may:

(1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued

(2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above, if any of the shares of the class or series of shares have been issued.

9.3 Change of Name

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

(1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and

(2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Place of Meetings of Shareholders

General meetings of shareholders may be held at a location outside of British Columbia to be determined and approved by a directors' resolution.

10.5 Meetings by Telephone or Other Electronic Means

A meeting of the Company's shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

10.6 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.7 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.9 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.10 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document:

(a) will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and

(b) may be available by request from the Company or may be accessible electronically or on a website, as determined by the directors.

10.11 Advance Notice for Nomination of Directors.

(1) If and for so long as the Company is a public company, subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors as set forth in the Company's notice of such special meeting, may be made (i) by or at the direction of the board of directors, including pursuant to a notice of meeting, (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* or, (iii) by any shareholder of the Company (a "**Nominating Shareholder**") who, at the close of business on the date of the giving of the notice provided for below in this Article 10.11 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and who complies with the notice procedures set forth in this Article 10.11.

(a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the secretary at the principal executive offices of the Company in accordance with this Article 10.11.

(b) To be timely, a Nominating Shareholder's notice must be received by the secretary of the Company (i) in the case of an annual meeting, not less than 30 days or more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the "**Meeting Notice Date**"), the Nominating Shareholder's notice must be so received not later than the close of business on the 10th day following the Meeting Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting or special meeting commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 10.11.

(c) To be in proper written form, a Nominating Shareholder's notice must set forth: (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of the Company that are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the **Business Corporations Act** and Applicable Securities Laws. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(d) No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Article 10.11; provided, however, that nothing in this Article 10.11 shall be deemed to preclude a shareholder from discussing (as distinct from nominating directors) at a meeting of shareholders any matter in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(e) For purposes of this Article 10.11, (i) "**public announcement**" shall mean disclosure in a press release disseminated by a nationally recognized news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "**Applicable Securities Laws**" means the applicable securities legislation in each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

(f) Notice given to the secretary of the Company pursuant to this Article 10.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address aforesaid) or sent by facsimile transmission (provided the receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of

the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been on the subsequent day that is a business day.

(g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 10.11.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(2) at an annual general meeting, all business is special business except for the following:

(a) business relating to the conduct of or voting at the meeting;

(b) consideration of any financial statements of the Company presented to the meeting;

(c) consideration of any reports of the directors or auditor;

(d) the setting or changing of the number of directors;

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

(h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(1) the quorum is one person who is, or who represents by proxy, that shareholder, and

(2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the corporate secretary (if any), the assistant corporate secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(1) the chair of the board, if any; or

(2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the corporate secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(b) in the manner, at the time and at the place that the chair of the meeting directs;

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(1) for that purpose, the instrument appointing a representative must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

(2) if a representative is appointed under this Article 12.5:

(a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 Proxy Holder Need Not Be Shareholder

(1) A person who is not a shareholder may be appointed as a proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the "**Company**")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

_____
[Signature of shareholder]

_____
[Name of shareholder – printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

(1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

(1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(3) the date on which his or her successor is elected or appointed; and

(4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "**appointor**") may by notice in writing received by the Company appoint any person (an "**appointee**") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power

to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(1) the chair of the board, if any;

(2) in the absence of the chair of the board, the president, if any, if the president is a director; or

(3) any other director chosen by the directors if:

  (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

  (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

  (c) the chair of the board and the president, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

(1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(1) conform to any rules that may from time to time be imposed on it by the directors; and

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

(1) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "**eligible party**") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "**expenses**" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(1) is or was a director, alternate director, officer, employee or agent of the Company;

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(1) set the value for distribution of specific assets;

(2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(1) mail addressed to the person at the applicable address for that person as follows:

   (a) for a record mailed to a shareholder, the shareholder's registered address;

   (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

   (c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

(a) for a record delivered to a shareholder, the shareholder's registered address;

(b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(c) in any other case, the delivery address of the intended recipient;

(3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(1) mailing the record, addressed to them:

(a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. GENERAL SIGNING AUTHORITY AND SEAL

25.1 General Signing Authority

Any:
(1) one or more directors; or
(2) one or more officers, as may be determined by the directors; or
(3) one or more persons, as may be determined by the directors;

are authorized for and on behalf of and in the name of the Company, to execute and deliver all such deeds, documents, instruments, agreements and writings and to perform all such other acts and things as such person or persons, in their sole discretion, may consider necessary or desirable for the purpose of giving effect to the obligations of the Company.

25.2 Who May Attest Seal

Except as provided in Articles 25.3 and 25.4, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of any one or more directors or officers or persons as may be determined by the directors.

25.3 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.2, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.4 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the corporate secretary, treasurer, corporate secretary-treasurer, an assistant corporate secretary, an assistant treasurer or an assistant corporate secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

(1) "**designated security**" means:

(a) a voting security of the Company;

(b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(2) "**security**" has the meaning assigned in the *Securities Act* (British Columbia);

(3) "**voting security**" means a security of the Company that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

* * * * *

EXHIBIT “B”

AMALGAMATION APPLICATION

(See attached)

BC Limited Company

AMALGAMATION APPLICATION

BUSINESS CORPORATIONS ACT, section 275

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?
(Check all applicable boxes.)

- [x] BC company
- [ ] BC unlimited liability company

B NAME OF COMPANY – *Choose **one** of the following:*

- [x] The name Climb Credit Holding Corp. is the name reserved for the amalgamated company. The name reservation number is: NR ,

OR

- [ ] The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

- [ ] The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

_____

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

- [ ] **With Court Approval:**
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

- [x] **Without Court Approval:**
This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – *Choose **one** of the following:*

☑ The amalgamation is to take effect at the time that this application is filed with the registrar.

☐ The amalgamation is to take effect at 12:01a.m. Pacific Time on YYYY / MM / DD being a date that is not more than ten days after the date of the filing of this application.

☐ The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on YYYY / MM / DD being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. Climb Credit Inc.	[redacted]	
2. 1268712 B.C. Ltd.	[redacted]	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1. Ryan Watt	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2. Elia Crespo	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

Climb Credit Holding Corp.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	
Watt	Ryan		

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS 82A Lakeshore Road E, Mississauga	ON	Canada	L5G 1E1
MAILING ADDRESS 82A Lakeshore Road E, Mississauga	ON	Canada	L5G 1E1

LAST NAME	FIRST NAME	MIDDLE NAME	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

LAST NAME	FIRST NAME	MIDDLE NAME	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

LAST NAME	FIRST NAME	MIDDLE NAME	

	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			
MAILING ADDRESS			

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
#1000 – 595 Burrard Street, PO Box 49290, Vancouver	BC	V7X1S8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
#1000 – 595 Burrard Street, PO Box 49290, Vancouver	BC	V7X1S8

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
#1000 – 595 Burrard Street, PO Box 49290, Vancouver	BC	V7X1S8

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
#1000 – 595 Burrard Street, PO Box 49290, Vancouver	BC	V7X1S8

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✔)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✔)	WITH A PAR VALUE OF ($)	Type of currency	YES (✔)	NO (✔)
Common	✔		✔		CAD		✔

EXHIBIT “C”

MATERIALS CONTRACTS OF CLIMB

(1) Inovatec Compass LMS System License and Services Agreement entered into among Climb Credit Inc., and Inovatec Systems Corporation on February 25, 2018.

(2) Office Lease Agreement entered into among Climb Credit Inc., and 2547101 Ontario Inc. on August 1, 2020.