

ARCTIC BLOCKCHAIN LTD.

and

CAZA GOLD CORP.

BUSINESS COMBINATION AGREEMENT

June 6, 2018

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
Section 1.1 Definitions	1
Section 1.2 Singular, Plural, etc.....	7
Section 1.3 Deemed Currency	7
Section 1.4 Headings, etc.....	7
Section 1.5 Date for any Action.....	7
Section 1.6 Governing Law	7
Section 1.7 Attornment.....	7
ARTICLE 2 THE BUSINESS COMBINATION	8
Section 2.1 Business Combination Steps.....	8
Section 2.2 Implementation Covenants	10
Section 2.3 Board of Directors and Senior Officers	12
ARTICLE 3 PUBLICITY	12
Section 3.1 Publicity.....	12
ARTICLE 4 REPRESENTATIONS AND WARRANTIES.....	12
Section 4.1 Representations and Warranties of ARCTIC.....	12
Section 4.2 Representations and Warranties of CAZA.....	18
ARTICLE 5 CONDUCT OF BUSINESS.....	22
Section 5.1 Conduct of Business by the Parties.....	22
ARTICLE 6 COVENANTS	23
Section 6.1 Waiver of Notice of Subco Shareholder Meeting and Resolution in Lieu of Meeting by CAZA	23
Section 6.2 Representations and Warranties.....	23
Section 6.3 Notice of Material Change.....	23
Section 6.4 Non-Solicitation.....	24
Section 6.5 Other Covenants	25
ARTICLE 7 MUTUAL COVENANTS	26
Section 7.1 Other Filings	26
Section 7.2 Additional Agreements	26
ARTICLE 8 CONDITIONS AND CLOSING MATTERS	27
Section 8.1 Mutual Conditions Precedent.....	27
Section 8.2 Additional Conditions Precedent to the Obligations of ARCTIC.....	28
Section 8.3 Additional Conditions Precedent to the Obligations of CAZA.....	29
Section 8.4 Merger of Conditions.....	30
Section 8.5 Closing Matters.....	30
ARTICLE 9 TERMINATION, AMENDMENT AND DISSENTING SHAREHOLDERS	30
Section 9.1 Termination.....	30
Section 9.2 Effect of Termination.....	30
Section 9.3 Fees and Expenses	31
Section 9.4 Amendment.....	31
Section 9.5 Dissenting Shareholders	31
Section 9.6 Waiver	31
ARTICLE 10 GENERAL	31
Section 10.1 Notices	31
Section 10.2 Assignment	32
Section 10.3 Complete Agreement	32
Section 10.4 Further Assurances	33
Section 10.5 Severability.....	33
Section 10.6 Counterpart Execution	33

Section 10.7	Investigation by Parties.....	33
Section 10.8	Public Announcement; Disclosure and Confidentiality.....	33
SCHEDULE "A"	1
SCHEDULE "B"	1

BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT is made as of June 6, 2018 between **ARCTIC BLOCKCHAIN LTD.** ("ARCTIC"), a corporation incorporated under the laws of the Province of British Columbia, and **CAZA GOLD CORP.** ("CAZA"), a corporation incorporated under the laws of the Province of British Columbia (each a "Party" and collectively, the "Parties").

AND WHEREAS pursuant to a letter of intent between the Parties dated March 12, 2018, ARCTIC and CAZA propose to combine the business and assets of ARCTIC with those of CAZA and upon completion of such business combination, CAZA will become the Resulting Issuer (as defined below), a datacenter company with the name "Hydro66 Holdings Corp." or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Resulting Issuer;

AND WHEREAS the Parties intend to carry out the proposed business combination by way of a statutory amalgamation under the provisions of the BCBCA (as defined below) and related transaction steps;

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

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

"**Affiliate**" has the meaning ascribed thereto in the BCBCA;

"**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this business combination agreement, including the schedules attached hereto, as the same may be amended or supplemented from time to time;

"**Alternative Transaction**" has the meaning ascribed thereto in Section 6.4 hereof;

"**Amalco**" means the amalgamated corporation resulting and continuing from the Amalgamation;

"**Amalco Shares**" means the common shares in the share capital of Amalco; all of the issued and outstanding Amalco Shares will be owned beneficially and of record by the Resulting Issuer;

"**Amalgamation**" means the amalgamation of ARCTIC and Subco by way of a "three-cornered amalgamation" with CAZA pursuant to Section 269 of the BCBCA;

"**Amalgamation Agreement**" means the agreement among ARCTIC, CAZA and Subco in respect of the Amalgamation, to be substantially in the form attached as Schedule "A" to this Agreement;

"Amalgamation Application" means the amalgamation application to be filed by ARCTIC and Subco with the Registrar in accordance with Section 275(1)(a) of the BCBCA, substantially in the form attached to the Amalgamation Agreement as Exhibit "A";

"ARCTIC Amalgamation Resolution" means the special resolution of the ARCTIC Shareholders approving the Amalgamation and the Amalgamation Agreement;

"ARCTIC Broker Warrants" means the common share purchase warrants of ARCTIC, of which, as of the date of this Agreement, there are 96,000 ARCTIC Broker Warrants issued and outstanding, each of which is exercisable to acquire one unit of Arctic at a price of \$0.50 per unit, each unit consisting of one ARCTIC Share and one ARCTIC Warrant exercisable to acquire one ARCTIC Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

"ARCTIC Convertible Securities" means the ARCTIC Unsecured Convertible Debentures, the ARCTIC Warrants, and the ARCTIC Broker Warrants;

"ARCTIC Options" means the incentive stock options of ARCTIC, of which, as of the date of this Agreement, there are 8,050,000 ARCTIC Options issued and outstanding, each of which is exercisable to acquire one (1) ARCTIC Share at an exercise price of \$0.50 per share and having expiry dates of three years from issuance.

"ARCTIC Financial Statements" has the meaning ascribed thereto in Section 4.1(12) hereof;

"ARCTIC Shareholder" means a registered holder of ARCTIC Shares, from time to time, and **"ARCTIC Shareholders"** means all such holders;

"ARCTIC Shares" means the common shares in the capital of ARCTIC; for greater certainty, for purposes of the Amalgamation, the ARCTIC Shares shall include any ARCTIC Shares issuable upon the conversion or exercise of the ARCTIC Convertible Securities immediately prior to the completion of the Business Combination;

"ARCTIC Subsidiaries" means, collectively, Hydro66 UK Limited, Megamining Limited, Hydro66 Services AB, as well as Hydro66 Svenska AB, which shall be regarded as a Subsidiary of ARCTIC for purposes of this Agreement;

"ARCTIC Unsecured Convertible Debentures" means the unsecured convertible debentures of ARCTIC in the aggregate principal amount of \$10,000,000 the principal amount of which is convertible into units of ARCTIC at a price of \$0.50 per unit, each unit consisting of one ARCTIC Share and one common share purchase warrant exercisable to acquire one ARCTIC Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

"ARCTIC Warrants" means the common share purchase warrants of ARCTIC, of which, as of the date of this Agreement, there are 30,000,000 ARCTIC Warrants issued and outstanding, each of which is exercisable to acquire one (1) ARCTIC Share at exercise prices ranging between \$0.50 and \$0.75 per share and having expiry dates ranging between one (1) year and two (2) years from the date of the completion of a liquidity event;

"**BCBCA**" means the *Business Corporations Act* (British Columbia) as the same has been and may hereafter from time to time be amended;

"**Business Combination**" means the series of transactions, as detailed in this Agreement, through which the businesses of ARCTIC and CAZA will be combined, including the Amalgamation, the CAZA Director Appointments and the CAZA Name Change;

"**Business Day**" means any day, excluding Saturday or Sunday, on which banking institutions are open for business in Toronto, Ontario or Vancouver, British Columbia;

"**CAZA Director Appointments**" means, subject to the completion of the Amalgamation, the reconstitution of the board of directors of CAZA to consist of five (5) directors being such nominees as shall be determined by ARCTIC and are accepted by the relevant regulatory authorities;

"**CAZA Financial Statements**" has the meaning ascribed thereto in subsection Section 4.2(13) hereof;

"**CAZA Name Change**" means, subject to the completion of the Amalgamation, a change in the name of CAZA to "Hydro66 Holdings Corp." or such other name as may be accepted by the relevant regulatory authorities and approved by the board of directors of the Resulting Issuer;

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

"**Certificate of Amalgamation**" means the certificate to be issued by the Registrar pursuant to Section 281 of the BCBCA in respect of the Amalgamation;

"**Certificate of Change of Name**" means the certificate to be issued by the Registrar pursuant to Section 263(5)(a)(i) of the BCBCA in respect of the CAZA Name Change;

"**Completion Deadline**" means June 30, 2018 or such later date as may be mutually agreed between the Parties in writing;

"**Confidential Information**" has the meaning ascribed thereto in Section 10.8 hereof;

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

"**CSE Escrow Agreement**" means the escrow agreement to be entered into among the Resulting Issuer's registrar and transfer agent, the Resulting Issuer and certain securityholders of the Resulting Issuer in compliance with the requirements of the CSE, with the securities subject to such agreement to be released as determined by the CSE.

"**Debt Instrument**" has the meaning ascribed thereto in Section 4.1(29) hereof;

"**Depository**" means Capital Transfer Agency Inc. at its principal office in Toronto, Ontario, which is also the transfer agent and registrar for the Caza Shares;

"Dissenting ARCTIC Shares" means the ARCTIC Shares held by Dissenting Shareholders;

"Dissenting Shareholder" means a registered holder of ARCTIC Shares who, in connection with ARCTIC Amalgamation Resolution, has exercised Dissent Rights with respect to such ARCTIC Shareholder's ARCTIC Shares and whose Dissent Rights remain valid immediately before the Effective Time;

"Dissent Rights" means the rights of dissent in respect of the Amalgamation provided pursuant to Sections 238 and 272 of the BCBCA;

"Documents" means, collectively, this Agreement and the Amalgamation Agreement;

"Effective Date" means the date shown on the Certificate of Amalgamation giving effect to the Amalgamation, which date shall be in accordance with Section 2.1(e) hereof;

"Effective Time" means 12:01 a.m. (Vancouver time) on the Effective Date;

"Environmental Laws" has the meaning ascribed thereto in Section 4.1(24) hereof;

"fair value" where used in relation to a ARCTIC Share held by a Dissenting Shareholder, means fair value as determined by a court under the dissent provisions of the BCBCA or as agreed between ARCTIC and the Dissenting Shareholder;

"Exchange Ratio" has the meaning given to such term in Section 2.1(f)(ii) hereof;

"Governing Documents" means, in respect of each Party, its Certificate of Incorporation, Notice of Articles and articles, as such have been or may be amended from time to time;

"Government Authority" means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE;

"IFRS" means International Financial Reporting Standards applicable as at the relevant date;

"in writing" means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of the other Party;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Government Authority, statutory body or self-regulatory authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Government Authority (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business,

undertaking, property or securities;

"Listing Statement" means a CSE listing statement of CAZA to be prepared jointly by CAZA and ARCTIC in respect of the Business Combination in accordance with the policies of the CSE;

"Material Adverse Change" means any change in the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, which is materially adverse to the business of such Party and its Subsidiaries, considered as a whole, other than a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) relating to volatility in the price of Bitcoin and other cryptocurrencies; (c) relating to conditions generally affecting the industry in which ARCTIC and the ARCTIC Subsidiaries operate; (d) relating to the announcement of this agreement or any of the transactions contemplated hereby; (e) relating to any change in applicable accounting standards or any change in an applicable law or any proposed change to an applicable law; or resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere;

"Material Adverse Effect" means any event, change or effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of a Party and its Subsidiaries, considered as a whole, provided, however, that a Material Adverse Effect shall not include an adverse effect resulting from a change: (a) which arises out of or in connection with a matter that has been publicly disclosed or otherwise disclosed in writing by such Party to the other Party prior to the date of this Agreement; (b) resulting from conditions affecting the data colocation and cryptocurrency mining industry as a whole; or (c) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere;

"material fact" has the meaning ascribed thereto in the *Securities Act* (British Columbia) as the same has been and may hereafter from time to time be modified;

"Person" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;

"Registrar" means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

"Regulatory Approval" means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Business Combination to be effected and **"Regulatory Approvals"** means all such approvals, consents, waivers, permits, orders or exemptions;

"Reporting Jurisdictions" has the meaning ascribed thereto in Section 4.2(6) hereof;

"Resulting Issuer" means CAZA upon completion of the Business Combination; as described in this Agreement, the Resulting Issuer will be a data center operator and renamed "Hydro66 Holdings Corp." or such other name as may be accepted by the relevant regulatory authorities and approved by its board

of directors;

"Resulting Issuer Broker Warrants" means 96,000 common share purchase warrants to purchase Resulting Issuer Shares to be issued to the holders of the ARCTIC Broker Warrants in replacement for their ARCTIC Broker Warrants in accordance with the Exchange Ratio, each of which is exercisable to acquire one unit of the Resulting Issuer at a price of \$0.50 per unit, each unit consisting of one Resulting Issuer Share and one common share purchase warrant exercisable to acquire one Resulting Issuer Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

"Resulting Issuer Convertible Securities" means, collectively, the Resulting Issuer Warrants, Resulting Issuer Options, Resulting Issuer Unsecured Convertible Debentures and the Resulting Issuer Broker Warrants;

"Resulting Issuer Options" means 8,050,000 incentive stock options to purchase Resulting Issuer Shares to be issued to the holders of the ARCTIC Options, in replacement for their respective securities, in accordance with the Exchange Ratio, each Resulting Issuer Option of which will be exercisable to acquire one (1) Resulting Issuer Share at an exercise price of \$0.50 per share and having an expiry date from the date of issuance of the ARCTIC Option;

"Resulting Issuer Share" has the meaning ascribed thereto in Section 2.1(f)(ii) hereof;

"Resulting Issuer Unsecured Convertible Debentures" means the unsecured convertible debentures of the Resulting Issuer in the aggregate principal amount of \$10,000,000 the principal amount of which is convertible into units of the Resulting Issuer at a price of \$0.50 per unit, each unit consisting of one Resulting Issuer Share and one common share purchase warrant exercisable to acquire one Resulting Issuer Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

"Resulting Issuer Warrants" means (i) 30,000,000 common share purchase warrants to purchase Resulting Issuer Shares to be issued to the holders of the ARCTIC Warrants; and (ii) 20,000,000 common share purchase warrants to purchase Resulting Issuer Shares to be issued to the holders of the ARCTIC Unsecured Convertible Debenture, in replacement for their respective securities, in accordance with the Exchange Ratio, each Resulting Issuer Warrant of which will be exercisable to acquire one (1) Resulting Issuer Share at exercise prices ranging from \$0.50 to \$0.75 per share and having expiry dates ranging from one year to two years from the date of completion of a liquidity event;

"Securities Authorities" means the applicable securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions, and the CSE;

"SEDAR" means www.sedar.com, which is the official website that provides access to public securities documents and information filed by public companies and investment funds as maintained by the Canadian Securities Administrators (CSA) in the SEDAR filing system;

"Subco" means a corporation to be incorporated under the laws of British Columbia by CAZA as a wholly-owned Subsidiary of CAZA for the sole purpose of effecting the Amalgamation;

"Subco Shares" means the common shares in the capital of Subco;

"Subsidiary" has the meaning ascribed thereto in the BCBCA;

"Taxes" has the meaning ascribed thereto in subsection Section 4.1(19) hereof; and

"Termination Fee" has the meaning ascribed thereto in Section 9.3 hereof.

Section 1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

Section 1.3 Deemed Currency

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to Canadian dollars.

Section 1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

Section 1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

Section 1.6 Governing Law

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

Section 1.7 Attornment

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be

effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

ARTICLE 2 THE BUSINESS COMBINATION

Section 2.1 Business Combination Steps

ARCTIC and CAZA agree to effect the combination of their respective businesses and assets by way of a series of steps or transactions including the Amalgamation, the CAZA Director Appointments and the CAZA Name Change. Each Party hereby agrees that as soon as reasonably practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:

- (a) ARCTIC shall obtain by written consent the shareholder approval of the Amalgamation described in this Agreement and the Amalgamation Agreement and other related matters (together, the "**Documents**"), and ARCTIC shall use all commercially reasonable efforts to obtain the approval of the ARCTIC Shareholders for the foregoing matters;
- (b) CAZA shall obtain by written consent the shareholder approval of the CAZA Director Appointments and the CAZA Name Change, and CAZA shall use all commercially reasonable efforts to obtain the approval of the CAZA Shareholders for the foregoing matters;
- (c) CAZA shall cause Subco to be incorporated as wholly-owned subsidiary of CAZA on terms acceptable to ARCTIC;
- (d) following the receipt of shareholder approvals of ARCTIC and CAZA, and prior to the Effective Time, CAZA, on behalf of the Parties, shall file with the Registrar the Amalgamation Application duly executed by each of ARCTIC and Subco, which form shall indicate that the Amalgamation is to be effected at the Effective Time, and CAZA shall file with the Registrar the Notice of Alteration to effect the Name Change, duly executed by CAZA, which form shall indicate that the Name Change is to be effected at the Effective Time;
- (e) ARCTIC and Subco shall amalgamate by way of statutory amalgamation under Section 269 of the BCBCA on the terms and subject to the conditions contained in the Documents and ARCTIC and CAZA further agree that the Effective Date shall occur within five (5) Business Days following the satisfaction of all conditions imposed by the CSE or any other regulatory requirements;
- (f) the Amalgamation will be effected at the Effective Time, pursuant to which:

- (i) ARCTIC and Subco will amalgamate under the provisions of the BCBCA and continue as one amalgamated corporation, being Amalco;
 - (ii) Subject to Section 2.1(g), holders of outstanding ARCTIC Shares shall receive one (1) CAZA Share for one (1) ARCTIC Share held (such ratio being the "**Exchange Ratio**"), and each such CAZA Share, after giving effect to the completion of the Business Combination, is herein called a "**Resulting Issuer Share**";
 - (iii) each outstanding Subco Share will be exchanged for one (1) fully paid Amalco Share;
 - (iv) as consideration for the issuance of the CAZA Shares to effect the Amalgamation, Amalco will issue to CAZA one (1) fully paid Amalco Share for each CAZA Share so issued;
 - (v) all of the property and assets of each of ARCTIC and Subco will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of ARCTIC and Subco; and
 - (vi) Amalco will be a wholly-owned Subsidiary of CAZA;
- (g) in accordance with Section 9.5, ARCTIC Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by Section 2.1(f)(ii). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under the dissenting provisions of the BCBCA or forfeits its right to make a claim under the dissenting provisions of the BCBCA or if its rights as a shareholder of ARCTIC are otherwise reinstated, such Dissenting Shareholder's Dissenting ARCTIC Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 2.1(f)(ii);
- (h) concurrently with the Amalgamation, on the Effective Date CAZA shall issue to the holders of the ARCTIC Broker Warrants, in exchange and replacement for such ARCTIC Broker Warrants, one (1) Resulting Issuer Broker Warrant for each one (1) ARCTIC Broker Warrant held, and the ARCTIC Broker Warrants shall immediately thereafter be cancelled;
- (i) concurrently with the Amalgamation, on the Effective Date CAZA shall issue to the holders of the ARCTIC Warrants and ARCTIC Options, in exchange and replacement for such ARCTIC Warrants and ARCTIC Options, one (1) Resulting Issuer Warrant for each one (1) ARCTIC Warrant and one (1) Resulting Issuer Option for each one (1) ARCTIC Option held, as applicable, and the ARCTIC Warrants and ARCTIC Options shall immediately thereafter be cancelled;
- (j) concurrently with the Amalgamation, on the Effective Date CAZA shall issue to the holders of the ARCTIC Unsecured Convertible Debentures in exchange and replacement for such ARCTIC Unsecured Convertible Debentures, one (1) Resulting Issuer Unsecured Convertible Debenture for each one (1) ARCTIC Unsecured Convertible Debenture held, and the ARCTIC Unsecured Convertible Debentures shall immediately thereafter be

cancelled. Immediately prior to the listing on the CSE, the Resulting Issuer Unsecured Convertible Debentures shall automatically be converted into units of the Resulting Issuer at a deemed price of \$0.50 per unit, with each unit being comprised of one Resulting Issuer Share and one Resulting Issuer Warrant exercisable to acquire one Resulting Issuer Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

- (k) on the Effective Date, concurrently with the completion of the Amalgamation, CAZA will change its board of directors to give effect to the CAZA Director Appointments;
- (l) as soon as practicable after the Effective Date, in accordance with normal commercial practice and Section 2.2(5), the Resulting Issuer shall issue or cause to be issued certificates or electronic positions within The Canadian Depository for Services Limited (“CDS”) representing the appropriate number of the Resulting Issuer Shares to the former ARCTIC Shareholders;
- (m) the Parties acknowledge that the CSE will require some or all of the Resulting Issuer Shares issued pursuant to the Business Combination to be held in escrow and ARCTIC agrees to comply and use its reasonable efforts to cause its shareholders to comply with all such escrow requirements of the CSE including the execution and delivery of the CSE Escrow Agreement; and
- (n) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Business Combination.

Section 2.2 Implementation Covenants

- (1) **Listing Statement.** ARCTIC and CAZA shall use commercially reasonable efforts to jointly prepare the Listing Statement together with any other documents required by applicable Laws in connection with the Business Combination and shall jointly file the final Listing Statement required by applicable Laws as soon as reasonably practicable and shall use all commercially reasonable efforts to file the final Listing Statement no later than June 30, 2018.
- (2) **Listing.** CAZA shall use all commercially reasonable efforts to have the issuance of all the Resulting Issuer Shares, including those issuable upon exercise of the Resulting Issuer Convertible Securities, accepted by the CSE.
- (3) **Preparation of Filings.** ARCTIC and CAZA shall cooperate in the preparation of any documents and taking of all actions reasonably deemed by ARCTIC or CAZA to be necessary to discharge their respective obligations under applicable Laws in connection with the Business Combination and all other matters contemplated in the Documents, and in connection therewith:
 - (a) each of ARCTIC and CAZA shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Business Combination will contain any untrue statement of a material fact or omit to state a material fact required

to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used;

- (b) ARCTIC and CAZA shall each promptly notify the other if at any time before the Effective Date it becomes aware that the Listing Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement. In any such event, ARCTIC and CAZA shall cooperate in the preparation of a supplement or amendment to the Listing Statement, as required and as the case may be, and, if required, shall cause the same to be filed with the applicable Securities Authorities; and
 - (c) each of ARCTIC and CAZA shall ensure that the Listing Statement complies with all applicable Laws and, without limiting the generality of the foregoing, that the Listing Statement does not contain any untrue statement of a material fact or omit to state a material fact with respect to itself required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.
- (4) **Amalgamation Agreement, etc.** The Parties hereby acknowledge that the Amalgamation Agreement shall be substantially in the form attached as Schedule "A" to this Agreement. Subco and ARCTIC shall, subject to the terms and conditions of this Agreement and subject to and following the receipt of all Regulatory Approvals, deliver to CAZA the duly executed Amalgamation Application and related documents which will be filed by CAZA with the Registrar in accordance with Section 2.1(d).
- (5) **Resulting Issuer Shares and Procedures.**
- (a) On the Effective Date: (i) the ARCTIC Shareholders (other than Dissenting Shareholders who are ultimately entitled to be paid fair value for their Dissenting ARCTIC Shares) shall be deemed to be the registered holders of the Resulting Issuer Shares to which they are entitled hereunder; (ii) the Resulting Issuer shall deposit such Resulting Issuer Shares with the Depository and/or the electronic positions representing such Resulting Issuer Shares with CDS, as applicable, to satisfy the consideration issuable to such ARCTIC Shareholders; and (iii) certificates formerly representing ARCTIC Shares which are held by such ARCTIC Shareholders shall cease to represent any claim upon or interest in ARCTIC other than the right of the registered holder to receive the number of Resulting Issuer Shares to which it is entitled hereunder, all in accordance with the provisions of the Amalgamation Agreement.
 - (b) As soon as reasonably practicable after the Effective Date, the Depository will forward to, or hold for pick-up by, each former ARCTIC Shareholder that submitted such evidence of entitlement as may be required by the Depository: (i) the certificates representing the Resulting Issuer Shares to which such ARCTIC Shareholder is entitled, in accordance with its letter of transmittal, if applicable, or (ii) confirmation of a non-certificated electronic position transfer in CDS representing the Resulting Issuer Shares to which such ARCTIC

Shareholder is entitled, in accordance with its letter of transmittal, if applicable, all in accordance with the provisions of the Amalgamation Agreement.

- (c) CAZA, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and CAZA shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled hereunder. Until delivery of such certificate, the share certificate or certificates representing the Subco Shares held by CAZA will be evidence of CAZA's right to be registered as a shareholder of Amalco. Share certificates evidencing Subco Shares shall cease to represent any claim upon or interest in Subco other than the right of the registered holder to receive the number Amalco Shares to which it is entitled pursuant to the terms hereof and the Amalgamation.

Section 2.3 Board of Directors and Senior Officers

Each of the Parties hereby agrees that upon completion of the Business Combination and giving effect to the CAZA Director Appointments, and subject to approval by the CSE, the board of directors of the Resulting Issuer shall consist of five (5) directors, all of which shall be nominated by ARCTIC, and the senior officers of the Resulting Issuer will be comprised of the existing senior officers of ARCTIC, as follows:

- David Stanley Rowe (Chairman of the board and Director);
- Anne Graf (Chief Executive Officer and Director);
- Juliet Pedrazas (Chief Financial Officer);
- Richard James Croft (Director);
- Richard Patricio (Director); and
- Michael Hudson (Director).

ARTICLE 3 PUBLICITY

Section 3.1 Publicity

Each of the Parties agrees that, other than as may be required by applicable Laws, all press releases or other written public or private statements to the press issued in connection with the Business Combination shall be mutual press releases or other written public or private statements to the press of the Parties.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of ARCTIC

ARCTIC hereby represents and warrants to CAZA, and acknowledges that CAZA is relying upon such representations and warranties in connection with the entering into of this Agreement, as follows:

- (1) ARCTIC has been duly incorporated and is validly existing under the laws of British

Columbia and is current and up-to-date with all filings required to be made by it in such jurisdiction;

- (2) the only Subsidiaries of ARCTIC are the ARCTIC Subsidiaries. Each of the ARCTIC Subsidiaries has been duly incorporated and is validly existing under the laws of its domicile and is current and up-to-date with all filings required to be made by it in such jurisdiction, all of the issued shares in the capital of each of the ARCTIC Subsidiaries are owned directly or indirectly by ARCTIC free and clear of any pledge, lien, security interest, charge, claim or encumbrance, other than in relation to the ARCTIC Unsecured Convertible Debentures or in relation to inter-corporate security, and neither ARCTIC nor any of the ARCTIC Subsidiaries is a party or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of any of the ARCTIC Subsidiaries or securities convertible into or exchangeable for any securities of any of the ARCTIC Subsidiaries;
- (3) ARCTIC has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (4) the authorized capital of ARCTIC consists of an unlimited number of ARCTIC Shares, of which, at the date hereof, there are 105,000,000 ARCTIC Shares issued and outstanding; except for such ARCTIC Shares and the ARCTIC Convertible Securities, ARCTIC has no other securities issued and outstanding at the date hereof. For greater certainty, concurrently with completion of the listing on the CSE there will be an additional 20,000,000 ARCTIC Shares and 20,000,000 ARCTIC common share purchase warrants issued and outstanding upon the mandatory conversion of the ARCTIC Unsecured Debentures;
- (5) neither ARCTIC nor any of the ARCTIC Subsidiaries is a party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any ARCTIC Shares or any shares of the ARCTIC Subsidiaries, or securities convertible into or exchangeable for ARCTIC Shares or any shares of the ARCTIC Subsidiaries, other than under the terms of the ARCTIC Convertible Securities;
- (6) ARCTIC is not a reporting issuer nor an associate of any reporting issuer (as defined in the *Securities Act* (British Columbia)) and the ARCTIC Shares do not trade on any exchange;
- (7) each of ARCTIC and the ARCTIC Subsidiaries has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licenses issued by the appropriate state, provincial, municipal or federal regulatory agencies or bodies necessary to conduct the business as now conducted by ARCTIC on a consolidated basis, and to own its assets, and is in compliance in all material respects with such certificates, authorities, permits or licenses. Neither ARCTIC nor any of the ARCTIC Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license 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 ARCTIC on a consolidated basis;

- (8) each of ARCTIC and the ARCTIC Subsidiaries 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 mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those reflected or reserved against it in the ARCTIC Financial Statements or relating to the ARCTIC Unsecured Convertible Debentures or inter-corporate security or a charge over certain real property on which the data center of the ARCTIC Subsidiaries is located, details of which have been previously disclosed to CAZA;
- (9) each of the Documents has been or at the Effective Time will be, duly authorized, and with respect to this Agreement, executed and delivered by ARCTIC and constitutes a valid and binding obligation of ARCTIC enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of ARCTIC, other than the submission of the Amalgamation to the ARCTIC Shareholders, is necessary to authorize this Agreement and the transactions contemplated hereby;
- (10) the entering into and the performance by ARCTIC of the Business Combination contemplated in the Documents: (a) do not require any consent, approval, authorization or order of any court or governmental agency, body or Governmental Authority, except that which may be required under applicable corporate and securities legislation and the policies of the CSE; (b) will not contravene any statute or regulation of any Governmental Authority which is binding on ARCTIC or any of the ARCTIC Subsidiaries where such contravention would have a Material Adverse Effect; and (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of ARCTIC or the ARCTIC Subsidiaries or any mortgage, note, indenture, contract or agreement instrument, lease or other document to which ARCTIC or any of the ARCTIC Subsidiaries is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (11) except as disclosed to CAZA and as shall be disclosed in the Listing Statement, there are no legal, regulatory, governmental or similar proceedings pending or, to the knowledge of ARCTIC, contemplated or threatened, to which ARCTIC or any of the ARCTIC Subsidiaries is a party or to which the property of ARCTIC or any of the ARCTIC Subsidiaries is subject;
- (12) the financial statements of ARCTIC for the year ended December 31, 2017 and the notes thereto (the "**ARCTIC Financial Statements**") present fairly, in all material respects, the financial position of ARCTIC and the ARCTIC Subsidiaries as at such date, and do not omit to state any material fact that is required by applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (13) except as disclosed in the ARCTIC Financial Statements, and with respect to the ARCTIC Subsidiaries certain pension arrangements for staff in the United Kingdom and staff in Sweden, there are no plans for retirements, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care,

drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by ARCTIC or any of the ARCTIC Subsidiaries for the benefit of any current or former director, officer, employee or consultant of ARCTIC or any of the ARCTIC Subsidiaries;

- (14) each of ARCTIC and the ARCTIC Subsidiaries maintains insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses;
- (15) except as shall be disclosed in the Listing Statement, ARCTIC is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of ARCTIC or any of the ARCTIC Subsidiaries;
- (16) neither ARCTIC nor any of the ARCTIC Subsidiaries is party to or bound or affected by any commitments, agreement or document containing any covenant which expressly limits the freedom of ARCTIC or any of the ARCTIC Subsidiaries to compete in any line of business or with any person, or to transfer or move any of its assets or operations;
- (17) ARCTIC and the ARCTIC Subsidiaries own and possess adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the best of ARCTIC's knowledge, after due inquiry, neither ARCTIC nor any of the ARCTIC Subsidiaries is infringing upon the rights of any other person with respect to any such trademarks, patents, copyrights or trade secrets and, no person has infringed any such trademark, patents, copyrights or trade secrets;
- (18) other than as disclosed in writing to CAZA, there are no material liabilities of ARCTIC or the ARCTIC Subsidiaries whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the ARCTIC Financial Statements except for the ARCTIC Unsecured Convertible Debentures and those incurred in the ordinary course of business as of the date hereof; .
- (19) other than as disclosed in writing to CAZA, all taxes (including income taxes, capital tax, payroll taxes, employer health taxes, workers' compensation payments, property taxes, sales, use, goods and services taxes, value-added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable by ARCTIC and the ARCTIC Subsidiaries have been paid or provision made therefor in the ARCTIC Financial Statements except where the failure to pay such Taxes would not result in a Material Adverse Effect for ARCTIC or the ARCTIC Subsidiaries. All tax returns, declarations, remittances and filings required to be filed by ARCTIC and the ARCTIC Subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of ARCTIC, no examination of any tax return of ARCTIC or any of the ARCTIC Subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by ARCTIC and any of the ARCTIC Subsidiaries. There are no agreements with any taxation

authority providing for an extension of time for any assessment or reassessment of Taxes with respect to ARCTIC or any of the ARCTIC Subsidiaries;

- (20) there is no person, firm or company acting or purporting to act at the request of ARCTIC who is or will be entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;
- (21) each of ARCTIC and the ARCTIC Subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation, and neither ARCTIC nor any of the ARCTIC Subsidiaries has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licenses, leases or other instruments conferring rights to ARCTIC or the ARCTIC Subsidiaries for the conduct of their business;
- (22) to the knowledge of ARCTIC, after due inquiry, all activities of ARCTIC and the ARCTIC Subsidiaries have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all applicable Laws, including, without limitation, Environmental Laws as defined below;
- (23) to the knowledge of ARCTIC, any and all material agreements pursuant to which ARCTIC or any of the ARCTIC Subsidiaries holds any of their material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, neither ARCTIC nor any of the ARCTIC Subsidiaries is in default of any of the material provisions of any such agreements including, without limitation, failure to fulfil any payment or work obligation thereunder nor has any such default been alleged, ARCTIC is not aware of any material disputes with respect thereto and such assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licenses and concessions pursuant to which ARCTIC and the ARCTIC Subsidiaries derive their interests in such material assets are in good standing and there has been no material default under any such leases, licenses and concessions and all real or other property taxes required to be paid with respect to such assets to the date hereof have been paid;
- (24) to the knowledge of ARCTIC, after due inquiry, all the properties in which ARCTIC or the ARCTIC Subsidiaries have any freehold, leasehold, license or other interest are free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursement or expenses (including, without limitation, attorneys' fees and costs, experts' fees and costs, and consultant's fees and costs) of any kind or of any nature whatsoever that are asserted against ARCTIC or any of the ARCTIC Subsidiaries, alleging liability (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, contaminant costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above properties and/or emanating or migrating and/or threatening to emanate or migrate from such properties to off-site properties; (ii) physical disturbance of the environment; and (iii) the

violation or alleged violation of all applicable Laws aimed at reclamation or restoration of such properties; abatement of pollution; protection of the environment, protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural and historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including without limitation, ambient air, surface water and groundwater; and all other applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes (collectively, "**Environmental Laws**"); and to the knowledge of ARCTIC, after due inquiry, all environmental approvals required pursuant to Environmental Laws with respect to activities carried out on any part of the lands covered by such properties, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such environmental approvals;

- (25) except as disclosed in the ARCTIC Financial Statements or for the ARCTIC Unsecured Convertible Debentures or inter-corporate debt which is consolidated and not reflected in the ARCTIC Financial Statements, neither ARCTIC nor any of the ARCTIC Subsidiaries has any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada));
- (26) to the knowledge of ARCTIC, there are no outstanding labour disputes, (whether filed or lodged with ARCTIC or any of the ARCTIC Subsidiaries or any other person or organization), pending labour disruptions or pending unionization with respect to ARCTIC or any of the ARCTIC Subsidiaries;
- (27) neither ARCTIC nor any of the ARCTIC Subsidiaries is bound by or a party to any collective bargaining agreement;
- (28) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which ARCTIC or any of the ARCTIC Subsidiaries is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of ARCTIC or any of the ARCTIC Subsidiaries or the payment of dividends by ARCTIC or any of the ARCTIC Subsidiaries to the holders of their securities;
- (29) except for the ARCTIC Unsecured Convertible Debentures or as disclosed in the ARCTIC Financial Statements, neither ARCTIC nor any of the ARCTIC Subsidiaries is party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money ("**Debt Instrument**") or any agreement contract or commitment to create, assume or issue any Debt Instrument;
- (30) neither ARCTIC nor any of the ARCTIC Subsidiaries is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of ARCTIC or any of the ARCTIC Subsidiaries 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 ARCTIC or the ARCTIC Subsidiaries or which would prohibit or restrict ARCTIC or any of the ARCTIC Subsidiaries from entering into and

completing the Business Combination;

- (31) neither ARCTIC nor any of the ARCTIC Subsidiaries is a party to any agreement, nor is ARCTIC or any of the ARCTIC Subsidiaries aware of any agreement, which in any manner affects the voting control of any of the ARCTIC Shares or other securities of ARCTIC or any of the ARCTIC Subsidiaries;
- (32) neither ARCTIC nor any of the ARCTIC Subsidiaries is aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of ARCTIC or the ARCTIC Subsidiaries taken as a whole or the legal environments under which ARCTIC and the ARCTIC Subsidiaries operate;
- (33) no representation, warranty or statement of ARCTIC in this Agreement contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading; and
- (34) the corporate records and minute books of ARCTIC and the ARCTIC Subsidiaries contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since their respective dates of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.

Section 4.2 Representations and Warranties of CAZA

CAZA hereby represents and warrants to ARCTIC, and acknowledges that ARCTIC is relying upon these representations and warranties in connection with the entering into of this Agreement, as follows:

- (1) CAZA has been duly incorporated and is validly existing under the laws of the Province of British Columbia and is current and up-to-date with all filings required to be made by it in such jurisdiction;
- (2) CAZA has full corporate power, capacity and authority to undertake all steps of the Business Combination contemplated in the Documents and to carry out its obligations under this Agreement;
- (3) the authorized capital of CAZA consists of an unlimited number of CAZA Shares, of which 2,000,000 CAZA Shares are currently issued and outstanding; except for such CAZA Shares, CAZA has no other securities outstanding nor is it a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any CAZA Shares or securities convertible into or exchangeable for CAZA Shares;
- (4) on the Effective Date, the CAZA Shares and the Resulting Issuer Shares will be duly and validly issued and outstanding as fully paid and non-assessable and the Resulting Issuer Convertible Securities will be duly and validly created and issued;

- (5) since December 31, 2017, CAZA has not entered into any contract in respect of its business or assets, other than in the ordinary course of business, and has continued to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and without limitation but subject to the above exceptions, has maintained payables and other liabilities at levels consistent with past practice, not engaged or committed to engage in any extraordinary material transactions and has not made or committed to make distributions, dividends or special bonuses;
- (6) CAZA is a reporting issuer, or the equivalent thereof, in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, and Nova Scotia (collectively, the "**Reporting Jurisdictions**") and is not currently in default of any requirement of the applicable laws of each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces, and no order ceasing, halting or suspending trading in securities of CAZA or prohibiting the distribution of such securities has been issued to and is outstanding against CAZA and no investigations or proceedings for such purposes are, to the knowledge of CAZA, pending or threatened;
- (7) CAZA is in compliance in all material respects with all its disclosure obligations under applicable Laws and all documents filed by CAZA pursuant to such obligations are in compliance in all material respects with applicable Laws and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (8) CAZA has no associates (as defined in the *Securities Act* (British Columbia)) and is not a partner, co-tenant, joint venturer or otherwise a participant in any partnership, joint venture, co-tenancy or other similarly joint owned business;
- (9) CAZA has all requisite corporate capacity, power and authority, and possesses all material certificates, authority, permits and licenses 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 licenses. CAZA has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license 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 CAZA;
- (10) each of the Documents has been, or at the Effective Time will be, duly authorized and, with respect to this Agreement, executed and delivered by CAZA and constitutes a valid and binding obligation of CAZA enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of CAZA, other than the approval of the matters for which shareholder approval is to be sought in accordance with this Agreement, is necessary to authorize this Agreement and the transactions contemplated hereby;

- (11) the entering into and the performance by CAZA and Subco of the transactions contemplated in the Documents:
- (a) do not require any consent, approval, authorization or order of any court or governmental agency or body, except that which may be required under applicable securities legislation and the policies of the CSE;
 - (b) will not contravene any statute or regulation of any governmental authority which is binding on CAZA or Subco where such contravention would have a Material Adverse Effect; and
 - (c) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, by-laws or resolutions of CAZA or Subco or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which CAZA or Subco is or will be a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would have a Material Adverse Effect;
- (12) there are no legal or governmental proceedings pending or, to the knowledge of CAZA, contemplated or threatened, to which CAZA is a party or to which the property of CAZA is subject;
- (13) the financial statements of CAZA as at September 30, 2017 and the notes thereto (collectively, the "**CAZA Financial Statements**"), in each case, have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of CAZA 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;
- (14) CAZA has no outstanding material liability, whether direct, indirect, absolute or contingent or otherwise, which is not reflected in the CAZA Financial Statements;
- (15) except as disclosed to ARCTIC and as will be disclosed in the Listing Statement, CAZA has not entered into any material contract as of the date hereof;
- (16) except as disclosed in the CAZA Financial Statements, CAZA has not engaged in any transaction with any non-arm's length person;
- (17) all Taxes due and payable by CAZA have been paid or provision made therefor in the CAZA Financial Statements except for where the failure to pay such Taxes would not result in a Material Adverse Effect for CAZA. All tax returns, declarations, remittances and filings required to be filed by CAZA have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of CAZA, no examination of any tax return of CAZA is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by CAZA. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to CAZA;

- (18) there is no person, firm or company acting or purporting to act at the request of CAZA who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in the Documents;
- (19) CAZA has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws material to its operation and CAZA has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any concessions, licenses, leases or other instruments conferring rights to CAZA;
- (20) to the knowledge of CAZA, after due inquiry, all activities of CAZA have been, up to and including the date hereof, conducted in compliance, in all material respects, with any and all applicable Laws;
- (21) CAZA is not bound by or a party to any employment contracts. No current or former director, officer, shareholder, employee or independent contractor of CAZA or any person not dealing at arm's length within the meaning of the *Income Tax Act* (Canada) with any such person is indebted to CAZA;
- (22) since the date of its incorporation CAZA has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on CAZA Shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any CAZA Shares or securities or agreed to do any of the foregoing;
- (23) there is not, in the constating documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which CAZA is a party any restriction upon or impediment to, the declaration or payment of dividends by the directors of CAZA or the payment of dividends by CAZA to the holders of its securities;
- (24) CAZA is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument;
- (25) except to the extent that CAZA must comply with the policies of the CSE, CAZA is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of CAZA 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 CAZA or which would prohibit or restrict CAZA from entering into and completing the Business Combination;
- (26) CAZA is not a party to any agreement nor is CAZA aware of any agreement, which in any manner affects the voting control of any of the securities of CAZA;
- (27) CAZA is not aware of any pending or contemplated change to any applicable Law or governmental position that would materially affect the business of CAZA;
- (28) the corporate records and minute books of CAZA contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation,

together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;

- (29) no representation, warranty or statement of CAZA or Subco in the Documents contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading; and
- (30) CAZA does not maintain any insurance.

Section 4.3 Survival

For greater certainty, the representations and warranties of each of ARCTIC and CAZA contained herein shall survive the execution and delivery of this Agreement and shall terminate and be extinguished on the earlier of the termination of this Agreement in accordance with its terms and the Effective Time.

ARTICLE 5 CONDUCT OF BUSINESS

Section 5.1 Conduct of Business by the Parties

Except as required by Law or is otherwise expressly permitted or specifically contemplated by this Agreement, each of the Parties covenants and agrees that, during the period from the date of this Agreement until the earlier of either the Effective Time or the time that this Agreement is terminated by its terms, unless each of the other Parties shall otherwise agree in writing:

- (a) it shall, and shall cause its Subsidiaries to conduct business in, and not take any action except in, the usual and ordinary course of business, with the exception of reasonable costs incurred in connection with the Business Combination, and it shall and shall cause its Subsidiaries to use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and it shall not, and shall cause its Subsidiaries to not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and without limitation but subject to the foregoing, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions and shall not make or commit to make distributions, dividends or special bonuses, without the prior written consent of the other Parties; and
- (b) other than as contemplated by this Agreement, it shall not directly or indirectly do or permit to occur any of the following:
 - (i) amend its Governing Documents;
 - (ii) 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;

- (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than, in the case of ARCTIC: (A) the issuance of ARCTIC Shares upon the exercise of any ARCTIC Convertible Securities; or (B) securities to be issued in order to effect the transactions described in this Agreement, as applicable;
- (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
- (v) split, combine or reclassify any of its shares;
- (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of itself or any of its Subsidiaries; or
- (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above.

ARTICLE 6 COVENANTS

Section 6.1 Waiver of Notice of Subco Shareholder Meeting and Resolution in Lieu of Meeting by CAZA

CAZA, as sole shareholder of Subco, shall waive notice of and its attendance at a meeting of the shareholders of Subco to approve the Amalgamation and shall sign a resolution in writing of the sole shareholder of Subco approving the Amalgamation.

Section 6.2 Representations and Warranties

- (1) ARCTIC covenants and agrees that from the date hereof until the termination of this Agreement it shall not, and shall ensure that its Subsidiaries do not, take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 4.1 being untrue in any material respect.
- (2) CAZA covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 4.2 being untrue in any material respect.

Section 6.3 Notice of Material Change

- (1) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Parties in writing of:

- (a) any material change (actual, anticipated, contemplated or, to the knowledge of such Party or any of its Subsidiaries, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party and its Subsidiaries, taken as whole;
 - (b) any change in the facts relating to any representation or warranty set out in Section 4.1 or Section 4.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
 - (c) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (2) Each of the Parties shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or, to its knowledge of its or any of its Subsidiaries, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

Section 6.4 Non-Solicitation

None of the Parties shall solicit any offers to purchase its shares or assets and neither of CAZA nor ARCTIC will initiate or encourage any discussions or negotiations with any third party with respect to such a transaction or amalgamation, merger, take-over, plan of arrangement or similar transaction during the period commencing on the date hereof and ending on the termination of this Agreement. The Parties shall immediately cease and cause to be terminated any existing discussions or negotiations with any third party related to any of the foregoing. In the event any of the Parties is approached in respect of any such transaction, it shall immediately notify the other.

For greater certainty, from and after the execution and delivery of this Agreement by each Party and until the Effective Date, ARCTIC will conduct its business and affairs in the ordinary course. ARCTIC shall immediately cease and cause to be immediately terminated all existing discussions, solicitations, initiations, encouragements, co-operations and negotiations, if any, with any person or persons (other than each other or its affiliates) conducted on or before the date of this Agreement by ARCTIC, or any of its representatives with respect to any Alternative Transaction (as defined below) and ARCTIC will not, directly or indirectly, through any representative or other person:

- (a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate any inquiries, offers or proposals, whether publicly or otherwise, regarding an Alternative Transaction;
- (b) participate in any discussions or negotiations regarding, or provide information concerning with respect to it or otherwise cooperate in any way with an Alternative Transaction; or
- (c) pursue any other significant corporate acquisition or disposition, merger or sale of assets, or make any other material change to its respective business or affairs including, without limitation, making any distribution to its equity or debt holders, if any.

For the purposes of the foregoing, an “**Alternative Transaction**” means any inquiry or the

making of any proposal or offer to ARCTIC or any shareholder of ARCTIC from any person or persons “acting jointly or in concert” (within the meaning of Multilateral Instrument 62-104, Take-Over Bids and Issuer Bids), whether or not in writing, which contemplates, relates to, constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from ARCTIC or ARCTIC’s respective shareholders of any of the securities of ARCTIC that, when taken together with the securities of ARCTIC held by the proposed acquiror, and any person or persons acting jointly or in concert with the proposed acquiror, would constitute 10% or more of the voting securities of such Party or any of its subsidiaries; (ii) any acquisition of a substantial amount of assets of either ARCTIC or any of its subsidiaries; (iii) an amalgamation, arrangement, merger, combination, consolidation or similar transaction involving ARCTIC or any of its subsidiaries; (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving a Party or any of its subsidiaries; or (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the Amalgamation.

Section 6.5 Other Covenants

Each of the Parties covenants and agrees that it shall:

- (a) use all commercially reasonable efforts to consummate the Business Combination and all matters described herein, subject only to the terms and conditions hereof;
- (b) use all commercially reasonable efforts to obtain all appropriate Regulatory Approvals;
- (c) not, other than in connection with the Business Combination, split, consolidate or reclassify any of its outstanding securities, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of its outstanding securities;
- (d) not, other than in connection with the Business Combination, reorganize, amalgamate or merge with any other person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities or substantially all of the assets of or otherwise, any business or Person which acquisition or other transaction would reasonably be expected to prevent or materially delay the Business Combination contemplated hereby;
- (e) not issue any securities, other than pursuant to the exercise of the ARCTIC Convertible Securities;
- (f) not incur or commit to incur any debt;
- (g) not make any expenditures out of the ordinary course of business, other than in connection with its ongoing public filing requirements and the completion of the Business Combination contemplated herein;
- (h) not declare or pay any dividends or distribute any of its properties or assets to shareholders;

- (i) not enter into any material contracts, other than in the ordinary course of business or in connection with the Business Combination;
- (j) not alter or amend its notice of articles or articles, other than in connection with the transactions contemplated herein;
- (k) not sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
- (l) not redeem, purchase or offer to purchase any of its common shares or other securities; or
- (m) not acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the normal course of business.

ARTICLE 7 MUTUAL COVENANTS

Section 7.1 Other Filings

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under any securities Laws, the rules of the CSE or any other applicable Laws relating to the Business Combination contemplated hereby.

Section 7.2 Additional Agreements

Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Business Combination contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals from other Parties to material agreements, leases and other contracts or agreements;
- (b) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Business Combination contemplated hereby;
- (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the Business Combination contemplated hereby;
- (d) to effect all necessary registrations and other filings and submissions of information requested by the CSE;
- (e) to effect all necessary registrations and other filings and submissions of information

requested by Governmental Authorities; and

- (f) to fulfill all conditions and satisfy all provisions of this Agreement.

For purposes of the foregoing, the obligation to use "**commercially reasonable efforts**" to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other Parties.

ARTICLE 8 CONDITIONS AND CLOSING MATTERS

Section 8.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to complete each step of the Business Combination contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent, each of which may be waived only by the mutual consent of the Parties:

- (a) the Resulting Issuer, upon completion of the Business Combination, shall meet the minimum original listing requirements of the CSE and the Business Combination, including the issuance of the Resulting Issuer Shares pursuant thereto;
- (b) there shall not be in force any order or decree restraining or enjoining the consummation of the Business Combination;
- (c) this Agreement shall not have been terminated pursuant to Article 9;
- (d) all Regulatory Approvals and corporate approvals shall have been obtained;
- (e) each Party shall not have entered into any transaction or contract which would have a material effect on the financial and operational condition, or the assets of each Party, excluding those transactions or contracts undertaken in the ordinary course of business, without first discussing and obtaining the approval of the other Parties;
- (f) the requisite approval of the shareholders of ARCTIC of the Amalgamation shall have been obtained; and
- (g) the requisite approval of the shareholders of CAZA of the CAZA Director Appointments and CAZA Name Change shall have been obtained.

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.

Section 8.2 Additional Conditions Precedent to the Obligations of ARCTIC

The obligations of ARCTIC to complete the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of ARCTIC and may be waived by ARCTIC and any one or more of which, if not satisfied or waived, will relieve ARCTIC of any obligation under this Agreement):

- (a) on or prior to the Effective Date, and effective upon completion of the Amalgamation, each of the directors and officers of CAZA shall have tendered their resignations and provided releases in a form acceptable to ARCTIC and the board of directors of CAZA, subject to the approval of the CSE, shall have been reconstituted to consist of the five (5) nominees of ARCTIC;
- (b) no Material Adverse Change with respect to CAZA shall have occurred between the date hereof and the Effective Date;
- (c) CAZA 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 CAZA 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 (3) days to cure such misrepresentation, breach or non-performance), and the CEO of CAZA or another officer satisfactory to ARCTIC shall so certify immediately prior to the Effective Date;
- (d) the board and shareholders of each of CAZA and Subco shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by CAZA to permit the consummation of the Business Combination and the transactions contemplated therewith; and
- (e) ARCTIC shall have received from counsel to CAZA favourable legal opinions concerning such matters with respect to the Business Combination as are customary in similar transactions and as ARCTIC and its counsel may reasonably request.

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, subject to the cure provision provided for in Section 8.2(c), ARCTIC 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 ARCTIC. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by ARCTIC of its obligations under this

Agreement and if such condition(s) precedent would have been satisfied but for such default, ARCTIC 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.

Section 8.3 Additional Conditions Precedent to the Obligations of CAZA

The obligations of CAZA to complete each step of the Business Combination contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of CAZA and may be waived by CAZA and any one or more of which, if not satisfied or waived, will relieve CAZA of any obligation under this Agreement):

- (a) no Material Adverse Change with respect to ARCTIC or the ARCTIC Subsidiaries taken as a whole shall have occurred between the date hereof and the Effective Date;
- (b) ARCTIC 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 ARCTIC 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 (3) days to cure such misrepresentation, breach or nonperformance), and the President of ARCTIC or another officer satisfactory to CAZA shall so certify immediately prior to the Effective Date;
- (c) the board and the shareholders of ARCTIC shall have adopted all necessary resolutions and all other necessary corporate actions shall have been taken by ARCTIC to permit the consummation of the Business Combination and the transactions contemplated therewith;
- (d) The number of ARCTIC Shares in respect of which shareholders of ARCTIC have dissented in connection with the resolutions authorizing the Amalgamation shall not exceed ten percent (10%) of the number of issued and outstanding ARCTIC Shares; and
- (e) CAZA shall have received from counsel to ARCTIC favourable legal opinions concerning such matters with respect to the Business Combination as are customary in similar transactions and as CAZA and its counsel may reasonably request, including with respect to the corporate existence and ownership of the ARCTIC Subsidiaries.

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, subject to the cure provision provided for in Section 8.3(b), CAZA and Subco 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 CAZA or Subco. In the event that the failure to satisfy any one or more of the above conditions precedent results from a material default by CAZA or Subco of its obligations under this Agreement and if such condition(s) precedent would have been satisfied but for such default,

either Party shall 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.

Section 8.4 Merger of Conditions

The conditions set out in sections 8.1, 8.2 and 8.3 shall be conclusively deemed to have been satisfied, waived or released by the Parties on the filing of the Amalgamation Application with the Registrar and such other documents as are required to be filed under the BCBCA for acceptance by the Registrar to give effect to the Amalgamation.

Section 8.5 Closing Matters

Unless this Agreement is terminated pursuant to the provisions hereof, Caza, Subco and Arctic shall meet at the offices of Irwin Lowy LLP, 365 Bay Street, Suite 400, Toronto, Ontario, at 10:00 a.m. (Toronto time) on the Business Day prior to the Effective Date, or at such other time, date or place as they may mutually agree upon, and each of them shall deliver to the other Party and Subco, as the case may be:

- (a) the documents required or contemplated to be delivered by it hereunder in order to complete, or necessary or reasonably requested to be delivered by it by the other Parties in order to effect, the Amalgamation, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Amalgamation becoming effective; and
- (b) written confirmation as to the satisfaction or waiver of all of the conditions in its favour contained in Article 8 hereof.

ARTICLE 9 TERMINATION, AMENDMENT AND DISSENTING SHAREHOLDERS

Section 9.1 Termination

This Agreement may be terminated by written notice promptly given to the other Party hereto, at any time prior to the Effective Date:

- (a) by mutual agreement in writing by the Parties; or
- (b) as set forth in Section 8.1, Section 8.2 and Section 8.3 of this Agreement.

Section 9.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 9.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of CAZA or ARCTIC hereunder except as set forth in Section 9.3 hereof and this Section 9.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement.

Section 9.3 Fees and Expenses

Except as noted in this Section 9.3, the Parties hereto shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) and other expenses incurred by them in connection with this Agreement whether or not the Business Combination is completed. Should ARCTIC: (i) breach the provisions set forth in Sections 6.4 or 6.5 above; or (ii) fail to obtain the necessary ARCTIC shareholder approval as contemplated by Agreement, ARCTIC shall forthwith pay to CAZA a termination fee equal to four hundred thousand dollars (\$400,000) within three (3) days of such termination (the “**Termination Fee**”). Notwithstanding the foregoing, the Parties agree that the Termination Fee shall not be payable by ARCTIC in the event that ARCTIC terminates this Agreement solely due to CAZA having debt and liabilities in excess of \$75,000 on or immediately prior to the completion of the Business Combination.

Section 9.4 Amendment

This Agreement may, at any time on or before the Effective Date be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

Section 9.5 Dissenting Shareholders

On the earlier of the Effective Date, the making of an agreement between a Dissenting Shareholder and ARCTIC for the purchase of their Dissenting ARCTIC 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 ARCTIC Shareholder other than the right to be paid the fair value of its Dissenting ARCTIC Shares in the amount agreed to or as ordered by the court, as the case may be. Notwithstanding anything in this Agreement to the contrary, Dissenting ARCTIC Shares which are held by a Dissenting Shareholder shall not be exchanged for CAZA Shares on the Effective Date as provided in Section 2.1 hereof. However, in the event that a Dissenting Shareholder fails to perfect or effectively withdraws the Dissenting Shareholder’s claim or otherwise forfeits the Dissenting Shareholder’s right to make a claim in accordance with the provisions set out in Division 2 of Part 8 of the BCBCA, the Dissenting Shareholder’s Dissenting ARCTIC Shares shall thereupon be deemed to have been exchanged as of the Effective Date for CAZA Shares on the basis set forth in Section 2.1 hereof.

Section 9.6 Waiver

A Party may (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive compliance with any of the other Party's agreements or the fulfillment of any of its conditions contained herein or (iii) waive inaccuracies in another Party's representations or warranties contained herein or in any document delivered by the other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

ARTICLE 10 GENERAL

Section 10.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or e-mail or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to ARCTIC:

Arctic Blockchain Ltd.
1090 West Georgia Street, Suite 1305
Vancouver, British Columbia V6E 3V7

Attention: Richard Patricio
E-mail: patricio@megauranium.com

if to CAZA or Subco:

CAZA Gold Corp.
736 Granville Street, Suite 1100
Vancouver, British Columbia V6Z 1G3

Attention: Lisa McCormack
Facsimile: (416) 361-2519
E-mail: LMcCormack@irwinlowy.com

with a copy to:

Irwin Lowy LLP
Suite 400, 365 Bay Street
Toronto, Ontario M5H 2V1

Attention: Riccardo Forno
Facsimile: (416) 361-2519
E-mail: rforno@irwinlowy.com

Section 10.2 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

Section 10.3 Complete Agreement

This Agreement sets forth the entire understanding between the Parties hereto and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the subject matter hereof, including but not limited to, the letter of intent dated March 12, 2018 between ARCTIC and CAZA. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the Parties hereto with respect to the subject matter hereof.

Section 10.4 Further Assurances

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

Section 10.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.6 Counterpart Execution

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

Section 10.7 Investigation by Parties

No investigations made by or on behalf of either Party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other Party in or pursuant to this Agreement.

Section 10.8 Public Announcement; Disclosure and Confidentiality

- (1) Unless and until the transactions contemplated in this Agreement will have been completed, none of the Parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other Parties, which consent shall not be unreasonably withheld, provided that no Party shall be prevented from making any disclosure which is required to be made by Law or any rules of a stock exchange or similar organization to which it is bound.
- (2) All information provided to or received by the Parties hereunder shall be treated as confidential ("**Confidential Information**"). Subject to the provisions of this Section, no Confidential Information shall be published by any Party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section shall not apply to a disclosure to: (a) comply with any applicable Laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a Party; (c) an affiliate (within the meaning of the BCBCA) of a Party; (d) a consultant, contractor or subcontractor of a Party that has a bona fide need to be informed; or (e) any third party to whom the disclosing Party may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the

case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them.

- (3) The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing Party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing Party or an affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing Party or its affiliates were required to disclose pursuant to the order of any Governmental authority or judicial authority.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ARCTIC BLOCKCHAIN LTD.

Per: "David Rowe" (signed)
Name: David Rowe
Title: Director

CAZA GOLD CORP.

Per: "Lisa McCormack" (signed)
Name: Lisa McCormack
Title: CEO

SCHEDULE "A"
AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the [●] day of June, 2018,

AMONG:

CAZA GOLD CORP., a corporation incorporated under the laws of the Province of British Columbia

("Caza");

- and -

1166031 B.C. LTD., a corporation incorporated under the laws of British Columbia

("Subco");

- and -

ARCTIC BLOCKCHAIN LTD., a corporation incorporated under the laws of British Columbia

("Arctic");

WHEREAS Arctic and Subco wish to amalgamate and continue as one corporation to be known as "Hydro66 Canada Ltd." in accordance with the terms and conditions hereof;

AND WHEREAS Subco is a wholly-owned subsidiary of Caza and has not carried on active business;

AND WHEREAS Caza and Arctic are parties to the Business Combination Agreement which contemplates such amalgamation;

AND WHEREAS the parties have entered into this Agreement to provide for matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

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

"Agreement" means this agreement, its recitals and exhibits, as the same may be amended, modified or supplemented from time to time;

“Amalco” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations;

“Amalco Shareholder” means a registered holder of Amalco Shares, from time to time, and **“Amalco Shareholders”** means all of such holders;

“Amalco Shares” means the common shares in the share capital of Amalco;

“Amalgamating Corporations” means, collectively, Arctic and Subco, and **“Amalgamating Corporation”** means either of them, as applicable;

“Amalgamation” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the BCBCA in the manner contemplated in and pursuant to this Agreement;

“Amalgamation Application” means Form 13 Amalgamation Application to be filed with the Registrar in order to effect to the Amalgamation, in the form annexed hereto as Exhibit “A”;

“Arctic Shareholder” means a registered holder of Arctic Shares, from time to time, and **“Arctic Shareholders”** means all of such holders.

“Arctic Broker Warrants” means the 96,000 common share purchase broker warrants exercisable to purchase units of Arctic at a price of \$0.50 per unit, with each unit consisting of one Arctic Share and one common share purchase warrant exercisable to acquire one Arctic Share at an exercise price of \$0.75 per Arctic Share for a period of two years from the date of completion of a liquidity event;

“Arctic Debenture Warrants” means the share purchase warrants of Arctic issuable on conversion of the Arctic Unsecured Convertible Debentures, each of which Arctic Debenture Warrant will be exercisable to acquire one Arctic Share at an exercise price of \$0.75 per Arctic Share for a period of two years from the date of completion of a liquidity event;

“Arctic Options” means the 8,050,000 incentive stock options of Arctic, each of which is exercisable to acquire one Arctic Share at an exercise price of \$0.50 per Arctic Share and having an expiry date of three years from the date of issuance;

“Arctic Securityholder” means a registered holder owning Arctic Shares, Arctic Broker Warrants, Arctic Unsecured Convertible Debentures, Arctic Options and Arctic Warrants and **“Arctic Securityholder”** means any one of them;

“Arctic Shares” means the common shares in the capital of Arctic;

“Arctic Unsecured Convertible Debentures” means the unsecured convertible debentures of Arctic in the aggregate principal amount of \$10,000,000, the principal amount of which is convertible into units of Arctic at a price of \$0.50 per unit, each unit consisting of one Arctic Share and one Arctic Debenture Warrant;

“Arctic Warrants” means the 30,096,000 common share purchase warrants of Arctic, each of which is exercisable to acquire one Arctic Share or one Arctic Unit at exercise prices ranging between \$0.50 and \$0.75 per Arctic Share or Arctic Unit and having expiry dates ranging between one year and two years from the date of the completion of a liquidity event;

“Arctic Unit” means a unit consisting of one Arctic Share and one Arctic common share purchase warrant exercisable to acquire one Arctic Share at an exercise price of \$0.75 per share for a period of two years from the date of completion of a liquidity event;

“Business Combination” means the business combination between Caza and Arctic wherein Caza will acquire 100% of the issued and outstanding shares of Arctic by way of the Amalgamation;

“Business Combination Agreement” means the business combination agreement dated June ___, 2018 between Arctic and Caza governing the terms and conditions of the Business Combination, as amended from time to time;

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

“Business Day” means a day other than a Saturday, Sunday or a civic or statutory holiday in Toronto, Ontario or Vancouver, British Columbia;

“Caza Name Change” means, subject to the completion of the Amalgamation, a change in the name of Caza to “Hydro66 Holdings Corp.” or such other similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors of Caza in conjunction with the Amalgamation;

“Caza Shares” means the common shares in the capital of Caza;

“CDS” means The Canadian Depository for Services Limited.;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar, evidencing that the Amalgamation is effective;

“Depository” means Capital Transfer Agency Inc. at its principal office in Toronto, Ontario, which is also the transfer agent and registrar for the Caza Shares;

“Dissenting Shareholder” means a registered Arctic Shareholder who, in connection with the special resolution of the Shareholders which approves and adopts this Agreement, has exercised the right to dissent pursuant to Section 190 of the CBCA in strict compliance with the provisions thereof and thereby becomes entitled to be paid the fair value of his, her or its Arctic Shares and who has not withdrawn the notice of the exercise of such right as permitted by Section 190 of the CBCA;

“Effective Date” means the date shown on the Certificate of Amalgamation;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date;

“Exchange Ratio” means 1.00;

“fair value” where used in relation to a Arctic Share held by a Dissenting Shareholder, means fair value as determined by a court under Section 238 of the BCBCA or as agreed between Arctic and the Dissenting Shareholder;

“Paid-up Capital” has the meaning assigned to the term “paid-up capital” in subsection 89(1) of the *Income Tax Act* (Canada);

“Parties” means, collectively, Arctic, Subco and Caza, and **“Party”** means any one of them as applicable;

“Person” means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, and pronouns have a similarly extended meaning;

“Registrar” means the Registrar of Companies appointed under Section 400 of the BCBCA;

“Replacement Broker Warrants” means the replacement broker warrants of Caza to be issued in exchange for and replacement of the Arctic Broker Warrants, each entitling the holder to purchase such number of units of Caza as is equal to the number of units of Arctic issuable pursuant to the Arctic Broker Warrants immediately prior to the filing of the Amalgamation Application multiplied by the Exchange Ratio, at an exercise price per unit equal to the original exercise price per unit of the Arctic Broker Warrants divided by the Exchange Ratio;

“Replacement Options” means the replacement incentive stock options of Caza to be issued in exchange for and replacement of the Arctic Options, each entitling the holder to purchase such number of Caza Shares as is equal to the number of Arctic Shares issuable pursuant to the Arctic Options immediately prior to the filing of the Amalgamation Application multiplied by the Exchange Ratio, at an exercise price per share equal to the original exercise price per share of the Arctic Options divided by the Exchange Ratio;

“Replacement Unsecured Convertible Debentures” means the replacement unsecured convertible debentures of Caza in the aggregate principal amount of \$10,000,000, the principal amount of which is convertible into units of Caza at a price of \$0.50 per unit, each unit consisting of one Caza Share and one Caza Debenture Warrant

“Replacement Warrants” means the replacement common share purchase warrants of Caza to be issued in exchange for and replacement of the Arctic Warrants, each entitling the holder to purchase such number of Caza Shares as is equal to the number of Arctic Shares issuable pursuant to the Arctic Warrants immediately prior to the filing of the Amalgamation Application multiplied by the Exchange Ratio, at an exercise price per share equal to the original exercise price per share of the Arctic Warrants divided by the Exchange Ratio;

“Subco” means 1166031 B.C. Ltd., a corporation incorporated under the BCBCA;

“Subco Shares” means the common shares in the capital of Subco; and

“Subco Shareholder” means the registered holder of Subco Shares, being Caza.

2. **Paramountcy**

In the event of any conflict between the provisions of this Agreement and the provisions of the Business Combination Agreement, the provisions of this Agreement shall prevail.

3. **Agreement to Amalgamate**

In accordance with the Business Combination Agreement, the Amalgamating Corporations hereby agree to amalgamate and continue as one company under the provisions of the BCBCA, on the terms and conditions set out in this Agreement.

4. Filing of Amalgamation Application

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the BCBCA, and in accordance with the terms and conditions of the Business Combination Agreement, including the satisfaction or waiver of all conditions precedent set forth in the Business Combination Agreement, Caza shall file the Amalgamation Application with the Registrar as provided under the BCBCA.

5. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 8 of the Business Combination Agreement. The signing and delivery of the Amalgamation Application by Arctic and Subco shall be conclusive evidence that such conditions have been satisfied to the satisfaction of Arctic and Caza, or waived by the party entitled to make such waiver, and that Arctic and Subco may amalgamate in accordance with the provisions of this Agreement.

6. Effect of Amalgamation

At the Effective Time, subject to the BCBCA:

- (a) the amalgamation of the Amalgamating Corporations and their continuation as one company, Amalco, under the terms and conditions prescribed in this Agreement shall be effective;
- (b) all of the property, assets, rights and interests of each of the Amalgamating Corporations shall be the property, assets, rights and interests of Amalco
- (c) Amalco will be a wholly-owned subsidiary of Caza (Caza to be renamed Hydro66 Holdings Corp. at the Effective Time);
- (d) Amalco shall continue to be liable for all of the liabilities and obligations of each of the Amalgamating Corporations;
- (e) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;
- (f) a legal proceeding prosecuted or pending by or against any of the Amalgamating Corporations may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
- (g) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Corporations may be enforced by or against Amalco; and
- (h) the notice of articles of Amalco are those contained in the Amalgamation Application and are in the prescribed form as required by the BCBCA.

7. Amalgamation Application

The Amalgamation Application shall be in the form annexed hereto as Exhibit "A".

8. Name

The Name of Amalco shall be such designating number as may be assigned to Amalco by the Registrar followed by the words "Hydro66 Canada Ltd.", or such other name as mutually agreed to by the Parties.

9. Registered Office

Until changed in accordance with the BCBCA, the registered office of Amalco shall be located at Suite 1100, 736 Granville Street, Vancouver, British Columbia V6Z 1G3.

10. Authorized Capital

The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares, as set out in the notice of articles of Amalco, which shares shall have the rights, privileges, restrictions and conditions as set out in the BCBCA.

11. Articles

The articles of Amalco shall be the articles annexed hereto as Exhibit "B".

12. Share Transfer Restrictions

The Amalco Shares shall be subject to restrictions on transfer as set out in Part 26 of the Amalco articles, a copy of which articles are annexed hereto as Exhibit "B".

13. Restrictions on Business

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

14. First Directors

The first directors of Amalco shall be the persons whose names and addresses are set out below:

Name	Address
Richard Patricio	<i>[address redacted for confidentiality]</i>
Richard Croft	<i>[address redacted for confidentiality]</i>
David Rowe	<i>[address redacted for confidentiality]</i>

The above directors shall hold office from the Effective Time until the first annual meeting of Amalco Shareholders or until their successors are duly elected or appointed and will be responsible for the subsequent management and operation of Amalco.

15. Treatment of Issued Capital

At the Effective Time:

- (a) each issued and outstanding Subco Share will be cancelled and replaced by one issued and fully paid Amalco Share;
- (b) holders of issued and outstanding Arctic Shares will receive from Caza such number of fully paid Caza Shares as is equal to the number of Arctic Shares so held multiplied by the Exchange Ratio;
- (c) Arctic Shares replaced by issued and fully paid Caza Shares in accordance with the provisions of Section 15(b) above will be cancelled;
- (d) in consideration of the issuance by Caza of the Caza Shares pursuant to Section 15(b) above, Amalco will issue to Caza one fully paid and non-assessable Amalco Share for each Caza Share issued to former holders of Arctic Shares;
- (e) each outstanding Arctic Broker Warrant will be replaced with one Replacement Broker Warrant, and each Arctic Broker Warrant will be cancelled;
- (f) each outstanding Arctic Warrant will be replaced with one Replacement Warrant, and each Arctic Warrant will be cancelled;
- (g) each outstanding Arctic Option will be replaced with one Replacement Option, and each Arctic Option will be cancelled; and
- (h) each outstanding Arctic Unsecured Convertible Debenture will be replaced with one Replacement Unsecured Convertible Debenture, and each Arctic Unsecured Convertible Debenture will be cancelled.

16. Fractional Shares

No fractional Caza Shares or Amalco Shares will be issued or delivered to any former Arctic Shareholders or the former Subco Shareholder otherwise entitled thereto, if any. Instead, the number of Caza Shares or Amalco Shares issued to each former holder of Arctic Shares or Subco Shares will be rounded down to the nearest whole number.

17. Stated Capital

The stated capital account in the records of Amalco for the Amalco Shares shall be equal to the amount which is the sum of (i) the Paid-up Capital, determined immediately before the Effective Time, of all the issued and outstanding Arctic Shares, and (ii) the Paid-up Capital, determined immediately before the Effective Time, of all the issued and outstanding Subco Shares converted into Amalco Shares.

18. Caza Stated Capital

Caza shall add an amount to the stated capital maintained in respect of the Caza Shares an amount equal to the Paid-up Capital of the Arctic Shares, determined immediately prior to the Effective Time.

19. Certificates for Securities

On the Effective Date:

- (a) the registered holders of Arctic Shares, the Arctic Broker Warrants, Arctic Options and the Arctic Warrants (collectively, the “**Original Securities**”) shall be deemed to be the registered holders of the Caza Shares, the Replacement Broker Warrants, Replacement Options, Replacement Unsecured Convertible Debentures and the Replacement Warrants (collectively, the “**Replacement Securities**”), respectively, to which they are entitled hereunder, and upon surrender to Caza of the certificates representing the issued and outstanding Original Securities, such Arctic Securityholders shall be entitled, in exchange, to receive certificates representing the Replacement Securities, as the case may be, as set forth in Section 15 above;
- (b) Caza, as the registered holder of the Subco Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificate(s) representing such Subco Shares to Amalco, Caza shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 15 above;
- (c) share certificates evidencing Arctic Shares and certificates representing the other Original Securities shall cease to represent any claim upon or interest in Arctic or Amalco other than the right of the holder to receive, pursuant to the terms hereof and the Amalgamation, the applicable Replacement Securities in accordance with Section 15 above;
- (d) Caza shall, before the fifth Business Day following the Effective Date:
 - (i) with respect to the Caza Shares Replacement Securities, in accordance with commercial practice, issue or cause to be issued certificates or electronic positions within CDS representing the appropriate number of Caza Shares to the former Arctic Shareholders (other than Dissenting Shareholders) by: (i) depositing such Caza Shares with the Depositary and/or the electronic positions representing such Caza Shares with CDS, as applicable, to satisfy the consideration issuable to such former Arctic Shareholders; and (ii) causing the Depositary to forward to, or hold for pick-up by, each such former Arctic Shareholder (A) the certificates representing the Caza Shares to which such former Arctic Shareholder is entitled, or (B) confirmation of a non-certificated electronic position transfer in CDS representing the Caza Shares to which such former Arctic Shareholder is entitled; and
 - (ii) with respect to all other Replacement Securities, issue and deliver to each such Arctic Securityholder, in accordance with the applicable register of such securities maintained by Arctic, certificates representing the number of Replacement Securities to which such holder is entitled.

20. Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Original Securities that were exchanged pursuant to Section 15 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder of such Original Security claiming such certificate to be lost, stolen or destroyed, Caza will issue in exchange for such lost stolen or destroyed certificate, one or more certificates representing the applicable Replacement Security pursuant to Section 15. The holder to whom certificates representing Replacement Securities are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Caza in such sum as Caza may direct or otherwise indemnify Caza in a manner satisfactory to Caza against any claim that may be made against Caza with respect to the certificate alleged to have been lost, stolen or destroyed.

21. Covenants of Arctic

Arctic covenants and agrees with Subco and Caza that it will:

- (a) use reasonable commercial efforts to obtain a resolution of the holders of Arctic Shares approving the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA;
- (b) use reasonable efforts to cause each of the conditions precedent set forth in Sections 28 and 29 and hereof to be complied with; and
- (c) subject to the approval of the shareholders of each of Arctic and Subco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly with Subco file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

22. Covenants of Caza

Caza covenants and agrees with Arctic that it will:

- (a) sign a resolution as sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the BCBCA;
- (b) use reasonable efforts to cause each of the conditions precedent set forth in Sections 28 and 30 hereof to be complied with; and
- (c) subject to the approval of the holders of Arctic Shares being obtained for the completion of the Amalgamation, and the obtaining of all applicable regulatory approvals (including that of the CSE) and the issuance of the Certificate of Amalgamation, issue that number of Caza Shares and Replacement Securities as required by Sections 15(b), (c), (e) and (f) hereof.

23. Covenants of Subco

Subco covenants and agrees with Arctic and Caza that it will not from the date of execution hereof to the Effective Date, except with the prior written consent of Arctic and Caza, conduct any

business which would prevent the Amalgamating Corporations from performing any of their respective obligations hereunder.

24. Further Covenants of Subco

Subco further covenants and agrees with Arctic that it will:

- (a) use its best efforts to cause each of the conditions precedent set forth in Section 28 hereof to be complied with; and
- (b) subject to the approval of the holders of Arctic Shares and the sole shareholder of Subco being obtained and subject to the obtaining of all applicable regulatory approvals, thereafter jointly with Arctic file with the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

25. Representation and Warranty of Caza

Caza hereby represents and warrants to and in favour of Arctic and Subco and acknowledges that Arctic and Subco are relying upon such representation and warrant, that Caza is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement enforceable against Caza in accordance with its terms.

26. Representation and Warranty of Arctic

Arctic hereby represents and warrants to and in favour of Caza and Subco, and acknowledges that Caza and Subco are relying upon such representation and warranty, that Arctic is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement enforceable against Arctic in accordance with its terms.

27. Representation and Warranty of Subco

Subco represents and warrants to and in favour of Arctic and Caza, and acknowledges that Arctic and Caza are relying upon such representations and warranty, that Subco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement enforceable against Subco in accordance with its terms.

28. General Conditions Precedent

The respective obligations of the Parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction on or before the Effective Date, of the following conditions, any of which may be waived by the consent of each of the Parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, shall be approved by the sole shareholder of Subco and by the holders of Arctic Shares in accordance with the BCBCA;
- (b) all the conditions required to close the Business Combination set out herein and in the Business Combination Agreement being met or waived; and

- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement including, without limitation, the Amalgamation.

29. Conditions to Obligations of Caza and Subco

The obligations of Caza and Subco to consummate the transactions contemplated hereby and in particular the issue of the Caza Shares and Replacement Securities and the Amalgamation, as the case may be, are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of Caza set forth in the Business Combination Agreement governing the terms and conditions of the Business Combination and of the following conditions:

- (a) the acts of Arctic to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and there shall have been no material adverse change in the financial condition or business of Arctic or its subsidiaries, taken as a whole, from and after the date hereof; and
- (b) Arctic and Subco shall have received a certificate from a senior officer of Arctic confirming that the conditions set forth in Sections 28 and 29(a) hereof have been satisfied.

The conditions described above are for the exclusive benefit of Caza and Subco and may be asserted by Caza and Subco regardless of the circumstances or may be waived by Caza and Subco in their sole discretion, in whole or in part at any time and from time to time without prejudice to any other rights which Caza and Subco may have.

30. Conditions to Obligations of Arctic

The obligations of Arctic to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of Arctic set forth in the Business Combination Agreement governing the terms and conditions of the Business Combination and of the following conditions:

- (a) each of the acts of Caza and Subco to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by them and there shall have been no material adverse change in the financial condition or business of Caza and Subco, taken as a whole, from and after the date hereof; and
- (b) Arctic shall have received a certificate from a senior officer of each of Caza and Subco confirming that the conditions set forth in Sections 28 and 30(a) hereof have been satisfied.

The conditions described above are for the exclusive benefit of Arctic and may be asserted by Arctic regardless of the circumstances or may be waived by Arctic in its sole discretion in whole or in part at any time and from time to time without prejudice to any other rights which Arctic may have.

31. Amendment

This Agreement may at any time and from time to time be amended by written agreement of the Parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties hereto;
- (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 contained herein and waive or modify performance of any of the obligations of the Parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Arctic Securityholders in exchange for their Original Securities without approval by the Arctic Securityholders given in the same manner as required for the approval of the Amalgamation.

32. Termination

Subject to the terms of the Business Combination Agreement and at any time prior to the issuance of the Certificate of Amalgamation, this Agreement may be terminated by the mutual agreement of the respective boards of directors of each of the Amalgamating Corporations, without further action on the part of the shareholders of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations. This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the shareholders of Arctic entitled to vote in accordance with the BCBCA; or
- (a) The Business Combination Agreement is terminated.

If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

33. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia sitting in and for the judicial district of Vancouver in respect of all matters arising under or in relation to this Agreement.

34. Further Assurances

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

35. Time of the Essence

Time shall be of the essence of this Agreement.

36. Assignment

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

37. Binding Effect

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

38. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

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

CAZA GOLD CORP.

By: _____
Name: Lisa McCormack
Title: CEO

1166031 B.C. LTD.

By: _____
Name:
Title:

ARCTIC BLOCKCHAIN LTD.

By: _____
Name: Richard Patricio
Title: CEO

EXHIBIT "A"
AMALGAMATION APPLICATION

(to be attached)



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 HYDRO66 CANADA LTD. is the name reserved for the amalgamated company. The name reservation number is: 9230777

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 12:01 a.m. Pacific Time on 2018/06/08 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 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. 1166031 B.C. LTD.	BC 1166031	
2. ARCTIC BLOCKCHAIN LTD.	BC 1143659	
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. LISA MCCORMACK	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. RICHARD PATRICIO	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.

HYDRO66 CANADA LTD.

B TRANSLATION OF COMPANY NAME

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

N/A

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	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
PATRICIO	RICHARD				
DELIVERY ADDRESS					
MAILING ADDRESS					
CROFT	RICHARD				
DELIVERY ADDRESS					
MAILING ADDRESS					
ROWE	DAVID				
DELIVERY ADDRESS					
MAILING ADDRESS					
DELIVERY ADDRESS					
MAILING ADDRESS					

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE Suite 1100, 736 Granville Street, Vancouver	PROVINCE BC	POSTAL CODE V6Z 1G3
MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE Suite 1100, 736 Granville Street, Vancouver	PROVINCE BC	POSTAL CODE V6Z 1G3

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE Suite 1100, 736 Granville Street, Vancouver	PROVINCE BC	POSTAL CODE V6Z 1G3
MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE Suite 1100, 736 Granville Street, Vancouver	PROVINCE BC	POSTAL CODE V6Z 1G3

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	✓		✓				✓

EXHIBIT "B"
ARTICLES OF AMALCO

Incorporation number: _____

[AMALCO]
(the “Company”)

Effective: *[insert date]*

The Company has as its articles the following Articles.

Full name and signature of a director or officer of the Company	Date of signing
<hr/> <i>(Signature of Director or Officer)</i> <hr/> <i>[print name]</i> <hr/> Director	<i>[insert date]</i>

ARTICLES

1. INTERPRETATION	1
2. SHARES AND SHARE CERTIFICATES.....	2
3. ISSUE OF SHARES.....	5
4. SHARE REGISTERS.....	6
5. SHARE TRANSFERS	6
6. TRANSMISSION OF SHARES	8
7. ACQUISITION OF COMPANY’S SHARES.....	9
8. BORROWING POWERS	10
9. ALTERATIONS.....	10
10. MEETINGS OF SHAREHOLDERS	12
11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS	14
12. VOTES OF SHAREHOLDERS	19
13. DIRECTORS.....	24
14. ELECTION AND REMOVAL OF DIRECTORS.....	26
15. ALTERNATE DIRECTORS	29
16. POWERS AND DUTIES OF DIRECTORS.....	30
17. DISCLOSURE OF INTEREST OF DIRECTORS AND SENIOR OFFICERS.....	31
18. PROCEEDINGS OF DIRECTORS	34
19. EXECUTIVE AND OTHER COMMITTEES	37
20. OFFICERS	39
21. INDEMNIFICATION	39
22. DIVIDENDS	41
23. ACCOUNTING RECORDS AND REPORTS	43
24. NOTICES	44
25. SEAL.....	46
26. PROHIBITIONS	47

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) “**appropriate person**” has the meaning assigned in the *Securities Transfer Act*;
- (b) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (c) “**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;
- (d) “**Interpretation Act**” means the *Interpretation 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;
- (e) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (f) “**month**” means a calendar month;
- (g) “**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;
- (h) “**registered address**” of a director means the director’s address as recorded in the register of directors of the Company;
- (i) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register of the Company;
- (j) “**registered owner**” or “**registered holder**” or “**holder**” when used with respect to a share of the Company means the person registered in the central securities register of the Company in respect of such share;
- (k) “**regulations**” means the regulations from time to time in force and made pursuant to the *Business Corporations Act*;
- (l) “**seal**” means the seal of the Company, if any;
- (m) “**securities legislation**” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “**Canadian securities legislation**” means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and “**U.S. securities legislation**” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and

- (n) **“Securities Transfer Act”** means the *Securities Transfer 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.

1.2 References to Writing

Expressions referring to writing will be construed as including printing, lithography, typewriting, photography, photocopying, facsimile transmission, electronic media and all other modes of representing or reproducing words in a visible form.

1.3 *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 or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

1.4 Table 1 Not Applicable

The provisions contained in Table 1 to the regulations to the *Business Corporations Act* shall not apply to the Company.

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 will be in such form as the directors may approve from time to time and will comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, 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 or shares held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment, and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. The Company will not be bound to issue certificates representing redeemable shares if such shares are to be redeemed within one month of the date on which they are allotted.

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 nor any transfer agent is liable for any loss to the shareholder because the share certificate or acknowledgment 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 may, on production to the Company of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they may think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be, in lieu thereof.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company may issue a new share certificate, if that person:

- (a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (b) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (c) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 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 represented by the share certificate so surrendered, the Company will cancel the surrendered share certificate and issue, in lieu thereof, share certificates in accordance with such request.

2.9 Certificate Fee

The directors may from time to time determine the amount of a charge, not exceeding the amount prescribed under the *Business Corporations Act* or the regulations, to be imposed for each certificate issued under Articles 2.5, 2.6 or 2.8.

2.10 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 required by law or statute or these Articles 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, if any, of the holders of issued shares of the Company, the shares of the Company will be under the control of the directors, who 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. The directors will determine, in their sole discretion, what is reasonable in the circumstances.

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 and the Company will have received the full consideration therefor in cash, property or past services actually performed for the Company. A document evidencing indebtedness of the allottee is not property for the purposes of this Article 3.4. The value of property or services for the purpose of this Article 3.4 will be the value determined by the directors by resolution to be, in all the circumstances of the transaction, no greater than the fair market value thereof. The full consideration for a share issued by way of dividend will be the amount determined by the directors to be the amount of the dividend.

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

The Company will maintain at its records office or another location in British Columbia designated by the directors a central securities register as required by the *Business Corporations Act*. The Company may maintain branch securities registers at any locations inside or outside British Columbia designated by the directors. The directors may appoint one or more trust companies or other persons authorized by the *Business Corporations Act* (as the case may be, a “**trust company**”) to maintain the aforesaid central securities register and branch securities registers. The directors may also appoint one or more trust companies, including the trust company which keeps the central securities register, as transfer agent for its shares or any class or series thereof, as the case may be, and the same or another trust company or companies as registrar for its shares or any class or series thereof, as the case may be. The directors may terminate the appointment of any such trust company at any time and may appoint another trust company in its place.

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) in the case of a non-transferable written acknowledgment of the shareholder’s right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

- (c) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

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 or the transfer agent for the class or series of shares to be transferred.

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:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) 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 the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, 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 of a shareholder, the directors may require the original grant of probate or letters of administration or a Court certified copy of them or the original or a Court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest, and produce such documents and do such things as the *Business Corporations Act* requires.

6.2 Rights of Legal Personal Representative on Death

Upon the death of a shareholder, his or her personal representative, although not a shareholder, has the same rights, privileges and obligations that attach to the shares formerly held by the deceased shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

6.3 Rights of Legal Personal Representative on Bankruptcy

Upon the bankruptcy of a shareholder, such shareholder's trustee in bankruptcy, although not a shareholder, has the same rights, privileges and obligations that attach to the shares held by the bankrupt shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company and if the documents and steps required in that regard by the *Business Corporations Act* have been deposited with the Company.

6.4 Registration on Transfer of Shares after Death or Bankruptcy

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder will, upon such documents and evidence being produced to the Company as the *Business Corporations Act* and *Securities Transfer Act* require, or who becomes entitled to a share as a result of an Order of a Court of competent jurisdiction or a statute, have the right either to be registered as a shareholder in his or her representative capacity in respect of such share or, if he or she is a personal representative or trustee in bankruptcy, instead of being registered himself or herself, to make such transfer of the share as the deceased or bankrupt person could have made. Notwithstanding the foregoing, the directors will, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

7. ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

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

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

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

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired 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:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) 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 the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) 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 property, assets and undertaking of the Company.

Any bonds, debentures, notes or other debt obligations of the Company may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at meetings of the shareholders 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 directors may by resolution change the authorized share structure of the Company by:

- (a) creating one or more classes or series of shares;
- (b) increasing, reducing or eliminating the maximum number of shares that the Company is authorized to issue out of any class or series of shares;
- (c) establishing 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;

- (d) subdividing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of smaller par value;
- (e) subdividing all or any of its unissued, or fully paid issued, shares of the Company without par value;
- (f) consolidating all or any of its unissued, or fully paid issued, shares of the Company with par value into shares of larger par value;
- (g) consolidating all or any of its unissued, or fully paid issued, shares of the Company without par value;
- (h) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decreasing the par value of those shares; or
 - (ii) increasing the par value of those shares if none of the shares of that class of shares are allotted or issued;
- (i) eliminating any class or series of shares of the Company if none of the shares of that class or series of shares are allotted or issued;
- (j) changing all or any of its unissued, or fully paid issued, shares of the Company with par value into shares without par value;
- (k) changing all or any of its unissued, or fully paid issued, shares of the Company without par value into shares with par value;
- (l) altering the identifying name of any of the shares of the Company; or
- (m) otherwise altering the Company's shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, the directors may, by resolution, authorize and cause the Company to alter its Notice of Articles to reflect any change in the authorized share structure of the Company pursuant to this Article 9.1 or otherwise.

Notwithstanding this Article 9.1, if any change in the authorized share structure of the Company would result in a right or special right attached to issued shares being prejudiced or interfered with, special rights or restrictions being created and attached to a class or series of shares or special rights and

restrictions being varied or deleted from a class or series of shares, the change must be authorized as provided for in Articles 9.2 and 9.3.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and the Company may, by ordinary resolution, alter these Articles to reflect any such creation and attachment, variation or deletion of special rights or restrictions pursuant to this Article 9.2.

9.3 No Prejudice to Existing Shareholders

Notwithstanding anything else contained in this Part 9, no right or special right attached to issued shares may be prejudiced or interfered with unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a separate ordinary resolution of those shareholders.

9.4 Change of Name

The directors may by resolution authorize and cause the Company to alter its Notice of Articles in order to change its name.

9.5 Other Alterations

Unless a different type of resolutions is required by the *Business Corporations Act* or these Articles, the directors may by resolution authorize and cause the Company to make any alterations to its Notice of Articles or 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 at a location inside or outside of the Province of British Columbia.

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 to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary 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:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

10.5 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders 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 that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining the 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 5:00 p.m. (local time at the place of the Company's records office) 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.

10.7 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:

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

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (a) 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;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company and any reports of the directors or auditor;

- (iii) fixing or changing of the number of directors;
- (iv) the election or appointment of directors;
- (v) the appointment of an auditor;
- (vi) fixing the remuneration of the auditor;
- (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (viii) 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 Resolution 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 Resolutions by Ordinary Resolution

Unless the *Business Corporations Act* or these Articles otherwise provide, any action to be taken by a resolution of the shareholders may be taken by an ordinary resolution.

11.4 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.5, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who are entitled to vote at the meeting.

11.5 One Shareholder May Constitute Quorum

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

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.6 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president or any other senior officer of the Company (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, 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.

11.7 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 a quorum need not be present throughout the meeting.

11.8 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:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting will be dissolved; and
- (b) 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, and, if at the adjourned meeting 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 will constitute a quorum.

11.9 Chair

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

- (a) the chair of the board, if any;
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any;
or
- (c) if the chair of the board and the president are absent or unwilling to act as chair of the meeting, the solicitor for the Company.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board, president or solicitor for the Company present within 15 minutes after the time set for holding the meeting, or if the chair of the board, the president and the solicitor for the Company are unwilling to act as chair of the meeting, or if the chair of the board, the president and the solicitor for the Company have advised the 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 of shareholders 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 any 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

The chair of the meeting will be entitled to vote any shares carrying the right to vote held by him or here but in the 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:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) 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 No Demand for Poll on Election of Chair

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 the 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:

- (a) 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
- (b) 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:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, 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 registered in respect of that share.

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:

- (a) for that purpose, the instrument appointing a representative must be received:
 - (i) 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 any adjourned meeting; or
 - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this Article 12.5:
 - (i) 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
 - (ii) 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 in any medium.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (d) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 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 may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders 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, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

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

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:

- (a) 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 or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been 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 is given in respect of all shares registered in the name of the undersigned):

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 received:

- (a) 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 or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

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

- (a) 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; or
- (b) 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 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, will be valid for use at such meeting and any such determination made in good faith will be final, conclusive and binding upon such meeting.

12.16 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:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) 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(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) 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, subject to Article 14.8, 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 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:

- (a) 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
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), 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:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) 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
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) 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

- (b) 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:

- (c) when his or her successor is elected or appointed; and
- (d) when 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 remaining directors or director.

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 calling 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:

- (a) one-third (1/3) 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
- (b) in any other case, one-third (1/3) 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(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may by ordinary resolution remove any director before the expiration of his or her term of office and may by ordinary resolution elect, or appoint 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 under the *Business Corporations Act* 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:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) 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, but payment of such remuneration in every case to the appointor by the Company is a good and sufficient discharge of the Company's obligations in that regard and the Company need not enquire into or be concerned with the state of account between appointor and appointee.

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 will 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.

16.3 Remuneration of Auditors

The directors may by resolution set the remuneration of the Company's auditor without the need to obtain an ordinary resolution of the shareholders enabling them to do so.

17. DISCLOSURE OF INTEREST OF DIRECTORS AND SENIOR OFFICERS

17.1 Obligation to Disclose

Subject to Article 17.4, a director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a material contract or transaction into which the Company has entered or proposes to enter or 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 disclosable interest or the conflict as required by the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a material contract or transaction into which the Company has entered or proposes to enter, or 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, 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, or 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, 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 Interested Director May Vote

Subject to the provisions of the Business Corporations Act, a director or senior officer need not disclose an interest in the following types of contracts and transactions, and a director need not refrain from voting in respect of the following types of contracts and transactions:

- (a) a contract or transaction where both the Company and the other party to the contract or transaction are wholly owned subsidiaries of the same corporation;
- (b) a contract or transaction where the Company is a wholly owned subsidiary of the other party to the contract or transaction;
- (c) a contract or transaction where the other party to the contract or transaction is a wholly owned subsidiary of the Company;
- (d) a contract or transaction where the director or senior officer is the sole shareholder of the Company or of a corporation of which the Company is a wholly owned subsidiary;
- (e) an arrangement by way of security granted by the Company for money loaned to, or obligation undertaken by, the director or senior officer, or a person in whom the director or senior officer has a material interest, for the benefit of the Company or an affiliate of the Company;
- (f) a loan to the Company, which a director or senior officer or a specified corporation or a specified firm in which he has a material interest has guarantee or joined in guaranteeing the repayment of the loan or any part of the loan;
- (g) any contract or transaction made or to be made with, or for the benefit of a corporation that is affiliated with the Company and the director or senior officer is also a director or senior officer of that corporation nor an affiliate of that corporation;
- (h) any contract by a director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company;

- (i) determining the remuneration of the director or senior officer in that person's capacity as director, officer, employee or agent of the Company or an affiliate of the Company;
- (j) purchasing and maintaining insurance to cover a director or senior officer against liability incurred by them as a director or senior officer; or
- (k) the indemnification of any director or senior officer by the Company.

The foregoing exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the *Business Corporations Act*, either generally or in respect of any particular contract or transaction or for any particular period.

17.5 Director Holding Other Office in the Company

A director may hold any office or appointment 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 appointment 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:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) 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;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they shall 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:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

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 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 secretary or an assistant 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 or as provided in Article 18.7, 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:

- (a) 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
- (b) 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 or, 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. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the

meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

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 two directors 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 may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in any medium in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the 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 during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, 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) 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:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) 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:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) keep regular minutes of its transactions and cause them to be recorded in books kept for that purpose, and will report the same to the directors at such times as the directors may from time to time 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:

- (a) 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;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) 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:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) 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;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the 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 or vary any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) delegate to 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
- (c) 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 a 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, fees, wages, commission, participation in profits or otherwise) that the directors think 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, gratuity or retirement allowance.

21. INDEMNIFICATION

21.1 Definitions

In this Part 21:

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

- (b) “**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:
- (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “**expenses**” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the directors will cause the Company to indemnify a director, officer or alternate director of the Company or a former director, officer or alternate director of the Company or a person who, at the request of the Company, is or was a director, officer or alternate director of another corporation, at a time when the corporation is or was an affiliate of the Company, or a person who, at the request of the Company, is or was or holds or held a position equivalent to that of a director, officer or alternate director of a partnership, trust, joint venture or other unincorporated entitle (in each case, an “**eligible party**”), and the heirs and legal personal representatives of any such eligible party, against all judgment, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action (whether current, threatened, pending or completed) in which such eligible party or any of the heirs and legal personal representatives of such eligible party, by reason of such eligible party being or having been a director, officer or alternate director or holding or having held a position equivalent to that of a director, officer or alternate director, is or may be joined as a party or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to the proceeding. Provided the Company first receives a written undertaking from the eligible party to repay amounts advanced if so required under the *Business Corporations Act*, the directors will cause the Company to pay, as they are incurred in advance of the final disposition of the proceeding, the costs, charges and expenses, including legal and other fees actually reasonably incurred by the eligible party in respect of the proceeding. After the final disposition of the proceeding, the directors will cause the Company to pay the expenses actually and reasonably incurred by the eligible party in respect of that proceeding, to the extent the eligible party has not already been reimbursed for such expenses, subject to the provisions of the *Business Corporations Act*. Each director, officer and alternate director, on being elected or appointed, is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Permitted Indemnification

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.

21.5 Company May Purchase Insurance

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

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) at the request of the Company, 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; or
- (c) at the request of the Company, is or was or holds or held a position equivalent to that of a director, alternate director, officer, employee or agent of a partnership, trust, joint venture or other unincorporated entity;

and the person's heirs or legal personal representatives 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 Part 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 and at any time declare and authorize payment of such dividends on such class or series of shares of the Company as they may deem advisable, to the exclusion of any other class or series of shares.

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 5:00 p.m. (local time at the place of the registered office of the Company) 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 in cash or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, 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:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) 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 registered address of the shareholder, or in the case of joint shareholders, to the registered 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 Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or 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 retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING 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.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide 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:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) 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;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) 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;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) 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;
- (d) sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class; or

- (e) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (a) 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;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with 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 such notice, statement, report or other record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and 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:

- (a) mailing the record, addressed to them:
 - (i) 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
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (b) if an address referred to in paragraph (a)(ii) 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.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company will not be required to send any further notice, statement, report or other record to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 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 25.1, 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.

25.3 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 such persons as are authorized under Article 25.1 to attest the Company's seal 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 Part 26:

- (a) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (b) “**transfer restricted security**” means:
 - (i) a share of the Company;
 - (ii) a security of the Company convertible into shares of the Company;
 - (iii) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “private issuer” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted 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.