

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated as of the 18th day of April, 2011.

BETWEEN:

GRAND PEAK CAPITAL CORP., a corporation existing under the laws of British Columbia, with a head office at 8338-120th Street, Surrey, British Columbia V3W 3N4

("GPK")

AND:

2801 Shangri-La Holdings Ltd, a corporation existing under the laws of British Columbia, with a head office at 8338-120th Street, Surrey, British Columbia, V3W 3N4

("2801")

WHEREAS:

A. GPK and 2801 have agreed to proceed with a corporate restructuring by way of a statutory plan of arrangement pursuant to which:

- (i) the Property will be transferred to in exchange for common shares of 2801 ;
- (ii) GPK will reorganize its capital; and
- (iii) GPK will distribute the common shares of 2801 which it receives in exchange for the to the GPK Shareholders;

B. GPK proposes to convene a meeting of the GPK Shareholders to consider the Arrangement pursuant to the Arrangement Provisions of the BCBA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit II hereto; and

C. Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

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

ARTICLE 1 DEFINITIONS, INTERPRETATION AND EXHIBITS

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

- (a) "**Agreement**" means this agreement including the exhibits attached hereto as same may be amended or restated from time to time
- (b) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions of the BCBCA as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) "**Arrangement Provisions**" means Division 5 — "Arrangements" of Part 9 — "Company Alterations" of the BCBCA;

- (d) "**GPK Shares**" means the renamed and re-designated GPK Shares as described in §3.1(b)(i) of the Plan of Arrangement;
- (e) "**GPK Class B Preferred Shares**" means the Class "B" preferred shares without par value which GPK will create and issue pursuant to §3.1(b)(iii) of the Plan of Arrangement;
- (t) "**GPK Meeting**" means the annual general and special meeting of the GPK Shareholders to be held on June 30, 2011, and any adjournment(s) or postponement(s) thereof, to consider, among other things, and if deemed advisable approve, the Arrangement;
- (g) "**GPK Options**" means share purchase options issued pursuant to the GPK Stock Option Plan which are outstanding on the Effective Date;
- (h) "**GPK Share Commitments**" means an obligation of GPK to issue New Shares and to deliver Shares to the holders of GPK Options and GPK Warrants which are outstanding on the Effective Date, upon the exercise of such stock options and warrants;
- (i) "**GPK Shareholder**" has the meaning ascribed to such term in the Plan of Arrangement;
- (j) "**GPK Shares**" means the common shares without par value in the authorized share structure of GPK,;
- (k) "**GPK Stock Option Plan**" means the Stock Option Plan of GPK dated
- (l) "**GPK Warrants**" means share purchase warrants of GPK which are outstanding on the Effective Date;
- (m) "**Assets**" means the assets of GPK to be transferred to pursuant to the Arrangement as described in further detail in Exhibit I hereto;
- (n) "**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57, as may be amended or replaced from time to time
- (o) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (p) "**Closing Date**" means the date on which the Shares are listed on the CNSX;
- (q) "**Court**" means the Supreme Court of British Columbia;
- (r) "**CNSX**" means the Canadian National Stock Exchange;
- (s) "**Effective Date**" shall be the Closing Date;
- (t) "**Exchange Factor**" means the formula more particularly set out in 4.4 herein below;
- (u) "**Final Order**" means the final order of the Court approving the Arrangement;
- (v) "**Commitment**" means the covenant of GPK whereby GPK is obligated to issue Shares to the holders of GPK Share Commitments who exercise their rights thereunder after the Effective Date, and who are entitled pursuant to the corporate reorganization terms thereof to receive New Shares and Shares upon such exercise;
- (w) "**Shareholders**" means the shareholders of the Shares;
- (x) "**Shares**" means the common shares without par value in the authorized share structure of 2801 as constituted on the date hereof;

- (y) "**Information Circular**" means the management information circular of GPK to be sent to the GPK Shareholders in connection with the GPK Meeting;
- (z) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the GPK Meeting and the Arrangement;
- (aa) "**Listing Date**" means the date the Shares are listed on the CNSX;
- (bb) "**New Shares**" means the new class of common shares without par value which GPK will create pursuant to the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the GPK Shares;
- (cc) "**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (dd) "**Plan of Arrangement**" means the plan of arrangement attached to this Agreement as Exhibit II, as amended or restated from time to time
- (ee) "**Registrar**" means the Registrar of Companies under the BCBCA; and
- (ff) "**Share Distribution Record Date**" means the close of business on the day which is four Business Days after the date of the GPK Meeting or such other date as approved by GPK and , which date establishes the GPK Shareholders who will be entitled to receive Shares pursuant to the Plan of Arrangement.

12 Currency: All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Interpretation Not Affected by Headings: The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

14 Number and Gender: In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter, and words importing a person shall include a partnership or corporation.

15 Date for any Action: In the event that any date on which any action is required to be taken hereunder by GPK or is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day,

16 Meaning: Words and phrases used herein (and not otherwise defined) and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.7 Exhibits: Attached hereto and deemed to be incorporated into and forming part of this Agreement is Exhibit I, being a description of the Assets, Exhibit II, being the Plan of Arrangement and Exhibit III, being the special rights and restrictions for the GPK Preferred Shares.

ARTICLE 2 ARRANGEMENT

2.2 Effective Date of Arrangement: The Arrangement shall become effective on the Effective Date as set out in the Plan of Arrangement.

2.3 **Filing of Final Material with the Registrar:** Subject to the rights of termination contained in Article 6 hereof, upon the GPK Shareholders approving the Arrangement by special resolution in accordance with the provisions of the Interim Order and the BCBCA, GPK obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, GPK on its behalf and on behalf of shall file the records and information required by the Registrar pursuant to the Arrangement Provisions in order to effect the Arrangement

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

31 **Representations and Warranties:** Each of the parties hereby represents and warrants to the other that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

ARTICLE 4 COVENANTS

4.1 **Commitment to Effect:** Subject to termination of this Agreement pursuant to Article 6, the parties shall each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective as soon as possible after approval of the Arrangement by the GPK Shareholders at the GPK Meeting, or by such other date as GPK and may determine, and in conjunction therewith to cause the conditions described in §5.1 to be complied with or waived, as the case may be, prior to the Effective Date.

4.2 **Obligation to Execute Documents:** Each of the parties' covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

43 **Giving Effect to the Arrangement:** The Arrangement shall be effected as follows:

- (a) the parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the GPK Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement
- (b) the Shareholder(s) shall approve the Arrangement by a consent resolution;
- (c) upon obtaining the Interim Order, GPK shall call the GPK Meeting and mail the Information Circular and related notice of meeting and form of proxy to the GPK Shareholders;
- (d) if the GPK Shareholders approve the Arrangement as set out herein, GPK shall thereafter (subject to the exercise of any discretionary authority granted to GPK^o directors by the GPK Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and
- (e) upon receipt of the Final Order, GPK shall, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 6 hereof, file

the material described herein with the Registrar in accordance with the terms of the Plan of Arrangement.

44 **GPK Stock Options and Warrants:** covenants and agrees, upon the exercise after the Effective Date of any GPK Share Commitments, to issue to the holder of the GPK Share Commitments that number of Shares that is equal to the number of New Shares acquired upon the exercise of the GPK Share Commitments multiplied by the Exchange Factor, and GPK covenants and agrees to act as agent for to collect and pay to a portion of the proceeds received for each GPK Share Commitment so exercised, with the balance of the exercise price to be retained by GPK determined in accordance with the following formula:

$$A = B \times C / D$$

Where:

is the portion of the proceeds to be received by for each GPK Share Commitment exercised after the Effective Date;

is the exercise price of the GPK Share Commitment;

is the fair market value of the Assets to be transferred to under the Arrangement, such fair market value to be determined as at the Effective Date by resolution of the board of directors of GPK; and

is the total fair market value of all of the assets of GPK immediately prior to completion of the Arrangement on the Effective Date, which total fair market value shall include, for greater certainty, the Assets.

Fractions of Shares resulting from such calculation shall be cancelled as provided for in the Plan of Arrangement.

ARTICLE 5 CONDITIONS

51 **Conditions Precedent:** The respective obligations of the parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to GPK and ;
- (b) the Arrangement and this Agreement with or without amendment, shall have been approved at the GPK Meeting by the GPK Shareholders in accordance with the Arrangement Provisions, the constating documents of GPK, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Arrangement Agreement, with or without amendment, shall have been approved by the Shareholders to the extent required by, and in accordance with the Arrangement Provisions and the constating documents;
- (d) the Final Order shall have been obtained in form and substance satisfactory to GPK and ;
- (e) the CNSX shall have conditionally approved the Arrangement, including the delisting of the GPK Class A Shares, the listing of the New Shares and the GPK Class B Preferred Shares, the delisting of the GPK Class B Preferred Shares upon their redemption and the listing of the Shares, as of the Effective Date, subject to compliance with the requirements of the Exchange;

- (f) all other consents, orders, regulations and approvals; including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to GPK and ;
- (g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (h) this Agreement shall not have been terminated under Article 6.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part by either GPK or, as the case may be, at its discretion.

52 **Closing:** Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the, offices of GPK at 8338-120th Street, Surrey, B.C., at 2:00 p.m. (Vancouver time) on the Closing Date, or at such other time or on such other date as they may mutually agree, and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, 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 occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

53 **Merger of Conditions:** The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

54 **Merger of Representations and Warranties:** The representations and warranties shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

ARTICLE 6 AMENDMENT AND TERMINATION

61 **Amendment:** Subject to any restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the GPK Meeting, but prior to the Effective Date, be amended by agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the GPK Shareholders.

6.2 **Termination:** Subject to §6.3, this Agreement may at any time before or after the holding of the GPK Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the board of directors of GPK without further action on the part of the GPK Shareholders, or by the board of directors of without further action on the part of the Shareholder(s), and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of GPK or , respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

63 **Cessation of Right:** The right of GPK or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §6.2 shall be extinguished upon the occurrence of the Effective Date.

**ARTICLE 7
GENERAL**

71 **Notices:** All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered or telecopied, addressed as follows:

in the case of GPK:

8338-120th Street,
Surrey, B.C.
V3W 3N4

Attention: President
Facsimile: (604) 592-6882

in the case of :

2801 Shangri-La Holdings Ltd.
8338-120th Street
Surrey, BC V3W 3N4

Attention: President
Facsimile: (604) 592 6882

72 **Assignment:** None of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior consent of the other party.

73 **Binding Effect:** This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns.

74 **Waiver:** Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

75 **Governing Law:** This Agreement shall be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract

7.6 **Counterparts:** This Agreement may be executed in one or more counterparts and by facsimile or email transmission, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement

7.7 **Expenses:** All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby shall be borne by the party that incurred the expense.

7.8 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

7.9 **Time of Essence:** Time is of the essence of this Agreement.

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

GRAND PEAK CAPITAL CORP.

Per: _____

Authorized Signatory

2801 SHANGRILA HOLDINGS LTD.

Per: _____

Authorized Signatory

EXHIBIT I

**GPK ASSETS TO BE TRANSFERRED
TO**

All of GPK's interest in and to the, property having a civic address at: 2801 University Avenue, Toronto, Ontario plus

\$200,000.

**EXHIBIT II TO THE ARRANGEMENT AGREEMENT
DATED AS OF THE 18TH DAY OF APRIL, 2011 BETWEEN
GRAND PEAK CAPITAL CORP.
AND
2801 SHANGRI-LA HOLDINGS LTD.**

PLAN OF ARRANGEMENT

**UNDER DIVISION 5 OF PART 9 OF
THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)
S.B.C. 2002, c.57**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

11 **Definitions:** In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) **"Arrangement"** means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) **"Arrangement Agreement"** means the arrangement agreement dated effective April 18, 2011 between GPK and 2801 Shangri-La Holdings Ltd. to which this Exhibit is attached, as may be supplemented or amended from time to time;
- (c) **"Arrangement Provisions"** means Division 5 of Part 9 of the BCBCA;
- (d) **"GPK"** means Grand Peak Capital Corp., a company existing under the BCBCA;
- (e) **"GPK Class A Shares"** means the renamed and re-designated GPK Shares as described in this Plan of Arrangement;
- (f) **"GPK Class B Preferred Shares"** means the Class B preferred shares without par value which GPK will create and issue pursuant to this Plan of Arrangement;
- (g) **"GPK Meeting"** means the annual general and special meeting of the GPK Shareholders and any adjournment(s) or postponement(s) thereof to be held to consider, among other things, and if deemed advisable approve, the Arrangement;
- (h) **"GPK Share Commitments"** means an obligation of GPK to issue New Shares and to deliver Shares to the holders of GPK Stock Options and GPK Warrants which are outstanding on the Effective Date, upon the exercise of such stock options and warrants;
- (i) **"GPK Shareholder"** has the meaning ascribed to such term herein set out;
- (j) **"GPK Shares"** means the common shares without par value in the authorized share structure of GPK, as constituted on the date hereof;

- (k) "**GPK Stock Option Plan**" means the stock option plan of GPK;
- (l) "**GPK Stock Options**" means share purchase options issued pursuant to the GPK Stock Option Plan which are outstanding on the Effective Date;
- (m) "**GPK Warrants**" means share purchase warrants of GPK that are outstanding on the Effective Date;
- (n) "**Assets**" means the assets of GPK described in Exhibit I to the Arrangement Agreement;(o)
- (o) "**Company**" means Grand Peak Capital Corp., a company existing under the BCBCA;
- (p) "**Court**" means the Supreme Court of British Columbia;
- (q) "**Depository**" means GPK ;
- (r) "**Distributed Shares**" means the Shares that are to be distributed to the GPK Shareholders pursuant hereto;
- (s) "**Effective Date**" means the date on which the Shares are listed on the CNSX;
- (t) "**Exchange Factor**" means the number arrived pursuant to the formula set out in 4.4 of the Arrangement Agreement
- (u) "**Final Order**" means the final order of the Court approving the Arrangement;
- (s) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the GPK Meeting and the Arrangement;
- (t) "**2801 Shangri-La**" means , a company incorporated under the BCBCA;
- (u) "**Commitment**" means the obligation of 2801 Shangri-La described in the Arrangement Agreement, whereby is obligated to issue Shares to the holders of GPK Share Commitments who exercise their rights thereunder after the Effective Date, and who are entitled pursuant to the corporate reorganization terms thereof to receive New Shares and Shares upon such exercise;
- (v) "**Shareholders**" means the holders of Shares;
- (w) "**Shares**" means the common shares without par value in the authorized share structure of 2801Shangri-La as constituted on the Share Distribution Record Date;
- (x) "**New Shares**" means the new class of common shares without par value which GPK will created pursuant to this Plan of Arrangement and which, immediately after the Effective Date will be identical in every relevant respect to the GPK Shares;
- (y) "**Plan of Arrangement**" means this Plan of Arrangement, as may be amended or restated from time to time;
- (z) "**Registrar**" means the Registrar of Companies under the BCBCA;
- (aa) "**Share Distribution Record Date**" means the date as agreed to by GPK. and , which date establishes the GPK Shareholders who will be entitled to receive Shares pursuant to this Plan of Arrangement;
- (bb) "**Tax Act**" means the *Income Tax Act* (Canada), as amended; and
- (cc) "**Transfer Agent**" means Computershare Trust Company of Canada

1.2 Interpretation Not Affected by Headings: The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement Unless otherwise specifically indicated, the terms "this Plan of Arrangement", "hereof", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number and Gender: Unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and words importing a person shall include a partnership or corporation.

1.4 Meaning: Undefined words and phrases used herein that are defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

ARTICLE 2 ARRANGEMENT AGREEMENT

21 Arrangement Agreement: This Plan of Arrangement is made pursuant and subject to the Arrangement Agreement,

ARTICLE 3 THE ARRANGEMENT

31 The Arrangement: On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the securities of GPK or , but subject to the provisions of Article 5:

- (a) the Company will transfer the Assets and \$200,000.00 to 2801 Shangri-La in consideration for 24,466,702 Shares (the "**Distributed Shares**") as set out herein, and the Company will be added to the central securities register of in respect of such Shares;
- (b) the authorized share capital of the Company will be changed by:
 - (i) altering the identifying name of the GPK Shares to common shares without par value, being the GPK Common Shares, and therefore creating a class consisting of an unlimited number of common shares without par value (the "**New Shares**"), and
 - (ii) creating a class consisting of an unlimited number of class B preferred shares without par value, having the rights and restrictions described in Exhibit III to the Plan of Arrangement, being the GPK Class B Preferred Shares;
- (c) each issued GPK Class A Share will be exchanged for one New Share and one GPK Class B Preferred Share and subject to the exercise of a right of dissent, the holders of the GPK Class A Shares will be removed from the central securities register of the Company and will be added to that central securities register as the holders of the number of New Shares and GPK Class B Preferred Shares that they have received on the exchange;
- (d) all of the issued GPK Class A Shares will be cancelled with the appropriate entries being made in the central securities register of the Company, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the GPK Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the GPK Class B Preferred Shares so that the aggregate paid-up capital of the GPK Class B Preferred Shares is equal to the aggregate fair market value of the Distributed Shares as of the Effective Date, and each GPK Class B Preferred Share so issued will be issued by the Company at an issue price equal to such aggregate fair

market value divided by the number of issued GPK Class B Preferred Shares, such aggregate fair market value of the Distributed Shares to be determined as at the Effective Date by resolution of the board of directors of the Company;

- (e) the Company will redeem the issued GPK Class B Preferred Shares for consideration consisting solely of the Distributed Shares such that each holder of GPK Class B Preferred Shares will subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Shares that is equal to the number of GPK Class B Preferred Shares held by such holder multiplied by the Exchange Factor;
- (f) the name of each holder of GPK Class B Preferred Shares will be removed as such from the central securities register of the Company, and all of the issued GPK Class B Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of the Company;
- (g) the Distributed Shares transferred to the holders of the GPK Class B Preferred Shares will be registered in the names of the former holders of GPK Class B Preferred Shares and appropriate entries will be made in the central securities register of ;
- (h) the GPK Class A Shares and the GPK Class B Preferred Shares, none of which will be allotted or issued once the steps referred to hereinabove are completed, will be cancelled and the authorized share structure of the Company will be changed by eliminating the GPK Class A Shares and the GPK Class B Preferred Shares therefrom;
- (i) the Notice of Articles and Articles of the Company will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement; and
- (j) after the Effective Date:
 - (i) all GPK Share Commitments will be exercisable for New Shares and Shares in accordance with the corporate reorganization terms of such commitments, whereby the acquisition of one GPK Share under a GPK Share Commitment will result in the holder of the GPK Share Commitment receiving one New Share and such number of Shares equal to the number of New Shares so received multiplied by the Exchange Factor,
 - (ii) pursuant to the Commitment, will issue the required number of Shares upon the exercise of GPK Share Commitments as is directed by the Company, and
 - (iii) the Company will, as agent for , collect and pay to a portion of the proceeds received for each GPK Share Commitment so exercised, with the balance of the exercise price to be retained by GPK, as determined in accordance with the Arrangement Agreement

32 **No Fractional shares:** Not fractional Shares shall be distributed to the GPK Shareholders or the holders of GPK Share Commitments and as a result all fractional share amounts arising under such sections shall be rounded down to the next whole number. Any Distributed Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of GPK in its absolute discretion.

33 **GPK Shareholder:** The holders of the GPK Class A Shares and the holders of New Shares and GPK Class B Preferred Shares shall mean in all cases those persons who are GPK Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5 hereinbelow.

3.4 **Deemed Time for Redemption:** In addition to the chronological order in which the transactions and events set out herein shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the GPK Class B Preferred Shares set out herein shall occur and shall be deemed to occur immediately after the time of listing of the GPK Class B Preferred Shares on the TSX.V on the Effective Date.

35 Deemed Fully Paid and Non-Assessable Shares: All New Shares, GPK Class B Preferred Shares and Shares issued, pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

36 Arrangement Effectiveness: The Arrangement shall become final and conclusively binding on all of the parties hereto and the Shareholders of GPK and 2801 Shangri-La on the Effective Date.

3.7 Supplementary Actions: Notwithstanding that the transactions and events set out in herein shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of GPK and 2801 Shangri-La shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in herein, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

ARTICLE 4 CERTIFICATES

4.1 GPK Class A Shares: Recognizing that the GPK Shares shall be renamed and re-designated as GPK Common Shares and that the GPK Class B Shares shall be exchanged partially for New Shares, GPK shall not issue replacement share certificates representing the GPK New Shares.

4.2 GPK Distributed Shares: Recognizing that the Distributed Shares shall be transferred to the GPK Shareholders as consideration for the redemption of the GPK Class B Preferred Shares, 2801 Shangri-La shall issue one share certificate representing all of the Distributed Shares registered in the name of GPK, which share certificate shall be held by the Depository until the Distributed Shares are transferred to the GPK Shareholders and such certificate shall then be cancelled by the Depository. To facilitate the transfer of the Distributed Shares to the GPK Shareholders as of the Share Distribution Record Date, 2801 shall execute and deliver to the Depository and its Transfer Agent, Valiant Trust, a Treasury Order authorizing them to distribute and transfer the Distributed Shares to such GPK Shareholders in accordance with the terms of this Plan of Arrangement and shall deliver a treasury order or such other direction to effect such issuance as requested by it.

4.3 GPK Class B Preferred Shares: Recognizing that all of the GPK Class B Preferred Shares issued to the GPK Shareholders will be redeemed by GPK as consideration for the distribution and transfer of the Distributed Shares, GPK shall issue one share certificate representing all of the GPK Class B Preferred Shares in the name of the Depository, to be held by the Depository for the benefit of the GPK Shareholders until such GPK Class B Preferred Shares are redeemed, and such certificate shall then be cancelled.

4.4 Delivery of Share Certificates: As soon as practicable after the Effective Date 2801 shall cause to be issued to the registered holders of GPK Shares as of the Share Distribution Record Date, share certificates representing the Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates to be mailed by regular post to such registered holders.

4.5 New Share Certificates: From and after the effective Date, share certificates representing GPK Shares immediately before the Arrangement shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement

4.6 Interim Period: GPK Shares traded after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares, and shall not carry any right to receive a portion of the Distributed Shares.

ARTICLE 5 RIGHTS OF DISSENT

5.1 Dissent Right: Holders of GPK Shares may exercise rights of dissent (the "**Dissent Right**") in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 - 247 of the BCBCA (collectively the "**Dissent Procedures**").

52 Dealing with Dissenting Shares: GPK Shareholders who duly exercise Dissent Rights with respect to their GPK Shares ("Dissenting Shares") and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to GPK for cancellation immediately before the Effective Date; or
- (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting GPK Shareholder and shall receive New Shares and Shares on the same basis as every other non-dissenting GPK Shareholder, and in no case shall GPK be required to recognize such persons as holding GPK Shares on or after the Effective Date.

53 Reservation of Shares: If an GPK Shareholder exercises the Dissent Right, GPK shall on the Effective Date set aside and not distribute that portion of the Distributed Shares that is attributable to the GPK Shares for which the Dissent Right has been exercised. If the dissenting GPK Shareholder is ultimately not entitled to be paid for their Dissenting Shares, GPK shall distribute to such GPK Shareholder his *pro-rata* portion of the Distributed Shares. If a GPK Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then GPK shall retain the portion of the Distributed Shares attributable to such GPK Shareholder (the "**Non-Distributed Shares**"), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of GPK in its absolute discretion.

ARTICLE 6 REFERENCE DATE

61 Reference Date: This plan of arrangement is dated for reference the 18th day of April, 2011

EXHIBIT III

SPECIAL RIGHTS AND RESTRICTIONS FOR GPK CLASS B PREFERRED SHARES

The class A preferred shares as a class shall have attached to them the following special rights and restrictions:

Definitions

- (1) In these Special Rights and Restrictions,
 - (a) **"Arrangement"** means the arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) S.B.0 2002, c.57 as contemplated by the Arrangement Agreement,
 - (b) **"Arrangement Agreement"** means the Arrangement Agreement dated as of April 18th, 2011, between Grand Peak Capital Corp. (the **"Company"**) and 2801 Shangri-La Holdings Ltd. ("2801 Shangri-La")
 - (c) **"Old Common Shares"** means the class "A" common shares in the authorized share structure of the Company that have been re-designated as common shares without par value pursuant to the Plan of Arrangement,
 - (d) **"Effective Date"** means the date upon which the Arrangement becomes effective,
 - (e) **"New Shares"** means the common shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
 - (f) **"Plan of Arrangement"** means the Plan of Arrangement attached as Exhibit II to the Arrangement Agreement.
- (2) The holders of the class B preferred shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Shares shall only be issued on the exchange of Class "A" common shares for New Shares and class B preferred shares pursuant to and in accordance with the Plan of Arrangement
- (4) The capital to be allocated to the class B preferred shares shall be the amount determined in accordance with the Plan of Arrangement.
- (5) The class B preferred shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any class B preferred share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.