

**AMALGAMATION AGREEMENT**  
**BETWEEN**  
**SOUTHTECH CAPITAL CORPORATION**  
**AND**  
**REDFALL TECHNOLOGIES INC.**

**DATED EFFECTIVE AS OF MAY 7, 2014**

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## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** dated effective as of the 7th day of May, 2014.

### AMONG:

**SOUTHTECH CAPITAL CORPORATION**, a body corporate incorporated under the laws of the Province of Alberta (hereinafter called "**Southtech**")

– and –

**REDFALL TECHNOLOGIES INC.**, a body corporate incorporated under the laws of the Province of Alberta (hereinafter called "**Redfall**")

**WHEREAS** Southtech and Redfall wish to amalgamate and continue as one corporation in accordance with the terms and conditions hereof;

**AND WHEREAS** Southtech and Redfall are parties to a Letter of Intent (as defined below), pursuant to which the basic terms and conditions of a proposed amalgamation between Southtech and Redfall and a private placement of subscription receipts of Redfall was set forth;

**AND WHEREAS** the proposed Amalgamation (defined below) is intended to constitute the Qualifying Transaction of Southtech pursuant to Policy 2.4 of the TSXV (as defined below);

**AND WHEREAS** the parties have entered into this Agreement to provide for the matters referred to in these recitals and for other matters relating to the proposed Amalgamation;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter contained, the parties hereto agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

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

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant to the ABCA;

"**Agreement**", "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions mean or refer to this agreement, together with the schedules hereto and any amendments hereto;

“**Amalco**” means the continuing corporation to be constituted upon completion of the Amalgamation, to be named “Vogogo Inc.”;

“**Amalco Agent’s Options**” means the agent’s options to be issued by Amalco in exchange for the Redfall Agent’s Options pursuant to the Amalgamation;

“**Amalco Convertible Securities**” means collectively, the Amalco Agent’s Options, the Amalco Options and the Amalco Warrants convertible into Amalco Shares to be issued by Amalco pursuant to the Amalgamation;

“**Amalco Options**” means the options to be issued by Amalco in exchange for the Redfall Options and the Southtech Options pursuant to the Amalgamation;

“**Amalco Registrar and Transfer Agent**” means any person which may be appointed as registrar and transfer agent of Amalco from time to time;

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

“**Amalco Warrants**” means the warrants to be issued by Amalco in exchange for the Redfall Warrants pursuant to the Amalgamation;

“**Amalgamation**” means the amalgamation of Southtech and Redfall pursuant to section 181 of the ABCA provided for herein;

“**Applicable Canadian Securities Laws**”, means, with respect to any person the securities legislation of each of the provinces and territories of Canada that apply to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or its business, undertaking, property or securities;

“**Applicable Laws**” means with respect to any person, any Law that is binding upon or applicable to such person;

“**Articles of Amalgamation**” means the articles of amalgamation with respect to the Amalgamation, substantially in the form attached hereto as Schedule A;

“**Business Day**” means any day other than a Saturday or Sunday or a day when banks in the City of Calgary are not generally open for business;

“**Certificate of Amalgamation**” means the Certificate of Amalgamation issued by the Registrar pursuant to the ABCA in respect of the Amalgamation;

“**Circular**” means the joint management information circular of Redfall and Southtech to be sent to the Redfall Shareholders and the Southtech Shareholders in connection with the Redfall Meeting and the Southtech Meeting;

“**Closing**” means the completion of the Amalgamation;

“**Closing Date**” means the date of the Closing, which shall be not later than the Termination Date;

“**Confidential Information**” shall have the meaning ascribed to such term in Section 8.13;

“**Dissenting Shareholders**” means either the Redfall Shareholders or the Southtech Shareholders, as applicable, who exercise the right of dissent available to them in respect of the respective special resolutions approving the Amalgamation;

“**Effective Date**” means the effective date of the Amalgamation, which shall be the date of the Certificate of Amalgamation;

“**Governmental Authority**” means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
- (b) subdivision, agent, commission, board or authority of any of the foregoing; or
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing;

“**Intellectual Property**” means all proprietary rights provided in Law to all inventions, arts, processes, compositions of matter, business methods, developments and improvements (whether or not patented or the subject of an application for patent, whether or not patentable and whether or not reduced to practice), and all improvements thereto, patents, trademarks, copyrights, industrial designs, software, firmware, trade secrets, know how, show how, concepts, information and other intellectual and industrial property, including all copies and tangible embodiments of any of the foregoing (in whatever form or medium);

“**IFRS**” means the International Financial Reporting Standards published by the International Accounting Standards Board, as amended from time to time;

“**Laws**” means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority;

“**Letter of Intent**” means the non-binding letter of intent dated March 31, 2014 between Southtech and Redfall;

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to Southtech or Redfall, as the case may be, any change, effect, event or occurrence that, individually or taken together with any other change, effect, event or occurrence, has or could reasonably be expected to have a material and adverse effect on: (x) the business,

operations, results of operations, assets, prospects, title to assets, properties, capitalization, financial condition, licences, permits, concessions, rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or privileges of such party and its subsidiaries, considered as whole; or (y) the ability of any party and its subsidiaries, considered as whole, to consummate the transactions contemplated by this Agreement or that would materially impair their ability to perform their obligations under this Agreement, other than any change, effect, event or occurrence relating to or resulting from:

- (a) general economic, financial, currency exchange, securities or commodity prices in Canada, the United States or elsewhere, not having a material disproportionate effect on such party;
- (b) conditions affecting the payment processing industry as a whole, and not specifically relating to any party and/or its subsidiaries, including changes in Laws (including Tax Laws);
- (c) any change in the market price or trading volume of any publicly traded securities of the party (it being understood that the causes underlying such change in market price or volume may be taken into account in determining whether a Material Adverse Change or a Material Adverse Effect has occurred);
- (d) the execution, announcement or performance of this Agreement or the transactions contemplated hereby;
- (e) any matter which has been publicly disclosed or has been communicated in writing to the other party as of the date hereof;
- (f) any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved in writing by the other party; or
- (g) acts of war, terrorism or armed hostilities, not having a material disproportionate effect on such party;

**“misrepresentation”** includes any untrue statement of a material fact, any omission to state a material fact that is required to be stated and any omission to state a material fact that is necessary to be stated in order for a statement not to be misleading;

**“Offering Price”** means the offering price of \$0.75 per Subscription Receipt, or such other price as may be agreed upon by the parties;

**“parties”** means, collectively, Southtech and Redfall, and **“party”** means any one of them;

**“permitted encumbrances”** means, with respect to the parties, as the case may be, those encumbrances which do not and will not have a Material Adverse Effect on such party;

“**person**” means any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

“**Policy 2.4**” means TSXV Manual Policy 2.4 – *Capital Pool Companies*;

“**Qualifying Transaction**” has the meaning ascribed thereto in Policy 2.4;

“**Redfall Agent’s Options**” means the outstanding agent’s options of Redfall entitling the holders thereof to purchase an aggregate of 2,275,000 Redfall Shares at a price of \$0.33 per Redfall Share expiring February 11, 2019;

“**Redfall Balance Sheet**” has the meaning ascribed in Section 4.2(k)(i) hereof;

“**Redfall Board**” means the board of directors of Redfall;

“**Redfall Financial Statements**” means the audited financial statements of Redfall for the years ended December 31, 2013, December 31, 2012 and December 31, 2011 together with the notes thereto;

“**Redfall Meeting**” means the annual and special meeting of Redfall Shareholders to approve, among other things, the Amalgamation under the ABCA;

“**Redfall Options**” means the stock options of Redfall entitling the holders thereof to purchase an aggregate of 1,450,000 Redfall Shares at a price of \$0.33 per Redfall Share expiring April 28, 2019;

“**Redfall Private Placement**” means the private placement by Redfall of Subscription Receipts for gross proceeds of a minimum of \$5,400,000 at the Offering Price;

“**Redfall Shareholders**” means the holders of Redfall Shares;

“**Redfall Shares**” means the class A shares in the capital of Redfall;

“**Redfall Subsidiaries**” means Vogogo USA Inc. and Vogogo Canada Inc.;

“**Redfall Warrants**” means, collectively, the outstanding Redfall Share purchase warrants entitling the holder thereof to purchase an aggregate of 768,002 Redfall Shares at a price of \$0.52 per Redfall Share expiring three (3) years from the date of grant and the outstanding Redfall Share purchase warrants entitling the holder thereof to purchase an aggregate of 400,000 Redfall Shares at a price of \$0.52 per Redfall Share expiring three (3) years from the date of grant;

“**Registrar**” means the Registrar appointed under the ABCA;



“**Representatives**” means with respect to either Southtech or Redfall, as the case may be, such party’s officers, directors, representatives, employees, partners, advisors (including legal and financial advisors) and agents;

“**Returns**” shall mean all reports, estimates, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Southtech Financial Statements**” means the audited financial statements of Southtech for the years ended December 31, 2013, December 31, 2012 and the initial 254 day period ended December 31, 2011, together with the notes thereto; and (ii) the unaudited interim financial statements of Southtech for the period ended March 31, 2014;

“**Southtech Meeting**” means the annual and special meeting of the Southtech Shareholders to approve, among other things, the Amalgamation under the ABCA;

“**Southtech Options**” means the outstanding stock options of Southtech entitling the holders to purchase an aggregate of 600,000 Southtech Shares at a price of \$0.10 per Southtech Share expiring May 3, 2022;

“**Southtech Public Disclosure**” shall have the meaning attributed to such term in Section 4.1;

“**Southtech Shareholders**” means the holders of Southtech Shares;

“**Southtech Shares**” means the common shares in the capital of Southtech;

“**Subscription Receipts**” means the subscription receipts offered in the Redfall Private Placement at the Offering Price, pursuant to which each Subscription Receipt is exchangeable for one Redfall Share immediately prior to the closing of the Amalgamation for no additional consideration;

“**Subsidiary**” or “**Subsidiaries**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended, except as otherwise provided herein;

“**Tax**” or “**Taxes**” shall mean all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, territorial, municipal, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, capital taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing,

which Southtech or Redfall (or any of their respective Subsidiaries), as the case may be, is required to pay, withhold, remit or collect;

“**Tax Act**” means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as in effect on the date hereof;

“**Termination Date**” shall have the meaning attributed to such term in Section 7.2;

“**Third Party Beneficiaries**” shall have the meaning attributed to such term in Section 5.4;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Manual**” means the Corporate Finance Manual of the TSXV; and

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, and “hereunder” and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any Agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

Words importing the singular number shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

## **1.4 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 is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

## **1.5 Currency**

All sums of money referred to in this Agreement are expressed in lawful money of Canada.

## **1.6 Entire Agreement**

This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect to the subject matter hereof, including for greater certainty the Letter of Intent.

## **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

## **1.8 Knowledge**

In this Agreement, whenever a representation or warranty is made on the basis of the knowledge or awareness of a party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the Agreement Date, of the senior officers of such party, in their capacity as senior officers of such party and not in their personal capacity and without personal liability, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge; provided that the party making the representation and warranty shall have conducted a reasonable investigation as to the subject matter relating thereto and the level of such investigation shall be that of a reasonably prudent person investigating a material consideration in the context of a material transaction and the use of such phrase shall constitute a representation and warranty by the party making the representation and warranty in each case that such investigation has actually been made.

## **1.9 Disclosure in Writing**

Reference to disclosure in writing herein shall, in the case of Southtech, include disclosure to Southtech or its Representatives and in the case of Redfall, include disclosure to Redfall or its Representatives.

## **1.10 References to Legislation**

References in this Agreement to any Laws, statute or sections thereof shall include such Laws, statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.11 Meanings**

Words and phrases defined in the ABCA shall have the same meaning herein as in the ABCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

## **1.12 Schedule**

The following schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form part hereof:

Schedule A – Articles of Amalgamation

**ARTICLE 2  
AMALGAMATION**

**2.1 Agreement to Amalgamate**

Redfall and Southtech hereby agree to amalgamate under the provisions of the ABCA and to continue as one corporation upon the terms and conditions set forth herein.

**2.2 Name**

The name of Amalco shall be “Vogogo Inc.”

**2.3 Registered Office**

The registered office of Amalco shall be situated at Suite 4600, 525 – 8 Avenue S.W., Calgary, Alberta T2P 1G1.

**2.4 Authorized Capital**

Amalco shall be authorized to issue an unlimited number of Amalco Shares and an unlimited number of preferred shares, issuable in series, which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation.

**2.5 Restriction on Share Transfer**

The transfer of shares of Amalco shall not be subject to any restrictions.

**2.6 Number of Directors**

The minimum number of directors of Amalco shall be three (3) and the maximum number of directors of Amalco shall be fifteen (15).

**2.7 First Directors**

The number of first directors of Amalco shall be five (5). The first directors of Amalco shall be:

<u>Name</u>	<u>Address</u>
Robert Geoffrey Gordon	400, 320 -23 Avenue S.W., Calgary, Alberta T2S 0J2
Rodney Thompson	400, 320 -23 Avenue S.W., Calgary, Alberta T2S 0J2
Cory Cleveland	200 – 5970 Centre Street S.E., Calgary, Alberta T2H 0C1
Dale Johnson	902 Timbermont Road, RR3, Invermere, British Columbia V0A 1K3
Tony Lacavera	48 Yonge Street, Suite 1200, Toronto Ontario M5E 1G6

The first directors shall hold office until the first annual meeting of the shareholders of Amalco following the Amalgamation, or until their successors are duly appointed or

elected. The subsequent directors shall be elected each year thereafter as provided for in the ABCA and in the by-laws of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors as it is constituted from time to time.

## **2.8 First Officers**

The first officers of Amalco shall be:

<b><u>Name</u></b>	<b><u>Office Held</u></b>
Robert Geoffrey Gordon	Chief Executive Officer
Karim Teja	Chief Financial Officer
Rodney Thompson	Chief Relationship Officer
Kris Read	Chief Technology Officer
Janan Paskaran	Corporate Secretary

## **2.9 First Auditors**

The first auditors of Amalco shall be Collins Barrow Calgary LLP, Chartered Accountants. The first auditors of Amalco shall hold office until the first annual meeting of the shareholders of Amalco following the Amalgamation, or until their successor is appointed.

## **2.10 Fiscal Year**

The fiscal year end of Amalco shall be December 31.

## **2.11 Restrictions on Business**

There shall be no restrictions on the business that Amalco may carry on.

## **2.12 Articles of Amalgamation and By-Laws**

The Articles of Amalgamation shall be in substantially the form set forth as Schedule A hereto. The by-laws of Amalco shall be the same as By-Law No. 1 of Southtech, provided that By-Law No. 2 relating to the adoption of advance notice provisions will be presented for approval by the Southtech Shareholders at the Southtech Meeting and by the Redfall Shareholders at the Redfall Meeting.

## **2.13 Effect of Certificate of Amalgamation**

On the Effective Date:

- (a) the Amalgamation of Redfall and Southtech and their continuance as one corporation shall become effective;

- (b) the property of each of Redfall and Southtech shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of Redfall and Southtech;
- (d) any existing cause of action, claim or liability to prosecution of either Redfall or Southtech shall be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against either Redfall or Southtech may be continued to be prosecuted by or against Amalco;
- (f) a conviction against, or ruling, order or judgment in favour of or against, either Redfall or Southtech may be enforced by or against Amalco;
- (g) the Articles of Amalgamation shall be deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation for Amalco; and
- (h) no fractional Amalco Shares shall be issued to holders of Southtech Shares; in lieu of any fractional entitlement, the number of Amalco Shares issued to each former holder of Southtech Shares shall be rounded up to the next higher whole number of Amalco Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Amalco Shares if the fractional entitlement is less than 0.5 (subject to only one (1) rounding per holder of Southtech Shares).

#### **2.14 Manner of Conversion of Issued Securities**

- (a) each Redfall Shareholder, other than a Dissenting Shareholder who is ultimately entitled to be paid fair value for their Redfall Shares, shall receive one (1) fully paid and non-assessable Amalco Share for every one (1) Redfall Share held by such Redfall Shareholder, and the Redfall Shares thus exchanged shall be cancelled without reimbursement of the capital represented by such securities;
- (b) each Southtech Shareholder, other than a Dissenting Shareholder who is ultimately entitled to be paid fair value for their Southtech Shares, shall receive one (1) fully paid and non-assessable Amalco Share for every five (5) Southtech Shares held by such Southtech Shareholder, and the Southtech Shares shall be cancelled without reimbursement of the capital represented by such securities;
- (c) Dissenting Shareholders who exercise rights of dissent pursuant to and in the manner set forth in Section 191 of the ABCA in connection with the Amalgamation and who:
  - (i) are ultimately entitled to be paid fair value for their Redfall Shares or Southtech Shares, as applicable, shall be deemed to have surrendered such

shares to Redfall or Southtech, as the case may be, for cancellation immediately prior to the Effective Date; or

- (ii) for any reason, are ultimately not entitled to be paid fair value for their Redfall Shares or Southtech Shares, shall be deemed to have participated in the Amalgamation on the same basis as any non-dissenting shareholder, as at and after the Effective Date, and are to receive Amalco Shares on the same basis determined in accordance with this Section 2.14;

but in no case is Amalco required to recognize such persons as holders of Redfall Shares or Southtech Shares, as the case may be, after the Effective Date, and Redfall or Southtech will delete the names of such persons from its register of holders of securities on the Effective Date; and

- (d) the aggregate stated capital of Amalco shall be an amount equal to the aggregate stated capital of Redfall and Southtech immediately prior to such time, and such stated capital shall be allocated on an equal basis to each share of Amalco issued on the Amalgamation, or as otherwise determined by the directors of Amalco.

## **2.15 Restriction on Securities**

The parties acknowledge and agree that the securities of Amalco to be issued to the securityholders of Redfall and Southtech pursuant to Section 2.14 hereof will be subject to compliance with Applicable Canadian Securities Laws and the policies of the TSXV.

## **2.16 Share Certificates**

On the Effective Date:

- (a) the registered holders of Redfall Shares shall cease to be registered holders of such shares and shall be deemed to be the registered holders of Amalco Shares to which they are entitled in accordance with Section 2.14 hereof and Redfall will prepare a treasury direction with a certified list of all the shareholders of Redfall attached thereto and, upon such remittance, subject to any escrow requirements pursuant to the policies of the TSXV, and on or after the Effective Date, the registered holders of certificates representing Redfall Shares may surrender such certificates to the Amalco Registrar and Transfer Agent, and, upon such surrender, shall be entitled to receive certificates representing the number of Amalco Shares to which they are entitled in accordance with Section 2.14, as soon as practicable, but in any event no later than five (5) Business Days following the later of the Effective Date and the date of deposit; and
- (b) the registered holders of Southtech Shares shall cease to be registered holders of Southtech Shares, and shall be deemed to be registered holders of Amalco Shares to which they are entitled in accordance with Section 2.14 hereof, and on or after the Effective Date, the registered holders of certificates representing Southtech Shares may surrender such certificates to the Amalco Registrar and Transfer Agent and, upon such surrender, shall be entitled to receive certificates

representing the number of Amalco Shares to which they are entitled in accordance with Section 2.14, as soon as practicable, but in any event no later than five (5) Business Days following the later of the Effective Date and the date of deposit.

## **2.17 Lost Certificates**

In the event any certificate which immediately prior to the Effective Date represented one or more outstanding Redfall Shares or Southtech Shares that were exchanged pursuant to Section 2.14 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder thereof, as applicable, claiming such certificate to be lost, stolen or destroyed, the Amalco Registrar and Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Amalco Shares in each case deliverable pursuant to Section 2.14 hereof. When authorizing such payment in exchange for any lost, stolen, destroyed certificate, the holder to whom certificates representing such securities are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Amalco and the Amalco Registrar and Transfer Agent in such sum as Amalco may direct or otherwise indemnify Amalco and the Amalco Registrar and Transfer Agent in a manner satisfactory to Amalco and the Amalco Registrar and Transfer Agent against any claim that may be made against Amalco and the Amalco Registrar and Transfer Agent with respect to the certificate alleged to have been lost, stolen or destroyed.

## **2.18 Escrowed Securities**

Redfall and Southtech acknowledge that certain of the securities of Amalco to be issued to the securityholders of Redfall and Southtech pursuant to the Amalgamation will be deposited into escrow in accordance with the policies of the TSXV. The parties further acknowledge that any securities of Amalco deposited into escrow shall be held in escrow and released as determined in accordance with the policies of the TSXV. The parties agree that the terms of the applicable escrow shall be negotiated by counsel for Redfall and Southtech and the TSXV and the parties agree to accept such terms as imposed by the TSXV. Such escrowed securities of Amalco shall be held in escrow, pursuant to an escrow agreement prescribed by the TSXV.

## **2.19 Stock Option Plan**

The stock option plan to be approved at each of the Redfall Meeting and the Southtech Meeting shall be the stock option plan of Amalco.

# **ARTICLE 3 COVENANTS**

## **3.1 Covenants of Redfall**

Redfall covenants and agrees with Southtech that Redfall will not, from the date of execution hereof and ending on the earlier of the Effective Date and the Termination



Date, except with the prior written consent of Southtech, such consent not to be unreasonably withheld:

- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital or otherwise, to the Redfall Shareholders;
- (b) split, combine or reclassify any outstanding shares;
- (c) enter into any material contract, other than in the ordinary course of business consistent with past practice;
- (d) redeem, purchase or offer to purchase any of its shares or other securities;
- (e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;
- (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division or any assets or properties of a material nature;
- (g) incur or commit to incur any indebtedness for borrowed money, other than in the ordinary course of business consistent with past practice, or issue any debt securities;
- (h) other than pursuant to the Redfall Private Placement or in connection with the exercise of the Redfall Options, Redfall Agent's Options or Redfall Warrants, issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options;
- (i) alter or amend in any way its constating documents as the same exist at the date of this Agreement;
- (j) take any action which would be outside the ordinary course of business or which may result in a Material Adverse Change;
- (k) 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 material component of its assets, other than in the ordinary course of business consistent with past practice;
- (l) engage in any business enterprise or other activity other than as contemplated herein;
- (m) enter into any transaction with or make payments or issue securities to a party or parties with which Redfall does not deal at arm's length, other than in the ordinary course of business consistent with past practice;

- (n) except as disclosed to Southtech, enter into any employment or consulting agreement with any director, officer or employee who has a policy-making function, or hire or promote any such person; or
- (o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

### **3.2 Further Covenants of Redfall**

Redfall covenants and agrees with Southtech that Redfall will:

- (a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;
- (b) prior to the Termination Date, convene the Redfall Meeting for the purpose of approving the Amalgamation and the stock option plan of Amalco, subject to the completion of the Amalgamation and to solicit proxies to be voted at the Redfall Meeting in favour of the approval of the Amalgamation and the stock option plan of Amalco, subject to the completion of the Amalgamation;
- (c) prepare with Southtech and distribute to the Redfall Shareholders in a timely and expeditious manner, the Circular, and any amendments or supplements to the Circular, all as required by Applicable Law, in all jurisdictions where the same is required complying in all material respects with all applicable legal requirements on the date of issue thereof;
- (d) include in the Circular the recommendation of the board of directors of Redfall that the Redfall Shareholders vote in favour of the Amalgamation;
- (e) provide Southtech, on a timely basis, with all relevant information concerning it and its business, property, operations and financial statements for inclusion in the Circular and that such information will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in the light of the circumstances in which it will be made, and such information will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Redfall to be acted upon by the Redfall Shareholders at the Redfall Meeting;
- (f) except for proxies and other non-substantive communications with Redfall Shareholders, furnish promptly to Southtech a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with:
  - (i) the Amalgamation; (ii) any filings under Applicable Laws; and (iii) any

dealings with regulatory agencies in connection with the transactions contemplated herein;

- (g) make other necessary filings and applications under applicable foreign, federal and provincial laws and regulations required on its part in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (h) use all commercially reasonable efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (i) within five Business Days of receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment from an applicable government authority of Redfall, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to an assessment (each an “**Assessment**”), deliver to Southtech a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;
- (j) use all commercially reasonable efforts and do all such acts and things that are reasonably necessary to cause each of the conditions precedent set forth in Sections 5.1 and 5.3 hereof to be complied with;
- (k) subject to the satisfaction of the conditions precedent in Sections 5.1 and 5.2 hereof, thereafter together with Southtech file with the Registrar the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date; and
- (l) notify Southtech immediately upon becoming aware that any of the representations and warranties of Redfall contained herein are no longer true and correct in any material respect.

### **3.3 Covenants of Southtech**

Southtech covenants and agrees with Redfall that it will not, from the date of execution hereof and ending on the earlier of the Effective Date and the Termination Date, except with the prior written consent of Redfall, such consent not to be unreasonably withheld:

- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital or otherwise, to its shareholders;
- (b) split, combine or reclassify any outstanding shares;

- (c) enter into any material contract;
- (d) redeem, purchase or offer to purchase any of its shares or other securities;
- (e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;
- (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division, or any assets or properties of a material nature;
- (g) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options other than in connection with the exercise of the Southtech Options;
- (i) alter or amend in any way its constating documents or by-laws as the same exist at the date of this Agreement;
- (j) take any action which would be outside the ordinary course of business or which may result in a Material Adverse Change;
- (k) 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 material component of its assets other than in the ordinary course of business consistent with past practice;
- (l) engage in any business enterprise or other activity, other than as contemplated herein and as required by law as a public company;
- (m) enter into any transaction with or make payments or issue securities to a party or parties with whom Southtech does not deal at arm's length;
- (n) enter into any employment or consulting agreement with any director, officer or employee who has a policy-making function, or hire or promote any such person;  
or
- (o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

### **3.4 Further Covenants of Southtech**

Southtech covenants and agrees with Redfall that Southtech will:

- (a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement, including obtaining the approval of the TSXV of the Amalgamation as Southtech's Qualifying Transaction;
- (b) prior to the Termination Date, convene the Southtech Meeting for the purpose of approving the Amalgamation and to solicit proxies to be voted at the Southtech Meeting in favour of the approval of the Amalgamation;
- (c) prepare with Redfall, file and distribute to the Southtech Shareholders in a timely and expeditious manner, the Circular and any amendments or supplements to the Circular, all as required by Applicable Law, in all jurisdictions where the same is required complying in all material respects with all applicable legal requirements on the date of issue thereof,
- (d) include in the Circular the recommendation of the board of directors of Southtech that the Southtech Shareholders vote in favour of the Amalgamation;
- (e) provide Redfall, on a timely basis, with all relevant information concerning it and its business, property, operations and financial statements for inclusion in the Circular and that such information will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in the light of the circumstances in which it will be made, and such information will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Southtech to be acted upon by the Southtech Shareholders at the Southtech Meeting;
- (f) except for proxies and other non-substantive communications with securityholders, furnish promptly to Redfall a copy of each notice, report, schedule or other document delivered, filed or received by Southtech in connection with: (i) the Amalgamation; (ii) any filings under Applicable Laws; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein;
- (g) make other necessary filings and applications under applicable foreign, federal and provincial laws and regulations required on the part of Southtech in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (h) use all commercially reasonable efforts to conduct its affairs so that all of Southtech's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

- (i) within five Business Days of receiving an Assessment, deliver to Redfall a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;
- (j) use all commercially reasonable efforts and do all such acts and things that are reasonably necessary to cause each of the conditions precedent set forth in Sections 5.1 and 5.2 hereof to be complied with;
- (k) subject to the satisfaction of the conditions precedent in Sections 5.1 and 5.3 hereof, thereafter together with Redfall file with the Registrar the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date; and
- (l) notify Redfall immediately upon becoming aware that any of the representations and warranties of Southtech contained herein are no longer true and correct in any material respect.

#### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

##### **4.1 Representations and Warranties of Southtech**

Southtech represents and warrants to and in favour of Redfall as follows and acknowledges that Redfall is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Southtech is a corporation incorporated under the laws of Alberta and is a valid and subsisting corporation under the ABCA and is in compliance, in all material respects, with the requirements of the ABCA;
- (b) Southtech has no Subsidiaries;
- (c) Southtech has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth and to perform its obligations hereunder;
- (d) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Southtech and this Agreement constitutes a valid and binding obligation of Southtech enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;

- (e) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity which, if not obtained or made, would, individually or in the aggregate, have a Material Adverse Effect on Southtech or prevent or materially impair Southtech's ability to perform its obligations hereunder is required by or with respect to Southtech in connection with the execution and delivery of this Agreement by Southtech, the performance of its obligations hereunder or the consummation by Southtech of the transactions contemplated hereby other than: (a) the approval of the Amalgamation by the Southtech Shareholders; (b) the approval of the Amalgamation as Southtech's Qualifying Transaction and the listing of the Amalco Shares to be issued under the Amalgamation and those Amalco Shares to be issued upon the exercise of the Amalco Convertible Securities by the TSXV; (c) such registrations and other actions required under provincial and territorial securities laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; and (d) any filings with the Registrar;
- (f) the entering into and performance of this Agreement and the transactions contemplated herein by Southtech will not violate:
  - (i) the constating documents or by-laws of Southtech;
  - (ii) any agreement to which Southtech is a party and will not give any person or company any right to terminate or cancel any agreement or any right enjoyed by Southtech because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Southtech or the assets of Southtech; or
  - (iii) any statute, regulation, by-law, order, judgment, or decree by which Southtech is bound, except for such violations which would not have a Material Adverse Effect on Southtech or the Southtech Shares;
- (g) Southtech is a "reporting issuer" or equivalent under applicable securities legislation in the Provinces of Alberta, British Columbia and Ontario, is not in default of the requirements of such legislation or the regulations and rules thereto or the policies and requirements of the TSXV and the issued and outstanding Southtech Shares are currently listed and posted for trading on the TSXV;
- (h) no cease trade order has been issued against Southtech or the Southtech Shares in any jurisdiction, and, to the knowledge of Southtech, no cease trade order is pending or threatened;
- (i) the authorized share capital of Southtech consists of an unlimited number of Southtech Shares and an unlimited number of preferred shares, issuable in series, of which 6,000,000 Southtech Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Southtech;

- (j) except for the Southtech Options, no Person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued share capital of Southtech, or any other securities of Southtech;
- (k) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the knowledge of Southtech, threatened against or relating to Southtech or affecting its properties or business which if determined adversely to Southtech might materially and adversely affect the properties, business, future prospects or the financial condition of Southtech, or the right of Southtech to use, produce or sell its property or assets in whole or in part. There is not presently outstanding against Southtech any judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator;
- (l) Southtech has not experienced nor, to the knowledge of Southtech, is it aware of any occurrence or event which has had, or might reasonably be expected to have, a Material Adverse Effect on Southtech;
- (m) Southtech has not incurred any obligation or liability, contingent or otherwise, for broker's fees, commissions or finder's fees or other similar fees in respect of the transactions contemplated by this Agreement;
- (n) the Southtech Financial Statements are true and correct and present fairly, in all material respects, the financial position of Southtech as at such date and the results of its operations and changes in financial position for the period indicated in the said statements, and have been prepared in accordance with IFRS;
- (o) Southtech has no material liabilities, contingent or otherwise, except those set out in the financial statements referred to in subsection 4.1(n) hereof, and Southtech has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (p) Southtech is not indebted to:
  - (i) any director, officer or shareholder of Southtech;
  - (ii) any individual related to any of the foregoing by blood, marriage or adoption; or
  - (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 4.1(p)(i) and (ii) hereof;
- (q) none of those Persons referred to in subsection 4.1(p) hereof is indebted to Southtech;
- (r) Southtech does not have any outstanding liability, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification,



assumption or endorsement of, or any other similar commitment with respect to, the obligations, liabilities (contingent or otherwise) or indebtedness of any person, other than those reflected in the Southtech Financial Statements;

- (s) no notices, reports or other filings are required to be made by Southtech with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Southtech from, any governmental or regulatory authority, other than the TSXV, and the usual filings under applicable Canadian corporate and securities laws, in connection with the execution and delivery of this Agreement by Southtech and the consummation of the transactions contemplated herein by Southtech, the failure to make or obtain any or all of which is reasonably likely to have a Material Adverse Effect on Southtech or could prevent, materially delay or materially burden the transactions contemplated by this Agreement;
- (t) Southtech has filed all required forms, reports and documents (collectively, the “**Southtech Public Disclosure**”) with the applicable Canadian regulatory authorities having jurisdiction over Southtech. None of the Southtech Public Disclosure filed by Southtech with the applicable Canadian securities regulatory authorities having jurisdiction, at the time filed or as subsequently amended, contained any misrepresentation or any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;
- (u) all material contracts, agreements and commitments of Southtech (whether written or oral) are in full force and effect and Southtech is not in default, in any material respect, under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived by the other party to such contract, agreement or commitment;
- (v) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a default or breach on the part of Southtech under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.1(v) hereof,
- (w) the corporate records and minute books of Southtech are current and complete in all material respects and represent accurate minutes of all meetings of the directors (and committees thereof) and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meeting, duly signed;
- (x) there are no reasonable grounds for believing that a creditor of Southtech will be prejudiced by the Amalgamation; and
- (y) the information concerning Southtech to be set forth in the Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not

misleading in light of the circumstances in which it will be made, and such information in the Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Southtech to be acted upon by the shareholders of Southtech at the Southtech Meeting;

#### **4.2 Representations and Warranties of Redfall**

Redfall represents and warrants to and in favour of Southtech as follows and acknowledges that Southtech is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Redfall and the Redfall Subsidiaries are duly incorporated and validly subsisting under the laws of their respective jurisdiction of incorporation and has the requisite corporate power and capacity to carry on its business as it is now being conducted;
- (b) Redfall and the Redfall Subsidiaries are duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Redfall or the Redfall Subsidiaries;
- (c) Redfall has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder; the execution and delivery of this Agreement and the consummation by Redfall of the transactions contemplated hereby have been duly authorized by the Redfall Board and no other corporate proceedings on the part of Redfall are or will be necessary to authorize this Agreement and the transactions contemplated hereby (other than approval of the Redfall Shareholders); this Agreement has been duly executed and delivered by Redfall and constitutes the legal, valid and binding obligation of Redfall enforceable against Redfall in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity;
- (d) neither the execution and delivery of this Agreement by Redfall, the consummation by Redfall of the transactions contemplated hereby nor compliance by Redfall with any of the provisions hereof will:
  - (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Redfall under, any of the terms, conditions or provisions of (x) the articles or bylaws of Redfall or any of the Redfall Subsidiaries, or (y) any note, bond, mortgage, indenture, loan agreement,

deed of trust, agreement, lien, contract or other instrument or obligation to which Redfall or any of the Redfall Subsidiaries is a party or to which its properties or assets may be subject or by which Redfall or any of the Redfall Subsidiaries is bound;

- (ii) subject to compliance with Applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Redfall or any of the Redfall Subsidiaries; or
- (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on Redfall,

(except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on Redfall);

- (e) Redfall has authorized an unlimited number of Redfall Shares, class B shares, class C preferred shares, class D preferred shares and class E preferred shares and, as at the Agreement Date, Redfall had issued and outstanding:
  - (i) 26,598,692 Redfall Shares;
  - (ii) no class B shares, class C preferred shares, class D preferred shares or class E preferred shares; and,

other than pursuant to the Redfall Private Placement and other than the Redfall Agent's Options, Redfall Options and Redfall Warrants, there are no other outstanding shares of Redfall or options, warrants, rights or conversion or exchange privileges entitling anyone to acquire any shares of Redfall or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Redfall of any shares of Redfall (including Redfall Shares) or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Redfall; all outstanding Redfall Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor issued in violation of, any pre-emptive rights;

- (f) Redfall has made all material filings required under Applicable Laws with the applicable Governmental Authorities, all such filings have been made in a timely manner, and all such filings and information and statements contained therein were true, correct and complete in all material respects and did not contain any misrepresentation, as at the date of such information or statements;
- (g) since December 31, 2013:

- (i) there has been no Material Adverse Change in respect of Redfall (or any condition, event or development involving a prospective change that would result in a Material Adverse Change to, or have a Material Adverse Effect on, Redfall);
  - (ii) each of Redfall and the Redfall Subsidiaries has conducted its businesses only in the ordinary and normal course; and
  - (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Redfall (taken as a whole) has been incurred other than in the ordinary and normal course of business,
- (h) the data and information in respect of Redfall and the Redfall Subsidiaries' assets, liabilities, business and operations provided by Redfall or its Representatives to Southtech or its Representatives was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof;
- (i) there are no actions, suits, proceedings or inquiries, including, to the knowledge of Redfall, pending or threatened against or affecting Redfall or any of the Redfall Subsidiaries, at law or in equity, or before or by any Governmental Authority which in any way would have a Material Adverse Effect on Redfall, or may in any way have a Material Adverse Effect on Redfall;
- (j) the Redfall Financial Statements fairly present, in accordance with IFRS, consistently applied (except as specifically provided in the notes to such statements and except as otherwise disclosed in writing to Southtech), the financial position and condition of Redfall and the Redfall Subsidiaries, on a consolidated basis, at the dates thereof and the results of the operations of Redfall and the Redfall Subsidiaries, on a consolidated basis, for the periods then ended and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Redfall and the Redfall Subsidiaries, on a consolidated basis, as at the dates thereof;
- (k) Redfall has no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
- (i) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the Redfall Financial Statements (the "**Redfall Balance Sheet**");
  - (ii) those incurred in the ordinary course of business and not required to be set forth in the Redfall Balance Sheet under IFRS;
  - (iii) those incurred in the ordinary course of business since the date of the Redfall Balance Sheet and consistent with past practice; and

(iv) those incurred in connection with the execution of this Agreement,

which would reasonably be expected to have a Material Adverse Effect on Redfall;

- (l) except as otherwise disclosed in writing to Southtech as at the Agreement Date, there are no material contracts or agreements to which Redfall is a party or by which it is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which Redfall will, or may reasonably be expected to, result in a requirement of Redfall to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$50,000 in either case in the next 12 months, or is out of the ordinary course of business of Redfall or any of the Redfall Subsidiaries, shall be considered to be material;
- (m) except as otherwise disclosed in writing to Southtech, Redfall does not have in effect any bonus plan, commission plan, profit sharing plan, pension plan, royalty plan or arrangement, defined benefit plan or employee benefit plan for the benefit of any of its employees, officers, directors or shareholders, and has made no agreements or promises with respect to any such plans;
- (n) except as otherwise disclosed in writing to Southtech, Redfall does not have in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Amalgamation or other change of control of Redfall;
- (o) Redfall does not have any subsidiaries other than the Redfall Subsidiaries and Redfall directly or indirectly beneficially owns all of the outstanding shares and other securities or interests in each of the Redfall Subsidiaries and no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of any of such Redfall Subsidiaries or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of any of the Redfall Subsidiaries;
- (p) no securities commission or similar regulatory authority, or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Redfall, no such proceeding is, to the knowledge of Redfall, pending, contemplated or threatened and Redfall is not in default of any requirement of any securities laws, rules or policies applicable to Redfall or its securities;
- (q) Redfall has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the transactions contemplated hereby or any transaction presently ongoing or contemplated and Redfall has delivered to Southtech current copies of

all agreements between Redfall and its financial advisors which could give rise to the payment of any fees to such financial advisors;

- (r) there are no accrued bonuses payable to any officers, directors or employees of Redfall;
- (s) Redfall has not waived the applicability of any “standstill” or other provisions of any confidentiality agreements entered into by Redfall which have not automatically expired by their terms;
- (t) Redfall is not a party to and, prior to the Closing Date, Redfall will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Redfall Shares or other securities of Redfall or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Amalgamation;
- (u) except as otherwise disclosed in writing to Southtech, to the knowledge of Redfall, as of the Agreement Date, none of the Redfall Shares are the subject of any escrow, voting trust or other similar agreement;
- (v) to the knowledge of Redfall, all accounts receivable in any material amount of Redfall are collectible, subject to any provisions for bad debts as set forth in the Redfall Financial Statements;
- (w) Redfall and Redfall’s Subsidiaries have good, valid and marketable title to the material properties and assets currently used in its business and such properties and assets are free and clear of all mortgages, pledges, liens, charges and encumbrances (other than permitted encumbrances) and other than permitted encumbrances, it has not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to its material properties or assets, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets as currently held;
- (x) Redfall is not aware of, and has not received:
  - (i) any order or directive which relates to environmental matters and which requires any material work, repairs, construction, or capital expenditures on its or the Redfall Subsidiaries’ properties or assets of Redfall or the Redfall Subsidiaries that has not been done; or
  - (ii) any demand or notice with respect to the material breach of any environmental, health or safety law applicable to it or the Redfall Subsidiaries or any of their respective business undertakings, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants,

the failure to comply with which would have a Material Adverse Effect on Redfall;

- (y) Redfall has obtained and is in compliance with all licences, permits, certificates, consents, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its businesses as they are now being or are proposed to be conducted, other than such licences, permits, certificates, consents, orders, grants and other authorizations the absence of which would not reasonably be expected to have a Material Adverse Effect on Redfall;
- (z) Redfall has complied with and is in compliance with all Laws applicable to the operation of its business, except where such non-compliance would not have a Material Adverse Effect on Redfall;
- (aa) Redfall has no obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions;
- (bb) the minute books, books of account and other records of Redfall and the Redfall Subsidiaries have (whether of a financial or accounting nature or otherwise) been maintained in accordance with, in all material respects, all Applicable Laws;
- (cc) Redfall is not a “reporting issuer” pursuant to Applicable Canadian Securities Laws of the provinces and territories of Canada;
- (dd) all Returns required to be filed by or on behalf of Redfall or any of the Redfall Subsidiaries have been duly filed on a timely basis and such Returns are true, complete and correct in all material respects and all Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and, to the knowledge of Redfall, no other Taxes are payable by Redfall or any of the Redfall Subsidiaries with respect to items or periods covered by such Returns;
- (ee) Redfall has paid or provided adequate accruals in the Redfall Financial Statements for the period ended December 31, 2013 for Taxes, including income taxes and related future taxes, in conformity with IFRS;
- (ff) no material deficiencies exist or have been asserted with respect to Taxes and Redfall is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Redfall or any of the Redfall Subsidiaries or any of their respective assets;

- (gg) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of Redfall or any of the Redfall Subsidiaries;
- (hh) the Returns of Redfall and the Redfall Subsidiaries have never been audited by a government or taxing authority, nor is any such audit in process, or to the knowledge of Redfall, or pending or threatened which resulted in or could result in a reassessment of Taxes owing by Redfall or any of the Redfall Subsidiaries or an adjustment to Redfall's tax pools or the tax pools of any of the Redfall Subsidiaries;
- (ii) Redfall has withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act all amounts required by law and will continue to do so until the Closing Date and has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Authority;
- (jj) Redfall has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the proper Governmental Authority within the time required by Applicable Law; Redfall has charged, collected and remitted on a timely basis all Taxes as required by Applicable Law on any sale, supply or delivery whatsoever, made by Redfall;
- (kk) except as otherwise disclosed in writing to Southtech, no director, officer, employee, insider of Redfall or other non-arm's length party to Redfall is indebted to Redfall;
- (ll) Redfall is not indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates, except for amounts due as reimbursement for ordinary business expenses incurred within the previous 90 days;
- (mm) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Redfall is a party or by which it is otherwise bound that would now or hereafter in any way may limit the business or operations of Redfall in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Redfall from engaging in its business or from competing with any person or in any geographic area;
- (nn) Redfall does not have any rights to purchase any assets, properties or undertakings of third parties nor have any obligation to sell assets, properties or undertakings with a value in excess of \$50,000 in the aggregate, under any agreements to purchase or sell that have not closed;
- (oo) Redfall is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors



pursuant to Redfall's by-laws and standard indemnity agreements, pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation;

- (pp) the policies of insurance in force as of the date hereof naming Redfall as an insured are in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated herein;
- (qq) no director, officer, insider or other party not at arm's length to Redfall has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of Redfall;
- (rr) as at March 31, 2014, Redfall's long term debt did not exceed \$0.5 million;
- (ss) Redfall has all Intellectual Property necessary to permit it to conduct its business as presently conducted and as proposed to be conducted;
- (tt) Redfall is the exclusive owner of, or possesses adequate enforceable rights to use, its Intellectual Property, free and clear of any encumbrances, covenants, conditions, options to purchase and restrictions or other adverse claims or interests of any kind or nature which would, individually or in the aggregate, have a Material Adverse Effect on Redfall and Redfall has no knowledge of any claim or adverse ownership in respect thereof;
- (uu) Redfall has not received any notice or claim challenging ownership of or rights by Redfall to such Intellectual Property or suggesting that such person has any claim of legal or beneficial ownership or other claim or interest with respect thereto nor, to Redfall's knowledge, is there a reasonable basis for such a claim;
- (vv) Redfall has documented procedures in place to protect the confidentiality of and all rights to the Intellectual Property. All fees payable in respect of the maintenance of Intellectual Property have been paid and all registrations and applications for registration of any Intellectual Property are in good standing; Redfall has prosecuted, and is prosecuting, such applications diligently;
- (ww) Redfall is not aware of a claim of any infringement or breach by Redfall of any industrial or intellectual property rights of any other person, nor has Redfall received any notice, nor is Redfall otherwise aware, that the use of the Intellectual Property of Redfall infringes upon or breaches any industrial or intellectual property rights of any other person and Redfall has no knowledge of any infringement or violation of any of the rights of Redfall in the Intellectual Property and is not aware of any state of facts that cast doubt on the validity or enforceability of any such Intellectual Property;

- (xx) to the knowledge of Redfall, no insider of Redfall has formally indicated a present intention to sell any securities of Redfall held by it;
- (yy) all the personal property and tangibles owned or used by Redfall in connection with its business are in working order, operational and free of any material defect, except for normal wear and tear, having regard to the use and age of such property;
- (zz) Redfall is in compliance with all covenants and obligations of any secured indebtedness of Redfall, in all material respects and to the knowledge of Redfall, no creditor of Redfall will be prejudiced by the Amalgamation;
- (aaa) Redfall is not a party to or bound or affected by any contract limiting its freedom to compete in any line of business or any geographic area, acquire goods or services from any supplier, establish the prices at which it may sell any goods or services, sell goods or services to any customer or potential customer, or transfer or move any of its assets or operations;
- (bbb) neither Redfall nor, to the knowledge of Redfall, any officer, director, employee or agent of Redfall has, directly or indirectly: (a) paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any broker, finder, agent, client representative, employee, political party or campaign, government official or other Person, which any officer, director, employee or agent of Redfall knew or had reason to believe, or ought to have known, was in violation of the Corruption of *Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977*, as amended, or any applicable law implementing the provisions of the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); or (b) made or received a bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (ccc) Redfall has not been, nor to the knowledge of Redfall, has any director, officer, agent, employee, affiliate or person acting on behalf Redfall been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“OFAC”); and Redfall will not directly or indirectly lend, contribute or otherwise make available funds to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC; and
- (ddd) the information concerning Redfall to be set forth in the Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Redfall to be acted upon by the shareholders of Redfall at the Redfall Meeting.

**ARTICLE 5**  
**CONDITIONS PRECEDENT AND OTHER MATTERS**

**5.1 Mutual Conditions Precedent**

The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Effective Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) the Redfall Private Placement shall have been completed;
- (b) executive employment agreements for Robert Geoffrey Gordon, Karim Teja, Rodney Thompson and Kris Read, as first officers of Amalco, shall have been entered into prior to or on Closing, on substantially the terms disclosed by Redfall to Southtech;
- (c) the Amalgamation shall have been approved by the required majority of the votes of the shareholders of each of Redfall and Southtech who, being entitled to do so, vote in person or by proxy at the Redfall Meeting or Southtech Meeting in accordance with the provisions of the ABCA;
- (d) the TSXV shall have conditionally approved the Amalgamation as Southtech's Qualifying Transaction and the Amalco Shares to be issued upon the completion of the Amalgamation and the Amalco Shares to be issued upon the exercise of the Amalco Convertible Securities shall have been conditionally approved for listing by the TSXV, subject to Amalco fulfilling the TSXV's listing requirements;
- (e) each of the Redfall Shareholders and the Southtech Shareholders shall have duly approved a stock option plan for Amalco;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement;
- (g) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably; and
- (h) this Agreement shall not have been terminated in accordance with Section 7.2 of this Agreement.

**5.2 Conditions to Obligations of Redfall**

The obligation of Redfall to consummate the transactions contemplated herein is subject to the satisfaction, on or before the Effective Date, or such other date specified below, of the following conditions:

- (a) each of the acts and undertakings of Southtech to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Southtech in all material respects;
- (b) no Material Adverse Change in Southtech shall have occurred between the date hereof and the Effective Date;
- (c) except as affected by the transactions contemplated herein, the representations and warranties of Southtech contained in Section 4.1 hereof shall be true in all material respects on the Effective Date with the same effect as though such representations and warranties had been made at and as of such time and Redfall shall have received a certificate to that effect, dated the Effective Date, from an officer of each of Southtech acceptable to Redfall, to the best of his knowledge, after having made reasonable inquiry;
- (d) the covenants of Southtech contained in Sections 3.3 and 3.4 hereof shall have been complied with, and Redfall shall have received a certificate dated the Effective Date of an officer of each of Southtech to such effect;
- (e) Southtech shall have furnished Redfall with:
  - (i) a copy of a court order waiving certain requirements of the ABCA and permitting Southtech to delay its annual shareholder meeting;
  - (ii) certified copies of the resolutions passed by the board of directors of Southtech approving this Agreement and the consummation of the transactions contemplated herein;
  - (iii) certified copies of the resolutions passed by the Southtech Shareholders at the Southtech Meeting approving this Agreement; and
  - (iv) a conditional approval letter from the TSXV approving the Amalgamation as Southtech's Qualifying Transaction; and
- (f) not more than 5% of the Southtech Shareholders shall have exercised rights of dissent in relation to the Amalgamation and Southtech shall have provided to Redfall a certificate of an officer of Southtech certifying on the Effective Date the number of Southtech Shares in respect of which, to such officer's knowledge, the holders thereof have exercised rights of dissent.

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

### **5.3 Conditions to Obligations of Southtech**

The obligations of Southtech to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Effective Date, or such other date specified below, of the following conditions:

- (a) each of the acts and undertakings of Redfall to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Redfall in all material respects;
- (b) no Material Adverse Change in Redfall shall have occurred between the date hereof and the Effective Date;
- (c) except as affected by the transactions contemplated herein, the representations and warranties of Redfall contained in Section 4.2 hereof shall be true in all material respects on the Effective Date with the same effect as though such representations and warranties had been made at and as of such time, and Southtech shall have received a certificate to such effect, dated the Effective Date, of a senior officer of Redfall acceptable to Southtech to the best of his or her knowledge, after having made reasonable inquiry;
- (d) the covenants of Redfall contained in Sections 3.1 and 3.2 hereof shall have been complied with, and Southtech shall have received a certificate, dated the Effective Date, of an officer of Redfall to such effect;
- (e) Redfall shall have furnished Southtech with:
  - (i) certified copies of the resolutions passed by the Redfall Board approving this Agreement and the consummation of the transactions contemplated herein; and
  - (ii) certified copies of the resolutions passed by the Redfall Shareholders at the Redfall Meeting approving this Agreement; and
- (f) not more than 5% of the Redfall Shareholders shall have exercised rights of dissent in relation to the Amalgamation and Redfall shall have provided to Southtech a certificate of an officer of Redfall certifying on the Effective Date the number of Redfall Shares in respect of which, to such officer's knowledge, the holders thereof have exercised rights of dissent.

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

### **5.4 Acknowledgements**

Each of Redfall and Southtech acknowledges and agrees that:

- (a) Amalco shall fulfil its obligations pursuant to indemnities provided or available to past and present officers and directors of Redfall and Southtech pursuant to the provisions of their respective constating documents and the ABCA, as applicable, and its officers and directors; and
- (b) the provisions of subsection (a) above are: (i) intended for the benefit of all present and former directors and officers of Redfall and Southtech, and shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the “**Third Party Beneficiaries**”) and each of Redfall and Southtech shall hold the rights and benefits of subsection (a) above in trust for, and on behalf of, their respective Third Party Beneficiaries and each of Redfall and Southtech hereby accept such trust and agree to hold the benefit of, and enforce performance of, such covenants on behalf of their respective Third Party Beneficiaries; and (ii) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

## 5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when the Articles of Amalgamation are filed under the ABCA to give effect to the Amalgamation.

## ARTICLE 6 NOTICES

### 6.1 Notices

All notices, requests and demands hereunder, 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 by courier, facsimile or email as follows:

- (a) to Southtech, addressed to:

Southtech Capital Corporation  
Suite 200, 5970 Centre Street N.E.  
Calgary, Alberta T2H 0N7

Attention: Wade Larson, President and Chief Executive Officer  
Facsimile: (403) 648-3043  
Email: [wadejl Larson@gmail.com](mailto:wadejl Larson@gmail.com)

with a copy to:

Burstall Winger Zammit LLP  
Suite 1600, 333 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2Z1

Attention: Douglas M. Stuve  
Facsimile: (403) 234-3337  
Email: [dstuve@burstall.com](mailto:dstuve@burstall.com)

(b) to Redfall, addressed to:

Redfall Technologies Inc.  
400, 320 – 23<sup>rd</sup> Avenue S.W.  
Calgary, Alberta T2S 0J2

Attention: Geoff Gordon, Managing Partner  
Facsimile: (403) 452-5066  
Email: [geoff@redfall.com](mailto:geoff@redfall.com)

with a copy to:

Torys LLP  
4600, 525 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 1G1

Attention: Janan Paskaran  
Facsimile: (403) 776-3800  
Email: [jpaskaran@torys.com](mailto:jpaskaran@torys.com)

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

## **ARTICLE 7 AMENDMENT AND TERMINATION OF AGREEMENT**

### **7.1 Amendment**

This Agreement may, at any time and from time to time before or after holding of the Redfall Meeting and the Southtech Meeting, be amended by written agreement of the parties hereto without, subject to Applicable Law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (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 herein contained 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 the securityholders of Redfall and the securityholders of Southtech without approval by such securityholders of Redfall and Southtech given in the same manner as required for the approval of the Amalgamation.

## **7.2 Rights of Termination**

If any of the conditions contained in Article 5 hereof shall not be fulfilled or performed by July 31, 2014 (the “**Termination Date**”) or such other date mutually agreed upon by the parties and such condition is contained in:

- (a) Section 5.1 hereof, any of the parties hereto may terminate this Agreement by notice to the other party;
- (b) Section 5.2 hereof, Redfall may terminate this Agreement by notice to Southtech; or
- (c) Section 5.3 hereof, Southtech may terminate this Agreement by notice to Redfall.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, other than those obligations under Sections 8.8 and 8.13, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in part by any of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

## **7.3 Notice of Unfulfilled Conditions**

If either of Redfall or Southtech shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other party to be fulfilled or performed, Redfall or Southtech, as the case may be, shall so notify the other party forthwith upon making such determination in order that such other party shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.



#### **7.4 Mutual Termination**

This Agreement may, at any time, but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of Redfall and Southtech, and if the Amalgamation does not become effective on or before the Termination Date, either Southtech or Redfall may unilaterally terminate this Agreement, which termination will be effective upon notice thereof being given to the other of them.

### **ARTICLE 8 GENERAL**

#### **8.1 Standstill Agreement**

As long as this Agreement is in effect and except as contemplated herein, neither Southtech nor Redfall (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of Redfall or Southtech, as applicable, provided however that the respective boards of directors of Southtech and Redfall, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties and none of the covenants of Southtech and Redfall contained herein shall prevent the respective boards of directors of Southtech and Redfall, from taking such action and further provided that Southtech and Redfall (including their directors, officers and agents) may, after the Termination Date, solicit and accept offers if the Articles of Amalgamation are not filed with the Registrar by the Termination Date.

#### **8.2 Disclosure of Alternative Transaction**

In the event either Redfall or Southtech shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 8.1 hereof on or before the Termination Date, the recipient of such proposal, offer or expression of interest shall notify the other party hereto and shall provide details of such proposal, offer or expression of interest to the other party hereto.

#### **8.3 Entire Agreement**

The terms and provisions herein contained and the schedules hereto constitute the entire agreement between the parties and shall supersede all previous oral or written communications, including the Letter of Intent, as amended, between the parties.

#### **8.4 Binding Effect**

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

## **8.5 Waiver and Modification**

Redfall and Southtech may waive or consent to the modification of, in whole or in part, any inaccuracy or any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other party hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

## **8.6 No Personal Liability**

- (a) No director, officer, employee or agent of Southtech shall have any personal liability whatsoever to Redfall under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Southtech.
- (b) No director, officer, employee or agent of Redfall shall have any personal liability whatsoever to Southtech under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Redfall.

## **8.7 Assignment**

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

## **8.8 Public Disclosure**

The parties agree to consult with each other before making any public disclosure or announcement of or pertaining to this Agreement, and that any such disclosure or announcement shall be mutually satisfactory to all parties; provided, however, this Section shall not apply in the event any party hereto is advised by its counsel that certain disclosures or announcements, which the other parties after reasonable notice will not consent to, are required to be made by applicable laws, stock exchange rules or policies of regulatory authorities having jurisdiction.

## **8.9 Expenses**

Whether or not the Amalgamation is completed, Southtech and Redfall shall each pay for their respective costs and expenses incurred in connection with the matters contemplated herein.

## **8.10 Time of Essence**

Time is of the essence of this Agreement.

### **8.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

### **8.12 Severability**

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

### **8.13 Confidentiality**

Each of Redfall and Southtech will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party. Such information which:

- (a) has not become generally available to the public; or
- (b) was not available to a party or its representatives on a non-confidential basis before the date of this letter; or
- (c) does not become available to a party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives;

will be kept confidential by each party and shall constitute confidential information (the “**Confidential Information**”). No Confidential Information may be released to third parties without the consent of the provider thereof, except that the parties hereto agree that they will not unreasonably withhold such consent to the extent that such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

### **8.14 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.

## **8.15 Counterparts**

This Agreement may be executed in separate counterparts, and all such counterparts when taken together shall constitute one agreement. The parties shall be entitled to rely on delivery of a facsimile copy or electronic PDF form of the executed Agreement and such facsimile copy or electronic PDF form shall be legally effective to create a valid and binding Agreement.

*[Remainder of this page intentionally left blank; signature page follows.]*

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

**SOUTHTECH CAPITAL CORPORATION**

Per: signed "Wade Larson"  
Name: Wade Larson  
Title: President and Chief Executive Officer

**REDFALL TECHNOLOGIES INC.**

Per: signed "Geoff Gordon"  
Name: Geoff Gordon  
Title: Managing Partner

**SCHEDULE A**  
**ARTICLES OF AMALGAMATION**

(See attached)

**Articles Of Amalgamation**  
Business Corporations Act

1. **Name of Amalgamated Corporation**

Vogogo Inc.

2. **The classes of shares, and any maximum number of shares that the corporation is authorized to issue:**

See Share Structure Schedule attached hereto.

3. **Restrictions on share transfers (if any):**

4. **Number, or minimum and maximum number of directors:**

Minimum 3 - Maximum 15

5. **If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):**

No Restrictions.

6. **Other provisions (if any):**

See Other Rules or Provisions Schedule attached hereto.

7. **Name of Amalgamating Corporations**

**Corporate Access Number**

Southtech Capital Corporation	2016027548
Redfall Technologies Inc.	2013765215

\_\_\_\_\_  
Name of Person Authorizing (*please print*)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title (*please print*)

\_\_\_\_\_  
Date

REG 3068 (2001109)

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Research and Program Support, Box 3140, Edmonton, Alberta T5J 4L4, (780) 427-7013.

**SHARE STRUCTURE SCHEDULE  
REFERRED TO IN THE FOREGOING  
ARTICLES OF AMALGAMATION**

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value. The Preferred Shares and the Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

**A. PROVISIONS ATTACHING TO THE COMMON SHARES**

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

(1) Dividends

Subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares with respect to priority in the payment of dividends, the holders of Common Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Corporation may from time to time determine and all dividends which the board of directors of the Corporation may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.

(2) Dissolution

In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares with respect to priority in the distribution of assets upon dissolution, liquidation, winding-up or distribution for the purpose of winding-up, the holders of the Common Shares shall be entitled to receive the remaining property and assets of the Corporation.

(3) Voting Rights

The holders of the Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one (1) vote for each Common Share held at all meetings of the shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.

**B. PROVISIONS ATTACHING TO THE PREFERRED SHARES**

The Preferred Shares, as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:



(1) Directors' Authority to Issue in One or More Series

The board of directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the board of directors of the Corporation shall fix the number of shares in such series and shall determine, subject to the limitations set out in the Articles, the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series including, without limitation, the rate or rates, amount or method or methods of calculation of dividends thereon, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights (if any), the conversion or exchange rights attached thereto (if any), the voting rights attached thereto (if any), and the terms and conditions of any share purchase plan or sinking fund with respect thereto. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Registrar (as defined in the *Business Corporations Act* (Alberta)) Articles of Amendment containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the board of directors of the Corporation.

(2) Ranking of Preferred Shares

No rights, privileges, restrictions or conditions attached to a series of Preferred Shares shall confer upon shares of a series a priority in respect of dividends or return of capital over shares of any other series of Preferred Shares then outstanding. The Preferred Shares shall be entitled to priority over the Common Shares of the Corporation and over any other shares of the Corporation ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims to dividends and return of capital, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Preferred Shares of any series may also be given such other preferences, not inconsistent with Sections B(1) to (4) hereof, over the Common Shares and over any other shares ranking junior to the Preferred Shares as may be determined in the case of such series of Preferred Shares.

(3) Voting Rights

Except as hereinafter referred to or as otherwise required by law or in accordance with any voting rights which may from time to time be attached to any series of Preferred Shares, the

holders of the Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

(4) Approval of Holders of Preferred Shares

The rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Preferred Shares given as hereinafter specified.

The approval of the holders of Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Preferred Shares as a class or to any other matter requiring the consent of the holders of the Preferred Shares as a class may be given in such manner as may then be required by law, subject to a minimum requirement that such approval shall be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of Preferred Shares duly called for that purpose. The formalities to be observed in respect of the giving of notice of any such meeting or any adjourned meeting and the conduct thereof shall be those from time to time required by the *Business Corporations Act* (Alberta) (as from time to time amended, varied or replaced) and prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at a meeting of holders of Preferred Shares as a class, each holder entitled to vote thereat shall have one vote in respect of each Preferred Share held by him.

**OTHER RULES OR PROVISIONS SCHEDULE  
REFERRED TO IN THE FOREGOING  
ARTICLES OF AMALGAMATION**

The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.