

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT is dated and made effective as of September 26, 2021.

AMONG:

FTC CARDS INC., a company incorporated under the laws of the Province of British Columbia, Canada, and having an address for notice and delivery located at 33157 Tunbridge Avenue, Mission, BC, V2V 6X9

(hereinafter referred to as the “**Purchaser**” or “**FTC**”);

AND:

BEYOND OIL LTD., a company incorporated under the laws of Israel, and having an address for notice and delivery located at Kibbutz Yifat 3658300, Israel

(hereinafter referred to as “**Beyond Oil**”);

AND:

The common shareholders (the “**Beyond Ordinary Shareholders**”) and preferred shareholders (the “**Beyond Preferred Shareholders**”) of Beyond Oil listed in the attached Schedule “A” (which Beyond Ordinary Shareholders and Beyond Preferred Shareholders, together, if applicable, with any persons that become shareholders of Beyond Oil prior to Closing, being hereinafter collectively referred to as the “**Shareholders**”, and individually as a “**Shareholder**”);

(and the Purchaser, Beyond Oil and the Shareholders being hereinafter singularly also referred to as a “**Party**” and collectively referred to as the “**Parties**” as the context so requires).

WHEREAS:

- A. The Shareholders are collectively the legal and beneficial owners of 100% of the issued and outstanding securities of Beyond Oil.
- B. The Purchaser has agreed to purchase and the Shareholders have agreed to sell the Purchased Shares (as hereinafter defined), in exchange for common shares of the Purchaser on the terms and conditions set forth in this Agreement (the “**Transaction**”).
- C. As part of the Transaction, the Purchaser, Beyond Oil and the Shareholders intend to list the common shares of the Purchaser, by way of initial public offering of the Purchaser’s common shares, on the Exchange (the “**Listing**”).

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the respective covenants and agreements herein contained, the Parties hereto covenant and agree as follows:

ARTICLE I
INTERPRETATION

1.01 Definitions

In this Agreement, unless otherwise defined, capitalized words and terms shall have the following meanings:

- (a) **“Acquisition Proposal”** has the meaning set forth in Section 10.01(a);
- (b) **“Actual Closing Capitalization”** means that number of securities of the Resulting Issuer to be issued and outstanding immediately after Closing, as determined immediately prior to Closing (calculated, in each case, as if the Beyond Oil Restricted Shares were fully vested);
- (c) **“Agents”** has the meaning set forth in Section 10.01;
- (d) **“Agreement”** means this share purchase agreement as the same may be supplemented or amended from time to time;
- (e) **“Allocation Agreement”** means the Allocation Agreement dated the date hereof, 2021 between Beyond Oil and the Investors;
- (f) **“Alternative Transaction”** has the meaning set forth in Section 10.01(a);
- (g) **“Applicable Laws”** means all applicable statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and **“law”** means any one of them;
- (h) **“Assignment of Intellectual Property Agreement”** means the assignment of intellectual property rights agreement dated November 25, 2018 between Beyond Oil and Pinhas Or, as amended by agreement dated June 17, 2021;
- (i) **“BCSC”** means the British Columbia Securities Commission;
- (j) **“Beyond Oil Disclosure Letter”** means the disclosure letter dated the date hereof executed by Beyond Oil and the Shareholders’ Representatives and delivered to the Purchaser in connection with the execution of this Agreement, which is integral to and shall form part of this Agreement;
- (k) **“Beyond Oil Financial Statements”** has the meaning set forth in Section 7.03(b);

- (l) **“Beyond Oil Lock-Up Agreement”** has the meaning set forth in Section 2.09(a);
- (m) **“Beyond Oil Material Contracts”** has the meaning set forth in Section 6.03(x);
- (n) **“Beyond Oil Officer’s Certificate”** means a certificate of two of Beyond Oil’s senior officers, being the Chief Executive Officer and the Chief Marketing Officer, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the certificate of and articles of Beyond Oil (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of Beyond Oil approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction; (iii) as to the incumbency and genuineness of the signature of each officer of Beyond Oil executing this Agreement or any of the other agreements or documents contemplated hereby; (iv) that the representations and warranties of Beyond Oil set forth in this Agreement have been true and correct as of the date hereof and shall be true and correct at the Closing Time in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and that the representation given in 6.02(hh)(3) is true and correct in its entirety, with no modification for materiality, as at the Closing Time; (v) that the Waiver and Termination Agreement is in effect as of the Closing Time is valid and enforceable against all parties, with no modifications, amendments, or alterations of any kind whatsoever having been effected other than with the consent of the Purchaser; (vi) that the Beyond Oil Financial Statements remain true, correct, accurate and complete and that since the last date of the most recently issued Beyond Oil Financial Statements, there has been no material alteration in the manner of keeping the books, accounts or records of Beyond Oil or in its accounting policies or practices, (vii) no information has come to the attention of Beyond Oil since the date of the most recent Beyond Oil Financial Statements that would or would reasonably be expected to require any restatement or revisions of any such financial statements, and (viii) that all of the terms, covenants and conditions of this Agreement to be complied with or performed by Beyond Oil at or before the Closing Time have been complied with or performed;
- (o) **“Beyond Oil Option Plan”** means the 2020 Israeli Share Option Plan adopted by Beyond Oil on May 5, 2020;
- (p) **“Beyond Oil Preferred Shares”** means the 63,338 Series A Preferred shares of Beyond Oil, with a nominal value of NIS 0.01 each, issued and outstanding as of the date hereof;
- (q) **“Beyond Oil Restricted Shares”** means the 234,704 restricted Beyond Oil Shares granted to Tamir Gedo on June 24, 2021, which shall have vested prior to Closing;

- (r) **“Beyond Oil Shareholder Consent Agreement”** means the consent agreement to be entered into between the Purchaser and each New Beyond Oil Shareholder by the Closing Time, substantially in the form attached hereto as Schedule “B”;
- (s) **“Beyond Oil Shares”** means ordinary shares par value NIS 0.01 per share in the capital of Beyond Oil (whether vested or unvested);
- (t) **“Beyond Oil Warrants”** means the share purchase warrants of Beyond Oil, issued and outstanding as of the date hereof and exercisable for up to 31,694 Beyond Oil Shares;
- (u) **“Board”** means the board of directors of the Purchaser;
- (v) **“Books and Records”** means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;
- (w) **“Bridge Financing”** means the issue and sale by the Purchaser, on a private placement basis, of an aggregate of 2,500,000 Common Shares at an issue price of C\$0.50 per Bridge Financing Share, for gross proceeds of C\$1,250,000.00;
- (x) **“Bridge Financing Shares”** means the Common Shares issued by FTC pursuant to the Bridge Financing;
- (y) **“Bridge Loan”** has the meaning set forth in Section 7.01(a);
- (z) **“Business”** means the business of Beyond Oil as currently conducted, being the provision of a disruptive solution to the global vegetable oil industry, comprised of patented solutions enabling the reduction of free fatty acids in cooking oil;
- (aa) **“Business Assets”** means all tangible and intangible property and assets whether owned (either directly or indirectly), leased or licensed and operated or used, including all real property, fixed assets, facilities, equipment, inventories and accounts receivable, by Beyond Oil and its subsidiaries, as the case may be, in connection with the Business;
- (bb) **“Business Day”** means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia or the State of Israel;
- (cc) **“CAD”** has the meaning ascribed thereto in Section 1.10;
- (dd) **“Clawback Shares”** has the meaning set forth in Section 9.06(c);
- (ee) **“Closing”** means the completion of the Transaction in accordance with the terms and conditions of this Agreement;

- (ff) “**Closing Date**” means the date of Closing, which shall be November 30, 2021, or such other date as the Parties may mutually determine;
- (gg) “**Closing Target PubCo Options**” has the meaning set forth in Section 3.04.
- (hh) “**Closing Time**” means 4:30 p.m. (Israel time) on the Closing Date, or such other time as the Parties may mutually determine;
- (ii) “**Common Shares**” means common shares without par value in the capital of the Purchaser;
- (jj) “**Concurrent Financing**” means a non-brokered private placement of FTC of Special Warrants for gross aggregate proceeds of C\$3.5 million with an indicative price of C\$0.75 per Special Warrant or such other price as determined by the Board;
- (kk) “**Consideration Securities**” means, collectively, Contingent Rights, the Deferred Payment Shares, the Payment Shares, the Consideration Warrants and the Common Shares issuable upon exercise of the Consideration Warrants;
- (ll) “**Consideration Warrants**” means Common Share purchase warrants of the Purchaser each exercisable for one Common Share at a price of C\$1.18 per Common Share for a period of 12 months from the Closing Date and issued to the Shareholders pursuant to Section 2.02 hereof;
- (mm) “**Contingent Rights**” means the contingent value rights to be granted to the Shareholders under the Prospectus at the Closing Time, which convert to the Deferred Payment Shares on the occurrence of the milestones outlined in Section 5.06(b) hereof;
- (nn) “**Contracts**” (individually, a “**Contract**”) means all written or oral outstanding contracts and agreements, leases (including real property leases), third-party licenses, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a Party is bound or under which a Party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;
- (oo) “**Corporate Records**” means the corporate records of a corporation, including: (i) its incorporation certificates, articles, notice of articles or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; and (iii) the share certificate books, register of shareholders, register of transfers and registers of directors and officers;
- (pp) “**Deferred Purchase Price Agreement**” has the meaning set forth in Section 5.06(b);

- (qq) “**Deferred Payment Shares**” means the Common Shares issuable upon conversion of the Contingent Rights under the Deferred Purchase Price Agreement;
- (rr) “**Director Changes**” has the meaning set forth in Section 3.01;
- (ss) “**Entity**” means a person, other than an individual;
- (tt) “**Environmental Laws**” means all Applicable Laws relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety, including relating to the release, threatened release, manufacture, processing, blending, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;
- (uu) “**Escrow Agreements**” has the meaning set forth in Section 2.03 hereof;
- (vv) “**Estimated Closing Capitalization**” means the estimated closing capitalization of the Purchaser at Closing attached hereto as Schedule D;
- (ww) “**Exchange**” means the Canadian Securities Exchange or an equivalent recognized stock exchange in North America, as agreed to by Beyond Oil and the Purchaser;
- (xx) “**Existing Target Pubco Options**” means 120,922 stock options outstanding as of the date hereof, being: (i) 60,346 granted to Tamir Gedo; (ii) 30,288 granted to Shany Toubal; (iii) 15,144 granted to Michal Werner; and (iv) 15,144 granted to Ullanoor Madam Ramasybramaniam Sahasranamam, each with an exercise price of 0.01 NIS;
- (yy) “**Finders**” means Valor Invest Ltd., CapitaLink Ltd. and Itamar David;
- (zz) “**Finders’ Fee Shares**” means such number of Common Shares as are equal to 7% of the number of Payment Shares issued in connection with the Transaction;
- (aaa) “**Founders’ Agreement**” means the agreement dated, November 25, 2018 among Beyond Oil and Pinhas Or, Eliezer Bali, Jonathan Or, Moshe Cohen and Uriel Cohen, as amended by agreement dated June 17, 2021 confirming that Sections 1.1, 2.3-2.10, 3.1-3.5, 4, 5, 6, 7, 8, 13.9 and 13.13 of the Founders’ Agreement are repealed as of the Closing Time;
- (bbb) “**Governmental Authority**” means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (ii) regulatory authority, including any securities commission, the Exchange or any other stock exchange;
- (ccc) “**Hazardous Materials**” means chemicals, fluids, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;
- (ddd) “**IFRS**” means International Financial Reporting Standards;

- (eee) “**Investors**” means, collectively, Liad Development and Holdings Ltd, an Israeli company, CRN 520029117 and Lior Nouman, Adv., an Israeli citizen, ID No. 029085917;
- (fff) “**Indemnified Party**” has the meaning set forth in Section 9.04;
- (ggg) “**Interim 103K Ruling**” any interim ruling issued by the ITA in connection therewith, in form and substance acceptable to the Purchaser, acting reasonably;
- (hhh) “**IP**” or “**Intellectual Property**” means any and all intellectual property or proprietary rights arising at law or in equity, including, without limitation: (i) all patents, patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions, and patent term extensions thereof; (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models; (iii) registered and unregistered copyrights, copyright registrations and applications therefor, mask works and mask work registrations and applications therefor, author’s rights and works of authorship, designs, computer programs and technical data; (iv) URLs, web sites, web pages and any part thereof; (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary and manufacturing processes, technology, formulae, and algorithms; (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor; (vii) industrial designs or design patents, whether or not patentable or registrable, patented or registered or the subject of applications for registration or patent or registration and all rights of priority, applications, continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents therefor; (viii) licenses, contacts and agreements otherwise relating to any of the foregoing including rights in, to and under any of the foregoing, in any and all such cases that are owned (or purported to be owned) or used by, and as are necessary for Beyond Oil in the conduct of the Business as currently conducted and as currently proposed to be conducted; and (ix) the goodwill symbolized or represented by the foregoing;
- (iii) “**ITA**” shall mean the Israeli Tax Authority;
- (jjj) “**ITO**” shall mean the Israeli Tax Ordinance (New Version), 1961, as amended, and all rules and regulations promulgated thereunder;
- (kkk) “**Lien**” means any mortgage, encumbrance, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;
- (lll) “**Listing**” has the meaning set forth in the recitals hereto;

- (mmm) “**Loss**” or “**Losses**” means all claims, demands, proceedings, fines, losses, damages, liabilities, deficiencies, assessments or reassessments, debts, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, fines, penalties, judgments and amounts paid in settlement) arising directly or indirectly as a consequence of the matter giving rise to such Loss or Losses provided that “Loss” and “Losses” shall not include any punitive damages;
- (nnn) “**Material Adverse Effect**” means: (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or Beyond Oil, as applicable; or (ii) a material impairment of or delay in the ability of the Purchaser or Beyond Oil, as applicable, to perform their obligations hereunder or consummate the Transaction;
- (ooo) “**Material Contract**” means any Contract to which a person is a Party and which is material to such person, including any Contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) which would result in payments during the term thereof to or from such person or a subsidiary (if any) in excess of US\$500,000, whether payable in one payment or in successive payments; (iii) relating to the borrowing of money or to capital expenditures; or (iv) not entered into in the ordinary course of business;
- (ppp) “**material fact**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);
- (qqq) “**misrepresentation**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);
- (rrr) “**New Beyond Oil Shareholder**” has the meaning set forth in Schedule B;
- (sss) “**NIS**” means New Israeli Sheqel, the monetary unit in Israel;
- (ttt) “**Parties**” and “**Party**” have the respective meanings set forth in the first page of this Agreement;
- (uuu) “**Payment Shares**” has the meaning set forth in Section 2.02;
- (vvv) “**Permits**” means all consents, waivers, approvals, orders, permits, licenses, authorizations and declarations which are required for the operation of the Business;
- (www) “**person**” includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;

- (xxx) **“Pre-Closing Tax Period”** means any Tax period ending on or before the Closing Date, and for any Tax period that includes (but does not end on) the Closing Date (a **“Straddle Period”**), the portion of the Straddle Period that ends on the Closing Date;
- (yyy) **“Pre-Closing Taxes”** means all liabilities for Taxes of Beyond Oil or any of its Subsidiaries for Pre-Closing Tax Periods, determined without regard to any carryback of a loss or credit arising after the Closing Date; provided, however, Pre-Closing Taxes shall not include any Taxes arising from actions by the Purchaser or its affiliates on the Closing Date after the Closing that are outside the ordinary course of business of Beyond Oil and its Subsidiaries. For purposes of this Agreement, in the case of any Taxes that are imposed on a periodic basis and are payable for a Straddle Period, the portion of such Tax related to the portion of such Tax period ending on and including the Closing Date shall (i) in the case of any Taxes other than gross receipts, sales or use Taxes and Taxes based upon or related to income, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which shall be the number of days in the Tax period ending on and including the Closing Date and the denominator of which shall be the number of days in the entire Tax period, and (ii) in the case of any Tax based upon or related to income and any gross receipts, sales or use Tax, be deemed equal to the amount that would be payable if the relevant Tax period ended on and included the Closing Date. All determinations necessary to give effect to the allocations set forth in the foregoing clause (ii) shall be made in a manner consistent with the prior practice of Beyond Oil and its Subsidiaries.
- (zzz) **“Prospectus”** means the final new issue prospectus of FTC that is being prepared by FTC and Beyond Oil in respect of the Concurrent Financing and the Listing, qualifying the distribution of Payment Shares, Consideration Warrants , Units issuable upon conversion of the Special Warrants, Contingent Rights convertible into the Deferred Payment Shares, and the Finders’ Fee Shares;
- (aaaa) **“Purchased Shares”** has the meaning set forth in Section 2.01 of this Agreement;
- (bbbb) **“Purchaser Material Contracts”** has the meaning set forth in Section 6.01(1);
- (cccc) **“Purchaser Officer’s Certificate”** means a certificate of the Purchaser’s Chief Executive Officer dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the notice of articles and articles of the Purchaser (and all amendments thereto as in effect as on such date); (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Payment Shares; (iii) as to the incumbency and genuineness of the signature of each officer of Purchaser executing this Agreement or any of the other agreements or documents contemplated hereby; (iv) that the representations and warranties of the Purchaser set forth in this Agreement have been true and correct as of the date hereof and shall be true and correct at the Closing Time in all respects (in the case of any representation or

warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement; and (v) that all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Closing Time have been complied with or performed;

- (dddd) **“Purchaser Shareholder Approval”** has the meaning set forth in Section 2.10;
- (eeee) **“Purchaser Shareholders”** means the holders of Common Shares;
- (ffff) **“Resulting Issuer Options”** means options to purchase Common Shares pursuant to the Stock Option Plan;
- (gggg) **“Resulting Issuer Option Exchange Ratio”** means, in respect of each Shareholder, the exchange ratio upon which his or her Beyond Oil Shares, were exchanged for Payment Shares as set forth in Schedule A hereto (as adjusted for changes between the Estimated Closing Capitalization and the Actual Closing Capitalization);
- (hhhh) **“Securities Laws”** means, in respect of any person, the securities legislation having application to that person, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;
- (iiii) **“Seed Financing”** means the non-brokered private placement by FTC of 12,000,000 Common Shares at a price of C\$0.05 per Common Share, for gross proceeds of C\$600,000.00 that closed on June 22, 2021;
- (jjjj) **“Seed Financing Subscription Agreements”** means the subscription agreements entered into by each subscriber to the Seed Financing and accepted by the Purchaser;
- (kkkk) **“Seed Loans”** means the US\$50,000 loan made by FTC to Beyond Oil on July 7, 2021 and any other loan made by FTC to Beyond Oil between such date and the date of the closing of the Bridge Financing;
- (llll) **“Shareholders”** and **“Shareholder”** have the respective meanings set forth in the first page of this Agreement;
- (mmmm) **“Special Warrants”** means non-transferable special warrants of FTC that will each automatically convert, without the payment of any additional consideration by the holder thereof, into one Unit, on the date that is the earlier of: (i) the third Business Day after issue of the receipt by the BCSC as principal regulator for the Prospectus; and (ii) 4 months and one day after the issue date of the Special Warrants;

- (nnnn) “**Special Advisors**” means, collectively, (i) Altaf Nazerali; (ii) International Portfolio Management Inc. (iii) Nadjiha Nazerali; (iv) Capital Link Ltd.; (v) Einat Krasney; (vi) Frida Liberman; (vii) Itamar David; and (viii) Hadas David;
- (oooo) “**Stock Option Plan**” has the meaning set forth in Section 3.04;
- (pppp) “**subsidiary**” means an Entity that is controlled by another Entity and “**subsidiaries**” means more than one subsidiary;
- (qqqq) “**Target Pubco Options**” means, collectively, the Existing Target Pubco Options and the Closing Target PubCo Options;
- (rrrr) “**Tax**” means any tax, impost, levy, withholding, duty, fee, premium, assessment and other charge of any kind, however denominated and any instalment or advance payment in respect thereof payable to any Governmental Authority, including for greater certainty any income, gain or profit tax (including federal, state, provincial and territorial income tax), payroll and employee withholding tax, employment or payroll tax, unemployment insurance, disability tax, social insurance tax, social security contribution, sales and use tax, value added, consumption tax, customs tax, ad valorem tax, excise tax, goods and services tax, harmonized sales tax, franchise tax, gross receipts tax, capital tax, business license tax, alternative minimum tax, estimated tax, abandoned or unclaimed (escheat) tax, occupation tax, real and personal property tax, stamp tax, environmental tax, transfer tax, severance tax, workers’ compensation, Canada and other government pension plan premium or contribution and other governmental charge, and other obligations of the same or of a similar nature to any of the foregoing, together with any interest, penalties or other additions to tax that may become payable in respect of such tax, and any interest in respect of such interest, penalties and additions whether disputed or not, and “**Taxes**” has a corresponding meaning;
- (ssss) “**Tax Act**” means the *Income Tax Act* (Canada);
- (tttt) “**Tax Return**” means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports and information returns and reports) and other documents of every nature whatsoever filed, or required to be filed, with any Governmental Authority with respect to any Tax together with all amendments and supplements thereto;
- (uuuu) “**Termination Date**” means March 31, 2022, or such later date as may be agreed in writing between the Purchaser and Beyond Oil;
- (vvvv) “**Trade Secret Agreement**” means the agreement for the arrangement of the use of trade secret dated January 11, 2021 among Pinhas Or and Beyond Oil, as amended by agreement dated June 17, 2021;
- (wwww) “**Transaction**” has the meaning set forth in the recitals of this Agreement;

- (xxxx) “**Trustee**” means Altshuler Shaham Investment House, an entity contemplated to hold all Consideration Securities on behalf of the Shareholders as at Closing in accordance with a trust agreement to be entered into among such Shareholders and the Trustee;
- (yyyy) “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (zzzz) “**Units**” means units of the Purchaser issuable upon conversion of the Special Warrants, each comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a “**Concurrent Warrant**”), each Concurrent Warrant being exercisable for one Common Share at an exercise price of C\$1.25 per Common Share for a period of 12 months from the Closing Date;
- (aaaa) “**USD**” has the meaning ascribed thereto in Section 1.10;
- (bbbb) “**U.S. Person**” means a U.S. person as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended; and
- (cccc) “**Waiver and Termination Agreement**” means the Waiver and Termination Agreement among Beyond Oil, Pinhas Or, and each of Sarit Landau and Yakov Landau, pursuant to which each of Beyond Oil, Pinhas Or, Sarit Landau, and Yakov Landau terminate the subscription agreement dated December 12, 2019 and Sarit Landau, Yakov Landau, and Beyond Oil waive any and all rights under such subscription agreement other than the anti-dilution right pursuant to which Sarit Landau and Yakov Landau will receive Payment Shares and Consideration Warrants, in such proportions as outlined in Schedule “A” hereof.

1.02 Currency

All sums of money which are referred to as: (a) “C\$” in this Agreement refer to lawful currency of Canada; and (b) “US\$” in this Agreement refer to United States dollars, unless otherwise specified.

1.03 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or a Schedule refers to the specified Article or Section of, or Schedule to, this Agreement.

1.04 Number, etc.

Unless the subject matter or context requires the contrary, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders and words importing persons shall include natural persons, firms, trusts, partnerships and corporations.

1.05 Date for Any Action

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

1.06 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute in force from time to time and any statute, regulation or rule that supplements or supersedes such statute, regulation or rule.

1.07 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be IFRS or the Canadian generally accepted accounting principles, as applicable, approved by the International Accounting Standards Board or the Canadian Institute of Chartered Accountants, as the case may be, or any successor thereto, applicable as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles.

1.08 Knowledge

- (a) Any reference herein to “the knowledge of the Purchaser” (or similar expressions) will be deemed to mean the actual knowledge of Robert Kiesman and Tag Gill, together with the knowledge such persons would have had if each of them had conducted a diligent inquiry into the relevant subject matter.
- (b) Any reference herein to “the knowledge of Beyond Oil” (or similar expressions) will be deemed to mean the knowledge of Tamir Gedo as Chief Executive Officer of Beyond Oil, Shany Touboul as Chief Financial Officer of Beyond Oil, Jonathan Or and Pinhas Or, the directors of Beyond Oil, together with the knowledge such persons would have had if each had conducted a diligent inquiry into the relevant subject matter.
- (c)

1.09 Schedules

The schedules to this Agreement, listed below, are an integral part of this Agreement, and must be completed and attached before the Closing Date for this Agreement to be fully-integrated and thereafter enforceable by or against either Party:

<u>Schedule</u>	<u>Description</u>
Schedule A:	Estimated Allocation of Consideration Securities
Schedule B:	Form of Beyond Oil Shareholder Consent Agreement

Schedule C: New Beyond Oil Articles of Association

Schedule D: Estimated Closing Capitalization

Schedule E: Proposed Articles of the Purchaser

1.10 Exchange Rates

For the purpose of calculating the number of Payment Shares, Consideration Warrants, Contingent Rights and Deferred Payment Shares issuable thereunder, including under the Allocation Agreement and the Waiver Termination Agreement, all parties agree that wherever a calculation shall be based on United States dollars (“USD”), the exchange rate for USD to Canadian dollars (“CAD”) is deemed to be USD1:0.80CAD.

ARTICLE II PURCHASE AND SALE OF PURCHASED SHARES

2.01 Purchase and Sale

Subject to the terms and conditions hereof, each of the Shareholders covenants and agrees to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the Shareholders all issued and outstanding Beyond Oil Shares and Beyond Oil Preferred Shares (collectively, the “**Purchased Shares**”).

2.02 Consideration for Purchased Shares

The purchase price for the acquisition of the Purchased Shares is: (a) that number of Common Shares (collectively, the “**Payment Shares**”) as is equal to 50% plus one Common Shares to be issued and outstanding immediately after consummation of the Transaction, as set out in the Closing Capitalization Statement; and (b) that number of Consideration Warrants as is equal to 50% of the number of Concurrent Warrants issued and outstanding immediately after consummation of the Transaction, as set out in the Closing Capitalization Statement, in each case, issued at Closing free and clear of any Liens; and (c) the Contingent Rights and the underlying Deferred Payment Shares, if any.

2.03 Allocation of the Payment Shares and Consideration Warrants

The Payment Shares and Consideration Warrants shall be issued by the Purchaser to the Shareholders in accordance with Schedule “A” adjusted for changes to the Actual Closing Capitalization from the Estimated Closing Capitalization (upon which Schedule “A” was prepared) as directed to the Purchaser in writing not less than two Business Days prior to the Closing Date in a written direction executed by the Shareholder Representatives on behalf of the Shareholders (the “**Payment Share Closing Direction**”) and, subject to the Trustee agreeing to be bound by all applicable escrow agreements including the Beyond Oil Lock-Up Agreement (collectively, the “**Escrow Agreements**”), the Payment Shares and Consideration Warrants will be issued in the name of the Trustee, as bare trustee, for the benefit of the Shareholder. If and to the extent the Trustee is unable or unwilling to execute the applicable Escrow Agreement the affected Payment

Shares and Consideration Warrants shall be issued in the name of the applicable Shareholder. By accepting Payment Shares and Consideration Warrants at Closing each Shareholder will be deemed to have agreed to the allocation of Payment Shares and Consideration Warrants as amongst the Shareholders (including the Investors pursuant to the Allocation Agreement, and Sarit Landau and Yakov Landau pursuant to a subscription agreement dated December 12, 2019 entered into with Beyond Oil and Pinhas Or).

2.04 Fractional Interests

To the extent that a Shareholder is to receive a fractional Payment Share or fractional Consideration Warrant, that entitlement shall be rounded up to the nearest whole number of Payment Shares or Consideration Warrant, as applicable.

2.05 Estimated Closing Capitalization

For illustrative purposes, the Parties agree that based upon the Estimated Closing Capitalization, at Closing an aggregate of 24,410,506 Payment Shares and 2,683,333 Consideration Warrants are issuable to the Shareholders under Section 2.02 hereof.

2.06 Withholding Taxes

- (a) Purchaser and Beyond Oil shall be entitled to deduct and withhold from any consideration, payment or deliverable of any description payable or otherwise deliverable to any person for any reason under this Agreement or otherwise in respect of the Transaction such amounts as either of them is entitled or required (or otherwise reasonably determines) to deduct and withhold under the provision of any Applicable Laws, including but not limited to the ITO, or the administration or interpretation thereof in respect of Taxes. To the extent that any such amounts are so deducted and withheld and are remitted to the relevant Governmental Authority, such amounts shall be treated for all purposes of this Agreement and the Transaction as having been paid to the person to whom such amounts would otherwise have been paid.
- (b) Notwithstanding the foregoing, the Parties hereby agree that no withholding will be made under Section 2.06(a) in respect of persons covered by an applicable 103K Tax Ruling, Interim Tax Ruling, or Valid Certificate if (i) at the time of the payment either the 103K Tax Ruling or Interim 103K Ruling has been issued; (ii) the applicable person provides the Purchaser with a Valid Certificate, at least five (5) Business Days prior to the time such payment of consideration is to be made. A “**Valid Certificate**” means a certificate, ruling, approval or any other written instructions issued by the applicable Governmental Authority indicating that no withholding (or reduced withholding or any other instructions regarding withholding) of Tax is required with respect to that person in form and substance satisfactory to the Purchaser, acting reasonably.

- (c) For the avoidance of doubt, the Purchaser shall not be required to issue any Consideration Securities to any person including any Shareholder, unless (i) either the 103K Ruling or Interim 103K Ruling has been issued; (ii) a Valid Certificate is delivered to Purchaser or (iii) the applicable amounts required to be withheld are paid by such Shareholder to the Purchaser, as applicable.
- (d) In the event that a Shareholder has not provided the Purchaser with any of items (i), (ii) or (iii) above within the 180 day period following the Closing Date, Purchaser shall have the right (but not the obligation), in its sole discretion, to sell a portion of the Payment Shares otherwise issuable to such Shareholder in such amounts and in such manner as the Purchaser deems necessary and practicable to pay such withholding taxes and the Purchaser shall issue the balance of that Shareholders' Payment Shares.
- (e) Beyond Oil and the Shareholders may prepare and file with the ITA an application for a ruling by the ITA that any Israeli Tax payable with respect to Consideration Securities may be deferred until the sale, transfer or other conveyance for cash of such Consideration Securities (the "**103K Tax Ruling**") provided that the draft application for the 103K Tax Ruling and the draft 103K Tax Ruling shall be subject to the prior written approval of Purchaser, not to be unreasonably withheld provided that approval may be withheld if the 103K Tax Ruling imposes any material restrictions or obligations on Purchaser or Beyond Oil (that, in the case of Beyond Oil, shall survive Closing).
- (f) Each Shareholder shall and hereby agrees to indemnify the Purchaser against and hold the Purchaser harmless from and against any Taxes, interest, penalties and attorneys' fees and disbursements arising or resulting from any failure of the Purchaser to withhold Taxes from any payment made to such Shareholder at the applicable statutory rate, including any failure of the Purchaser to withhold in reliance upon any representation, certificate, statement, document or instrument made or provided by such Shareholder including the Interim 103K Ruling and 103K Ruling to the Purchaser in connection with the obligation of the Purchaser to withhold Taxes from payments made to such Shareholder, it being expressly understood and agreed that (i) the Purchaser shall be absolutely and unconditionally entitled to accept any such representation, certificate, statement, document or instrument as being true and correct in all respects and to fully rely thereon without any obligation or responsibility to investigate or to make any inquiries with respect to the accuracy, veracity, correctness or validity of the same (and without diminution of the indemnities herein contained) and (ii) such Shareholder, upon request of the Purchaser and at its sole cost and expense, shall defend any claim or action relating to the foregoing indemnification using counsel selected by the Purchaser. For certainty, this indemnity is in addition to any form of indemnification available pursuant to Part 9 hereof.

2.07 Restrictions on Resale

Each of the Shareholders acknowledges and agrees as follows:

- (a) The Shareholder is knowledgeable of securities legislation having application or jurisdiction over the Shareholder, other than the laws of Canada, which would apply to the distribution of Consideration Securities, and is acquiring such securities pursuant to exemptions from any prospectus, registration or similar requirements under the laws of that jurisdiction;
- (b) the Shareholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of Israel which apply to the sale of the Purchased Shares, Beyond Oil Restricted Shares, Target PubCo Options and the issuance of the Consideration Securities and which may impose restrictions on the resale of such Consideration Securities in Israel and it is the responsibility of the Shareholder to find out what those resale restrictions are, and to comply with them before selling any Consideration Securities.

2.08 Options

Each Shareholder that is a holder, whether registered or beneficial, of Target PubCo Options agrees that, and Beyond Oil agrees to take all corporate actions required by its board of directors or by the Administrator (as such term is defined in the Beyond Oil Option Plan) such that:

- (a) at Closing, and immediately after the purchase of the Purchased Shares, the Target PubCo Options will be exchanged for Resulting Issuer Options each having the same terms as to vesting, price and term as the Target PubCo Options, with the exercise price expressed in Canadian dollars and adjustment in the number of Resulting Issuer Shares and exercise price by reference to the Resulting Issuer Option Exchange Ratio in order to preserve economic equivalency;
- (b) where a Target Pubco Option is “in the money”, the Resulting Issuer Options issued in exchange will be no more “in the money”, and for this purpose the exercise price may be adjusted and/or rounded up, and/or number of Resulting Issuer shares under option adjusted and/or rounded down as is necessary to achieve this result;
- (c) the Target Options shall be cancelled immediately after being exchanged for Resulting Issuer Options;
- (d) the Resulting Issuer Options will be governed pursuant to the Stock Option Plan, and the Shareholder shall have no rights other than as granted under the Stock Option Plan;
- (e) the Resulting Issuer Options may be subject to resale restrictions or mandatory escrow in accordance with the policies of the Exchange and applicable Securities Laws, and the Shareholder will take all actions required in order to comply with such requirements, if any; and

- (f) Resulting Issuer Options issued pursuant to Section 102 of the ITO will be deposited with the Trustee, and shall be subject to the terms and conditions of Section 102 of the ITO and any applicable ruling issued by the ITA.
- (g) All recipients of Resulting Issuer Options will provide an indemnity to each of the Purchaser and Beyond Oil for any Loss incurred or imposed on Beyond Oil or Target PubCo Options (including gross-up, if any) resulting from the failure of such options which were intended to be granted under Section 102(b)(2) of the ITO to be so qualified.
- (h) Section 16 of the Beyond Oil Option Plan shall survive completion of the Transaction and shall also apply *mutatis mutandis* to the exchange of the Target Pubco Options for Resulting Issuer Options and the exercise of the Resulting Issuer Options.

2.09 Payment Share Lock-Up

- (a) Each Shareholder other than Jonathan Or, Aviva Or, and Matan Or, acknowledges and agrees that in addition to any resale restrictions, hold periods and corresponding legends imposed by applicable Securities Laws, the Payment Shares, will be subject to resale restrictions restricting resale of the Payment Shares for a period of 36 months from the date the Common Shares are listed on the CSE (the “**Listing Date**”), except in accordance with the the following schedule:

Listing Date	10% of the Payment Shares
6 months after the Listing Date	15% of the Payment Shares
12 months after the Listing Date	15% of the Payment Shares
18 months after the Listing Date	15% of the Payment Shares
24 months after the Listing Date	15% of the Payment Shares
30 months after the Listing Date	15% of the Payment Shares
36 months after the Listing Date	15% of the Payment Shares

subject to the terms and conditions to be set forth in a lock-up agreement to be executed by such Shareholders at Closing, in the form of the escrow agreement contained in National Policy 46-201 *Escrow for Initial Public Offerings* (the “**Beyond Oil Lock-Up Agreement**”).

- (b) Jonathan Or acknowledges and agrees that in addition to any resale restrictions, hold periods and corresponding legends imposed by applicable Securities Laws, the Payment Shares, will be subject to resale restrictions restricting resale of the Payment Shares for a period of 36 months from the Listing Date, except in accordance with the the following schedule:

Listing Date	0% of the Payment Shares
6 months after the Listing Date	0% of the Payment Shares
12 months after the Listing Date	0% of the Payment Shares

18 months after the Listing Date	25% of the Payment Shares
24 months after the Listing Date	25% of the Payment Shares
30 months after the Listing Date	25% of the Payment Shares
36 months after the Listing Date	25% of the Payment Shares

- (c) Each of Aviv Or and Matan Or acknowledge and agree that in addition to any resale restrictions, hold periods and corresponding legends imposed by applicable Securities Laws, the Payment Shares received by each of Aviv Or and Matan Or, will be subject to resale restrictions restricting resale of the Payment Shares for a period of 36 months from the Listing Date, except in accordance with the the following schedule:

Listing Date	0% of the Payment Shares
6 months after the Listing Date	10% of the Payment Shares
12 months after the Listing Date	10% of the Payment Shares
18 months after the Listing Date	20% of the Payment Shares
24 months after the Listing Date	20% of the Payment Shares
30 months after the Listing Date	20% of the Payment Shares
36 months after the Listing Date	20% of the Payment Shares

- (d) The restrictions depicted under Section 2.09(b) and (c) shall be represented in a legend to be placed upon the Payment Shares at the time of delivery to such Shareholder.
- (e) Notwithstanding any of the foregoing, each Shareholder agrees and acknowledges that any Beyond Oil Shares or Target Pubco Options issued under section 102 of the ITO will additionally be subject to a continuous 24 month hold period.

2.10 Purchaser Shareholder Approval

On or before the fifth (5th) Business Day prior to the Closing Date, the Purchaser shall convene its 2021 annual meeting of the shareholders of the Purchaser in order to, among other things, obtain approval by the Purchaser Shareholders of the Transaction Resolutions and any other matters related to the Transaction or the Listing as may be approved by Beyond Oil and the Shareholders' Representatives in writing (collectively, the "**Purchaser Shareholder Approval**").

ARTICLE III **GOVERNANCE**

3.01 Governance of the Purchaser

- (a) Unless otherwise agreed with Beyond Oil, at its 2021 annual meeting of the shareholders of the Purchaser, the Purchaser will, among other things, request that its shareholders approve resolutions:
- (1) amending of the articles to give the Chair of the board of directors a casting vote and incorporating advance notice provisions in the form attached attached as Schedule E;

- (2) approving the Stock Option Plan and all distributions prior to the Closing Time thereunder as contemplated by this Agreement;
- (iii) effective at the closing of the annual general meeting: (A) fixing the number of directors on the Board at (3); and (B) electing each of the following as directors of the Purchaser: (1) Robert Kiesman; (2) Kyle Haddow; and (3) Nir Eliyahu; and
- (iv) subject to and upon consummation of the Transaction: (A) fixing the number of directors on the Board at six (6); and (B) electing each of the following as directors of the Purchaser: (1) Dani Izhak, a nominee of Beyond Oil who will serve as Chairman; (2) Dr. Tamir Gedo, CEO of Beyond; (3) Robert Kiesman, a nominee of FTC; (4) a nominee of FTC, who is currently expected to be Dr. Gad Penini; (5) an additional nominee who is mutually acceptable to Beyond Oil and FTC, each acting reasonably, who is currently expected to be Hanadi Said; and (6) a nominee of Beyond Oil who is expected to be Jonathan Or. Between the Closing Date and the Purchaser's annual general meeting to be held in 2022, Beyond Oil will be entitled to nominate a seventh director to the Board. All of the changes to the Board described in this subsection (ii) are to be defined as the "**Director Changes**", and the persons to be elected or appointed under (1),(2),(6), as well as the seventh director, are collectively defined as the "**Beyond Oil Nominees**",

(the resolutions referred to as items (i),(ii) and (iv) above are collectively, the "**Transaction Resolutions**")

- (b) Effective at the Closing Date, the officers of the Purchaser will include: (i) Dr. Tamir Gedo, CEO; (ii) Shany Touboul, CFO; (iii) Michal Werner; Chief Technology Officer; (iv) Jonathan Or, CMO; and (iv) Denise Landsberger, who will continue as Corporate Secretary through an engagement with Vancouver Corporate Solutions Inc.
- (c) All Board appointments and tenures remain subject to eligibility requirements under applicable laws and suitability requirements of any regulatory authority, including the Exchange.

3.02 Governance of Beyond Oil after the Closing Time

Effective as of the Closing Date, the board of Beyond Oil will consist of three members, which will include Tamir Gedo, Jonathan Or, and Gad Penini.

3.03 Consents and PIFs

Beyond Oil shall deliver to the Purchaser a consent to act signed by each of the Beyond Oil Nominees and any proposed officers under section 3.01(b), on or before the Closing Date, as well as, upon the request of the Purchaser anytime after execution of this Agreement, any other

filings including personal information forms and criminal record verification forms in respect of the Beyond Oil Nominees as may be required by the Exchange or by the BCSC in connection with the Listing.

3.04 Stock Option Grants

- (a) As soon as practicable after the execution of this Agreement, the Purchaser will establish the 10% rolling stock option plan in a form and substance acceptable to both the Purchaser and Beyond Oil, acting reasonably (the “**Stock Option Plan**”), in order to grant options to purchase up to 10% of the issued and outstanding Common Shares to eligible directors, officers, employees and consultants in accordance with Exchange policies.
- (b) As soon as practicable after the execution of this Agreement and closing of the Bridge Financing, the Board may grant such number of stock options under the Stock Option Plan (the “**FTC Stock Options**”) to certain current directors, officers and consultants of FTC provided such options do not exceed 2% of the Estimated Closing Capitalization, at an exercise price of no less than C\$0.50 per share.
- (c) Between the date hereof and the Closing, Beyond Oil may grant additional stock options, with the written consent of and on terms and conditions satisfactory to the Purchaser, acting reasonably (the “**Closing Target PubCo Options**”), provided that the aggregate of the Closing Target PubCo Options and Existing Target PubCo Options does not exceed 8% of the Actual Closing Capitalization.
- (d) If and to the extent that immediately after Closing, either the number of FTC Stock Options actually granted hereunder is less than 2% of the number of options available for grant under the Stock Option Plan immediately after Closing; , and/or (ii) the Target Pubco Options is less than 8% of the number of options available for grant under the Stock Option Plan immediately after Closing, the reconstituted Board will grant the difference to nominees selected by FTC or Beyond Oil, respectively, as soon as practicable after the Closing Date, at an exercise price of C\$0.75 per share.

ARTICLE IV CONDITIONS OF CLOSING

4.01 Mutual Conditions of Closing

The obligations of each of the Parties hereto to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Time:

- (a) the Concurrent Financing shall have either been completed or all conditions necessary to completion shall have been satisfied other than the completion of the Transaction, in either case, resulting in gross proceeds to the Purchaser at least C\$3,500,000;

- (b) the Bridge Financing shall have been completed and resulted in gross proceeds to the Purchaser of not less than C\$1,250,000;
- (c) receipt of all required regulatory, corporate, shareholder and third-party approvals, consents, assignments, waivers, permits, orders or approval including all those party to the Material Contracts noted in Section 6.03(x), necessary to permit the completion of the Transaction shall have been obtained and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction and the Listing, and including, for greater certainty: (i) issuance of a receipt from the BCSC in respect of the Prospectus; and (ii) the approval of the Listing (including the issue of the Consideration Securities, the Deferred Payment Shares and the Resulting Issuer Options) by the Exchange;
- (d) there shall be no provision of applicable law or any action taken by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or Beyond Oil or that could reasonably be expected to impose any condition or restriction upon the Purchaser or Beyond Oil which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (e) neither of FTC or Beyond Oil shall be subject to unresolved litigation or court proceedings;
- (f) this Agreement will not have been terminated pursuant to Article VIII hereof;
- (g) receipt of Purchaser Shareholder Approval;
- (h) the Seed Financing Subscription Agreement shall be in force and unamended, unless such amendments were approved in advance by Beyond Oil in writing; and
- (i) all Beyond Oil Shares shall be fully vested.

The foregoing conditions precedent are for the benefit of all Parties and may be waived by Beyond Oil, by the Shareholders' Representatives on behalf of the Shareholders, and by the Purchaser, in whole or in part, without prejudice to any Parties right to rely on any other condition in favour of any Party.

4.02 Conditions of Closing in Favour of the Purchaser

The obligations of the Purchaser to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Time:

- (a) the Shareholders and Beyond Oil shall have tendered all closing deliveries set forth in Sections 5.03 and 5.04, respectively;

- (b) the representations and warranties of the Shareholders set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Closing Time
- (c) all of the covenants and agreements of the Shareholders to be complied with or performed at or before the Closing Time will have been complied with or performed;
- (d) the Amended and Restated Articles of Association of Beyond Oil that were adopted on September 9, 2020 will have been repealed and replaced with Articles of Association in the form appended hereto as Schedule C;
- (e) there being no inquiry or investigation (whether formal or informal) in relation to Beyond Oil or its respective directors or officers commenced or threatened by any Governmental Authorities or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on, Beyond Oil;
- (f) each of the: (i) consulting agreement between Beyond Oil and Pinhas Or dated June 17, 2021; (ii) the employment agreement between Beyond Oil and Tamir Gedo dated June 28, 2021; (iii) the employment agreement between Beyond Oil and Jonathan Or dated June 8, 2021; and (iv) the Allocation Agreement, shall be in force and unamended, unless such amendments were approved in advance by FTC in writing;
- (g) the Assignment of Intellectual Property Agreement, the Founders Agreement and the Trade Secret Agreement shall be in force and unamended, unless such amendments were approved in advance by FTC in writing;
- (h) Beyond Oil will have no debts of any kind, other than the Seed Loans and the Bridge Loan, debts incurred in the ordinary course of business and any expenses incurred in the ordinary course, including without limitation in connection of the Transaction; and
- (i) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to Beyond Oil.

The foregoing conditions precedent are for the benefit of the Purchaser and may be waived by the Purchaser, in whole or in part, without prejudice to the Purchaser's right to rely on any other condition in favour of the Purchaser.

4.03 Conditions of Closing in Favour of Beyond Oil and the Shareholders

The obligations of Beyond Oil and the Shareholders to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Time:

- (a) the Purchaser shall have tendered all closing deliveries set forth in Section 5.02 including delivery of the Payment Shares and the Consideration Warrants;

- (b) evidence of Exchange approval to the issue of the Consideration Securities, the Deferred Payment Shares and the Resulting Issuer Options, in each case, on the terms set out herein, on terms acceptable to Beyond Oil, acting reasonably;
- (c) there being no inquiry or investigation (whether formal or informal) in relation to the Purchaser or its respective directors or officers commenced or threatened by any Governmental Authorities or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Purchaser;
- (d) the Purchaser shall have cash of at least US\$3.5 million in its treasury, less the principal amount of the Seed Loans and the Bridge Loan and shall no liabilities other than Transaction related expenses;
- (e) each holder of Target Pubco Options shall be eligible to be issued Resulting Issuer Options under the Stock Option Plan;
- (f) there shall be no restrictions on the resale of any of the Consideration Securities other than pursuant to Section 2.09 or as may be required by the Exchange or applicable Securities Laws, including but not limited to the Securities Laws of Israel; and
- (g) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser.

The foregoing conditions precedent are for the benefit of Beyond Oil and the Shareholders and may be waived by Beyond Oil and the Shareholders, in whole or in part, without prejudice to Beyond Oil's and the Shareholders' right to rely on any other condition in favour of Beyond Oil and the Shareholders.

4.04 Conditions of Closing to the Benefit of the Shareholders

The obligation by the Shareholders to complete the Transaction is subject to the condition that Beyond Oil deliver the Interim 103K Ruling to the Shareholders, on or before the Closing Time. The delivery of the Interim 103K Ruling to the Shareholders by Beyond Oil is a condition precedent for the benefit of the Shareholders, and may be waived by the Shareholders Representatives, in whole or in part.

ARTICLE V **CLOSING AND POST-CLOSING ARRANGEMENTS**

5.01 Time and Place of Closing

Closing of the Transaction shall take place at the Closing Time at the offices of Lichtenstein Levy Ben Shitrit Law Offices located at 5 Azrieli Center, square tower, 35th floor.

5.02 Closing Deliveries of the Purchaser

At the Closing Time, the Purchaser will deliver or cause to be delivered to Beyond Oil and the Shareholders, as applicable:

- (a) share certificates or Direct Registration Advices evidencing the Payment Shares registered as directed by the Shareholders;
- (b) warrant certificates representing the Consideration Warrants;
- (c) the Purchaser Officer's Certificate;
- (d) if applicable, duly executed copies of any Beyond Oil Shareholder Consent Agreement, signed by the Purchaser;
- (e) a certificate of good standing for the Purchaser;
- (f) an executed escrow agreement among the Purchaser, the escrow agent of the Purchaser, and each subscriber in the Seed Financing that is not a Special Advisor, in the same form as the Beyond Oil Lock-Up Agreement;
- (g) resignations of Kyle Haddow and Nir Eliyahu as members of the Board, effective as of the Closing Time;
- (h) resignation of Robert Kiesman as CEO and Chairman, but not as a director, of the Purchaser, effective as of the Closing Time;
- (i) resignation of Tag Gill as CFO of the Purchaser, effective as of the Closing Time;
- (j) executed corporate services agreement with Vancouver Corporate Solutions Inc., effective as of the Closing Time, providing the terms that Denise Landsberger will continue to serve as Corporate Secretary of the Purchaser after the Closing Time;
- (k) confirmation that 50% of the Finders' Fee Shares have been issued to, or as directed by, Valor Invest Ltd., 25% of the Finders' Fee Shares have been issued to, or as directed by, CapitaLink Ltd. and 25% of the Finders' Fee Shares have been issued to, or as directed by, Itamar David, all effective at the Closing Time;
- (l) confirmation that the name of the Purchaser has been changed to "Beyond Oil Ltd." at the Closing Time, or such other name that is agreed between the Purchaser and Beyond Oil;
- (m) adoption by the Board of a Conflict of Interest policy and an Insider Trading Policy, in form and substance acceptable to Beyond Oil, acting reasonably, that apply to the Purchaser, Beyond Oil and any subsidiary;

- (n) evidence of completion of the Bridge Financing and Concurrent Financing and calculation of the Actual Closing Capitalization, to the satisfaction of Beyond Oil and certified by the Purchaser (the “**Closing Capitalization Statement**”);
- (o) evidence of the issuance of the Resulting Issuer Options;
- (p) Deferred Purchase Price Agreement, duly executed by the Purchaser; and
- (q) an indemnity agreement substantially in form and substance as the indemnity agreements with current directors and officers of FTC, in favour of each of the Beyond Oil Nominees.

5.03 Closing Deliveries of Beyond Oil

At the Closing Time, Beyond Oil will deliver or cause to be delivered to the Purchaser:

- (a) consents to act for the Beyond Oil Nominees;
- (b) the Beyond Oil Officer’s Certificate;
- (c) if applicable, and if not previously delivered to the Purchaser, duly executed copies of the Beyond Oil Shareholder Consent Agreements signed by each New Beyond Oil Shareholder and Beyond Oil;
- (d) a certificate of good standing for Beyond Oil;
- (e) confirmation that the existing indemnity agreement between Beyond Oil and Pinhas Or has been terminated;
- (f) confirmation that the Amended and Restated Articles of Association of Beyond Oil that were adopted on September 9, 2020 have been repealed and replaced with Articles of Association in the form appended hereto as Schedule C;
- (g) the Beyond Oil Financial Statements;
- (h) resignations of all directors and officers of Beyond Oil, other than Jonathan Or and Tamir Gedo, effective as of the Closing Time;
- (i) copy of a share register of Beyond Oil, signed by an authorized officer of Beyond Oil, showing the Purchaser as the sole shareholder of Beyond Oil;
- (j) duly executed share certificate representing all of the issued and outstanding Beyond Oil Shares registered to the Purchaser;
- (k) a duly executed legal opinion addressed to the Purchaser from Israeli counsel for Beyond Oil, dated as of the Closing, in a form acceptable to the Purchaser containing favourable opinions with respect to the corporate status of Beyond Oil, corporate power and capacity of Beyond Oil to enter into this Agreement, appropriate execution and delivery of this Agreement, receipt of all required

authorizations, consents, or approvals related to this Agreement or the transactions contemplated thereunder, no contravention of the constating documents of Beyond Oil, any applicable laws, or other contractual obligations of Beyond Oil by virtue of entry into this Agreement or consummation of the transactions contemplated thereunder, the enforceability of this Agreement against Beyond Oil and the authorized share capital of Beyond Oil, compliance with Israeli laws by Beyond Oil, confirmation of the cancellation of all Cancelled Agreements, as such term is defined in the Allocation Agreement, in compliance with Israeli law, confirmation as to the validity and enforceability of the Waiver and Termination Agreement, and other such matters as may be reasonably requested by the Purchaser;

- (l) either the Interim 103K Ruling or 103K Ruling , in a form acceptable to Beyond Oil and the Purchaser, acting reasonably;
- (m) written confirmation from each holder of Target Pubco Options, other than those holders party to this Agreement, that his or her Beyond Oil Options are in good standing and that Section 16 of the Beyond Oil Option Plan shall survive completion of the Transaction and shall also apply *mutatis mutandis* to the exchange of the Target Pubco Options for Resulting Issuer Options and the exercise of the Resulting Issuer Options, with the indemnity outlined in Section 2.08(g) hereof;
- (n) a certificate of an officer of Beyond Oil certifying the acts conducted by the board of directors of Beyond Oil or the Administrator (as such term is defined in the Beyond Oil Option Plan) to require the exchange of all Target PubCo Options for Resulting Issuer Options pursuant to section 4.2 of the Beyond Oil Option Plan]that all such acts related to the exchange of Target PubCo Options for Resulting Issuer Options were carried out in accordance with the terms of the Beyond Oil Option Plan; and
- (o) a duly executed Waiver and Termination Agreement, in such form as is acceptable to the Purchaser, acting reasonably.

5.04 Closing Deliveries of the Shareholders

At the Closing Time, each Shareholder will deliver or cause to be delivered to the Purchaser,

- (a) share certificates evidencing the Purchased Shares owned by such Shareholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer power, in form acceptable to the Purchaser acting reasonably;
- (b) all Escrow Agreements, executed by each Shareholder and, to the extent applicable, the Trustee;
- (c) duly executed Deferred Purchase Price Agreement,;

- (d) a waiver of any rights, including rights of dissent or otherwise, that the Shareholders may have in connection with the Transactions, in such form as is satisfactory to the Purchaser acting reasonably;
- (e) a certificate of the Shareholders Representatives certifying that all representations and warranties of the Shareholders made pursuant to this Agreement remain true and correct as at the Closing Time as though they had been made as of such the Closing Time;
- (f) Payment Share Closing Direction duly executed by the Shareholders' Representatives; and
- (g) in respect of any Payment Shares or Consideration Warrants to be registered to the Trustee, the executed trust agreement between such Shareholder and the Trustee.

5.05 Seed Loans and Bridge Loan

At the Closing Time, if and to the extent considered advisable by the Board (after giving effect to the Director Changes) considers it appropriate after considering all legal, tax and corporate law matters, the Seed Loans and, if applicable, the Bridge Loan, will be deemed to be forgiven, and any related agreements terminated, with no further obligations of Beyond Oil,

5.06 Deferred Purchase Price Agreement

Commencing upon execution of this Agreement, the Purchaser and the Shareholders' Representatives shall work diligently and in good faith to settle the terms of an agreement which shall include provisions for the payment of applicable withholding taxes substantially similar to Section 2.06 hereof (the "**Deferred Purchase Price Agreement**") among the Purchaser and the Shareholders pursuant to which shall include the following:

- (a) subject to the approval of the Exchange, the Purchaser will, or will cause Beyond Oil to, pay to Pinhas Or, subject to withholding of Israeli Taxes (if applicable), the sum of US\$500,000 upon the Purchaser receiving at least C\$2.5 million pursuant to the exercise of Concurrent Warrants and Consideration Warrants. For greater certainty, this payment will not be payable upon exercise of any other securities other than the Concurrent Warrants or Consideration Warrants. Should less than C\$2.5 million be received by the Purchaser in connection with the exercise of Concurrent Warrants or Consideration Warrants prior to the expiry date thereof, no amounts shall be due and owing under this Section 5.06(a);
- (b) subject to the approval of the Exchange, the Purchaser will issue subject to withholding of Israeli Taxes (if applicable) Contingent Rights, which are convertible to Common Shares upon the achievement of the milestones outlined in Section 5.06(b)(i) to (iv) below, to the Shareholders, in the same proportion as the Payment Shares are issuable to the Shareholders (after giving effect to the provisions Allocation Agreement and any other special rights attached to Beyond Oil Shares), as deferred portion of the purchase price for the Purchased Shares, or as otherwise directed to FTC in writing pursuant to

the terms of the Deferred Purchase Price Agreement. The applicable milestones are as follows:

- (i) such number of Common Shares as is equal to 10% of the Actual Closing Capitalization, upon the Purchaser and/or Beyond Oil obtaining an order for at least US\$3 million from customers within twelve (12) months of the Closing Date;
 - (ii) such number of Common Shares as is equal to 10% of the Actual Closing Capitalization upon the Purchaser and/or Beyond Oil achieving US\$6 million in cumulative sales within 18 months of the Closing Date;
 - (iii) such number of Common Shares as is equal to 10% of the Actual Closing Capitalization, upon the Purchaser and/or Beyond Oil achieving US\$13 million in cumulative sales within 30 months of the Closing Date; and
 - (iv) such number of Common Shares as is equal to 10% of the Actual Closing Capitalization, upon the Purchaser and Beyond Oil reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, and such amount is confirmed by the audited annual financial statements for the year ended December 31, 2023;
- (c) subject to the approval of the Exchange, upon the Purchaser and/or Beyond Oil signing a definitive agreement with a major investor or oil producer on or before December 31, 2023 that results in the Purchaser and/or Beyond Oil receiving US\$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (i), (ii), (iii) or (iv) above;
- (d) 50% of all unissued Deferred Payment Shares shall be security for the obligations of the Shareholders under Section 9.03, subject to the terms of Article IX hereof and the terms of the Deferred Purchase Price Agreement; and
- (e) Resale restrictions pursuant to Applicable Laws, including Canadian securities laws as well as the policies of the Exchange, or escrow requirements may apply to the Deferred Payment Shares and shall be as outlined in the Deferred Purchase Price Agreement.

5.07 Tax Matters.

- (a) The Shareholders' Representatives shall retain and furnish or cause to be furnished to the Purchaser, upon request, as promptly as practicable, such information and assistance relating to Beyond Oil as is reasonably necessary for the filing of all Tax Returns of or with respect to the Beyond Oil for the Pre Closing Tax Period, the making of any election related to Taxes of or with respect to the Beyond Oil for the Pre Closing Tax Period, the preparation for any audit by any taxing authority, and the prosecution or defense of any action relating to any Tax Return of or with respect to Beyond Oil for the Pre Closing Tax Period. The Shareholders' Representatives shall reasonably cooperate with the Purchaser in the conduct of any

audit or other action related to Taxes for the Pre Closing Tax Period and shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 5.07.

- (b) The Purchaser shall have the exclusive authority to prepare and file, or cause to be prepared and filed, all Tax Returns of Beyond Oil after the Closing Date.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

6.01 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of each of the Shareholders and Beyond Oil as follows and acknowledges that such Parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser is a 'reporting issuer' or equivalent in the Provinces of British Columbia and Alberta. None of the Common Shares are listed or quoted on any stock exchange or electronic quotation system;
- (c) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Closing Time, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Closing Time, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (e) the respective diligence materials provided in written form, whether in a data room or via alternate electronic deliveries, including e-mail and similar applications, provided by the Purchaser to Beyond Oil for the purpose of determining the terms of the Transaction are true and correct in all material respects, and all relevant information to the business, operations, capitalization, financial position, liabilities, assets, and legal status has been provided as contemplated pursuant to this Section 6.01(e);
- (f) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not: (i) result in a breach or violation of the articles of the

Purchaser or of any resolutions of the directors or shareholders of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Purchaser Material Contract), license or permit to which the Purchaser is a Party or by which the Purchaser is bound or to which any material assets or property of the Purchaser is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Purchaser;

- (g) prior to the completion of the Concurrent Financing, the authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, as of the date hereof, 15,535,101 Common Shares are issued and outstanding as fully paid and non-assessable; as of the date hereof, nil common share purchase warrants of the Purchaser are outstanding and nil stock options are outstanding;
- (h) when issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares;
- (i) other than as set out in Schedule 6.01(g) hereto, there are no other Common Shares or securities convertible, exercisable or exchangeable into Common Shares or preferred shares issued or outstanding;
- (j) other than as contemplated in connection with the Concurrent Financing or otherwise in this Agreement, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (k) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (l) the Purchaser does not have any Material Contracts;
- (m) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with Transaction and the other transactions contemplated by this Agreement under any Contract to which the Purchaser is a party;
- (n) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the Transaction, including, without limitation, the Concurrent Financing or the issuance of the Payment Shares, except for those consents, orders, authorizations, declarations, registrations or

approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Purchaser;

- (o) there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;
- (p) no bankruptcy, insolvency or receivership proceedings have been instituted by the Purchaser or, to the knowledge of the Purchaser, are pending against the Purchaser;
- (q) the Purchaser has all permits, licenses, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licenses, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser, and all such permits, licenses, certificates of authority, orders and approvals are in good standing in all material respects;
- (r) the Purchaser has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by the Purchaser in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to the Purchaser are true, complete and correct, report all income and all other amounts and information required to be reported thereon and disclose any Tax required to be paid for the periods covered thereby. The Purchaser has duly and timely paid any Tax due and payable by it, including all instalments on account of Tax that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments it has received in respect of any Tax;
- (s) there are no audits, reassessments or other proceedings in progress or, to the knowledge of the Purchaser, threatened against the Purchaser, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and the Purchaser is not aware of any contingent liability of the Purchaser for Tax or any grounds that could prompt an assessment or reassessment for any Tax, and the Purchaser has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;

- (t) the Purchaser has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority each Tax or other amount required to be deducted, withheld or collected and remitted by the Purchaser;
- (u) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (v) no current or former employee, officer or director of the Purchaser is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (w) the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Purchaser;
- (x) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein; and
- (y) no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

6.02 Representations and Warranties of the Shareholders

Each of the Shareholders, on its own behalf and not on behalf of any other Shareholder, hereby severally (and, for greater certainty, not jointly with any other Shareholder) represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) this Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be prior to the Closing Time, duly authorized, executed and delivered by the Shareholder and each is, or will be at the Closing Time, a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms;
- (b) if the Shareholder is not an individual, the Shareholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party to pursuant to the terms hereof and to perform its obligations hereunder and thereunder;
- (c) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not: (i) if the Shareholder is not an individual, result in a breach

or violation of the articles or by-laws of the Shareholder (or other constating documents of the Shareholder) or of any resolutions of the directors or shareholders of the Shareholder, or (ii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Shareholder;

- (d) the Shareholder is the registered and beneficial owner of that number of Beyond Oil Shares, as the case may be, set forth opposite the Shareholder's name in Schedule "A" (such Beyond Oil Shares comprising part of the Purchased Shares), free and clear of all Liens;
- (e) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the Beyond Oil Shares (namely the Purchased Shares) held or beneficially owned by the Shareholder and none of such Beyond Oil Shares are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such Beyond Oil Shares;
- (f) there is no pending or threatened legal, administrative, arbitral or other proceeding, claim, mediation, suit or action, or governmental, regulatory or similar investigation or audit against the Shareholder that could reasonably be expected to have an effect on the Shareholder's Beyond Oil Shares, or otherwise that may have the effect of challenging, preventing, delaying, making illegal or otherwise interfering with the transactions contemplated under this Agreement;
- (g) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Shareholder is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement or the consummation by the Shareholder of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent the Shareholder from performing its obligations under this Agreement;
- (h) the respective diligence materials provided in written form, if any, whether in a data room or via alternate electronic deliveries, including e-mail and similar applications, provided by the Shareholder to the Purchaser or Beyond Oil for the purpose of determining the terms of the Transaction are true and correct in all material respects;
- (i) the Shareholder is a "non-resident" of Canada within the meaning of the Tax Act, and Purchased Shares do not constitute "taxable Canadian property" within the meaning of the Tax Act;

- (j) if the Shareholder is a holder of any Target PubCo Options, such Shareholder remains eligible to hold the Target PubCo Options under the terms of the Beyond Oil Option Plan. Such Shareholder has not committed any act or omission which would result in the termination of the Target PubCo Options or any default under the terms of any agreement or certificate governing the Target PubCo Options or the Beyond Oil Option Plan. Such Shareholder further has not encumbered in any way, or granted any rights to another party, with respect to the Target PubCo Options;
- (k) where a person is an owner or holder of Target Pubco Options, or will otherwise and in any capacity receive Resulting Issuer Options, restricted shares or other payment or deliverable of any description in accordance with this Agreement, other than as mere owner of Purchased Shares, such person has not provided any services of any description at any time in Canada, and for greater certainty is not receiving any such Resulting Issuer Options, restricted shares or other payment or deliverable (as the case may be) in respect of services rendered or to be rendered in Canada;
- (l) the offer to purchase the Shareholder's Purchased Shares, as the case may be, was not made to the Shareholder when either the Shareholder or any beneficial purchaser for whom it is acting, if applicable, was in the United States;
- (m) the Shareholder is not a U.S. Person, is not in the United States and is not acquiring the applicable Payment Shares on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
- (n) at the time this Agreement was executed and delivered by the Shareholder, the Shareholder was outside the United States;
- (o) if the Shareholder is a corporation or entity: (A) a majority of the Shareholder's voting equity is beneficially owned by persons resident outside the United States; and (B) the Shareholder's affairs are wholly controlled and directed from outside of the United States;
- (p) the Shareholder or any beneficial purchaser for whom it is acting, if applicable, has no intention to distribute either directly or indirectly any of the Payment Shares in the United States, except in compliance with the United States Securities Act of 1933;
- (q) the current structure of this transaction and all transactions and activities contemplated in this Agreement is not a scheme to avoid the registration requirements of the United States Securities Act of 1933 and any applicable state securities laws;
- (r) other than the Finders, the Shareholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on Beyond Oil or the Purchaser; and

- (s) no representation or warranty of the Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

Each of the Shareholders acknowledges and agrees that the Shareholders Representatives must deliver a certificate to the Purchaser on behalf of all Shareholders at the Closing Time certifying that the above representations and warranties remain true and correct as at the Closing Time, and as such each Shareholder agrees to immediately alert the Shareholders Representatives of any circumstance that would or may cause one of the representations and warranties contained in this Section 6.02 to be false, misleading, or incomplete in any manner whatsoever.

6.03 Representations and Warranties of Beyond Oil

Beyond Oil represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) Beyond Oil is a corporation validly existing and in good standing under the laws of the State of Israel and is duly registered, licensed or qualified to carry on business as an extra-provincial or foreign corporation under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) Beyond Oil is not a 'reporting issuer' or equivalent in any jurisdiction nor are any of the Beyond Oil Shares listed or quoted on any stock exchange or electronic quotation system;
- (c) Beyond Oil has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder to own and lease its property, and to carry on its businesses as now being conducted;
- (d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Closing Time, duly authorized, executed and delivered by Beyond Oil and each is, or will be at the Closing Time, a legal, valid and binding obligation of Beyond Oil, enforceable against Beyond Oil in accordance with its terms;
- (e) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not: (i) result in a breach or violation of the articles of Beyond Oil or of any resolutions of the directors or shareholders of Beyond Oil; (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Beyond Oil Material Contract), license or permit to which Beyond Oil or its subsidiaries is a party or by which Beyond Oil or its subsidiaries is bound or to which any Business Assets are subject; or (iii) violate any provision of any applicable law or regulation

or any judicial or administrative order, award, judgment or decree applicable to Beyond Oil;

- (f) the respective diligence materials provided in written form, whether in a data room or via alternate electronic deliveries, including e-mail and similar applications, provided by the Beyond Oil to the Purchaser for the purpose of determining the terms of the Transaction are true and correct in all material respects, and all relevant information to the business, operations, capitalization, financial position, liabilities, assets, and legal status has been provided as contemplated pursuant to this Section 6.03(f);
- (g) the authorized capital of Beyond Oil consists of 9,889,071 ordinary shares with par value of NIS 0.01 each and 110,929 preferred shares with par value of NIS 0.01 each of which, as of the date of this Agreement, 2,870,410 ordinary shares with par value of NIS 0.01 each and 63,388 Preferred Shares with par value of NIS 0 are issued and outstanding as fully paid and non-assessable shares; and, as of the date hereof, Beyond Oil Warrants exercisable into 31,694 Beyond Oil Shares are outstanding, and other than the Existing Target Pubco Options, no stock options are outstanding;
- (h) Beyond Oil does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person;
- (i) Beyond Oil does not have any agreements to acquire or lease any Business Assets or any other business operations;
- (j) no person, other than: (i) the Purchaser pursuant to this Agreement; (ii) pursuant to the Allocation Agreement; and (iii) as set out in the Articles of Association, has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of Beyond Oil;
- (k) other than routine employment agreements, grant letters in respect of the Existing Target Pubco Options and Beyond Oil Restricted Shares and agreements between Beyond Oil and the Shareholders explicitly contemplated hereby and there are no related-party transactions or off-balance sheet structures or transactions with respect to Beyond Oil or its subsidiaries;
- (l) The Beyond Oil Option Plan remains and all Target PubCo Options granted thereunder remain valid and in full force and effect;
- (m) except as disclosed in the Beyond Oil Disclosure Letter, neither Beyond Oil nor its subsidiaries are a party to, or bound by, any material agreement of guarantee, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

- (n) except as disclosed in the Beyond Oil Disclosure Letter, since June 30, 2021 there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of Beyond Oil;
- (o) except as set forth in the Beyond Oil Disclosure Letter and the expenses of Beyond Oil incurred in connection with consummating the transactions contemplated herein, Beyond Oil has no liabilities or obligations, contingent or otherwise, other than: (i) liabilities incurred in the ordinary course of business, which, individually and in the aggregate, do not exceed US\$50,000; (ii) obligations under contracts and commitments incurred in the ordinary course of business;
- (p) Beyond Oil maintains a standard system of accounting established and administered in accordance with Israeli standard accounting;
- (q) since June 30, 2021 and other than as set out in the Beyond Oil Disclosure Letter there has not been:
 - (1) any change in the assets, liabilities, financial condition or operating results of Beyond Oil, except for changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect;
 - (2) any damage, destruction or loss, whether or not covered by insurance, that would have a Material Adverse Effect;
 - (3) any waiver or compromise by Beyond Oil of a valuable right or of a debt owed to it that, in each case, is material to the assets, properties, conditions (financial or otherwise), operating results or business of Beyond Oil and its Subsidiaries, as a whole, as currently conducted and as currently proposed to be conducted;
 - (4) any satisfaction or discharge of any lien, claim or encumbrance, or payment of any obligation by Beyond Oil, in each case except in the ordinary course of business and the satisfaction, discharge or payment of which would not be material to the assets, properties, conditions (financial or otherwise), operating results or business of Beyond Oil and its Subsidiaries, as a whole, as currently conducted and as currently proposed to be conducted;
 - (5) any resignation or termination of employment of any officer or key employee of Beyond Oil;
 - (6) any mortgage, pledge, transfer of a security interest in, or lien, created by Beyond Oil, with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and do not materially impair Beyond Oil's ownership or use of such property or assets;
 - (7) any loans or guarantees made by Beyond Oil to or for the benefit of its employees, officers or directors, or any members of their immediate families,

other than travel advances and other advances made in the ordinary course of its business;

- (8) any declaration, setting aside, payment or other distribution in respect of any of Beyond Oil's share capital, or any direct or indirect redemption, purchase or other acquisition of any of such share capital by Beyond Oil;
 - (9) any sale, assignment, lease of or transfer of any of Beyond Oil's assets (whether tangible or intangible), except in the ordinary course of business;
 - (10) receipt of any notice that there has been a loss of, or material order cancellation by, any major customer of Beyond Oil;
 - (11) to Beyond Oil's knowledge, any other event or condition of any character, other than events affecting the economy or Beyond Oil's industry generally, that could reasonably be expected to result in a Material Adverse Effect; or
 - (12) arrangement or commitment by Beyond Oil to do any of the things described in this Section;
- (r) all operations of Beyond Oil and its subsidiaries in respect of or in connection with the Business Assets have been and continue to be conducted in accordance with standard industry practices and in material compliance with all Applicable Laws, including all ethical standards applicable to Beyond Oil's industry. Beyond Oil and its subsidiaries have obtained and are in material compliance with all Permits to permit them to conduct their Business as currently conducted or proposed to be conducted. All of the Permits issued to date are valid and in full force and effect and none of Beyond Oil or its subsidiaries has received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any Applicable Laws or Permits. None of Beyond Oil or its subsidiaries have received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Permits or any notice advising of the refusal to grant any Permit that has been applied for or is in process of being granted and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action;
- (s) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by Beyond Oil and its subsidiaries in connection with their business is being conducted in accordance with standard industry practices and in compliance, in all material respects, with all industry, laboratory safety, manufacturing, management and training standards applicable to the Business, all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;
- (t) all agreements with third parties in connection with the Business have been entered into and are being performed by Beyond Oil and its subsidiaries and, to the

knowledge of Beyond Oil, by all other third parties thereto, in compliance with their terms, in all material respects. There exists no actual or, to the knowledge of Beyond Oil, threatened termination, cancellation or limitation of, or any material adverse modification or material adverse change in, the business relationship of Beyond Oil or its subsidiaries, with any supplier, distributor, or customer, or any group of suppliers, distributors or customers whose business with or whose purchases or inventories/components provided to the business of Beyond Oil or its subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of Beyond Oil or its subsidiaries. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent Beyond Oil or its subsidiaries from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted;

- (u) Beyond Oil and its subsidiaries have security measures and safeguards in place as are necessary or advisable for the conduct of Beyond Oil's business as conducted, consistent with generally accepted industry practice and in compliance with Applicable Laws, to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. Beyond Oil and its subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither Beyond Oil nor its subsidiaries has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. Beyond Oil and its subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;
- (v) Beyond Oil and its subsidiaries are currently in compliance, in all material respects, with all Environmental Laws, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of Beyond Oil, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. Neither Beyond Oil nor its subsidiaries have ever received any notice of any non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials and there are no permits required under Environmental Laws for the conduct of the Business. The facilities and operations of Beyond Oil and its subsidiaries are currently being conducted, and to the knowledge of Beyond Oil have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and
- (w) as soon as reasonably possible after Closing, Beyond Oil and its subsidiaries will maintain insurance by insurers of recognized financial responsibility, against such

losses, risks and damages to their Business Assets in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring Beyond Oil, its subsidiaries, and their respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. Each of Beyond Oil and its subsidiaries is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by Beyond Oil or its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; Beyond Oil has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not have a Material Adverse Effect, and neither Beyond Oil nor its subsidiaries have failed to promptly give any notice of any material claim thereunder;

- (x) the Contracts set out in Schedule 6.03(x) of the Beyond Oil Disclosure Letter (collectively, the “**Beyond Oil Material Contracts**”), together with this Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of Beyond Oil and its subsidiaries. Each of the Beyond Oil Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. Neither Beyond Oil nor any of its subsidiaries has violated or breached, in any material respect, any of the terms or conditions of any Beyond Oil Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (y) except as specifically stated in this Agreement, including without limitation, in connection to the Allocation Agreement, there are no waivers, consents, notices or approvals required to be given or obtained by Beyond Oil or its subsidiaries in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which Beyond Oil or its subsidiaries are a party;
- (z) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Beyond Oil is required to be obtained by Beyond Oil in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement, including without limitation, the advanced tax ruling, or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay

Beyond Oil from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Beyond Oil;

- (aa) there is no suit, action or proceeding or, to the knowledge of Beyond Oil, pending or threatened against Beyond Oil or its subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Beyond Oil and its subsidiaries, taken as a whole, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against Beyond Oil or its subsidiaries causing, or which could reasonably be expected to cause, a Material Adverse Effect on Beyond Oil and its subsidiaries, taken as a whole;
- (bb) no bankruptcy, insolvency or receivership proceedings have been instituted by Beyond Oil or its subsidiaries or, to the knowledge of Beyond Oil, are pending against Beyond Oil or its subsidiaries;
- (cc) Beyond Oil and its subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licensed, loaned, operated or used by them or over which they have rights, free and clear of Liens, and no other rights are necessary for the conduct of the business as currently conducted or as proposed to be conducted. Beyond Oil knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of Beyond Oil or its subsidiaries to use, transfer, lease, license, operate, sell or otherwise exploit such Business Assets and neither Beyond Oil nor its subsidiaries have any obligation to pay any commission, license fee or similar payment to any person in respect thereof;
- (dd) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase of any of the rights, title or interests in the Business Assets;
- (ee) Beyond Oil and its subsidiaries have filed in the prescribed manner and within the prescribed times required by Applicable Law all Tax Returns required to be filed by Beyond Oil and its subsidiaries in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to Beyond Oil and its subsidiaries are true, complete and correct, report all income and all other amounts and information required to be reported thereon, disclose any Tax required to be paid for the periods covered thereby and are in compliance with Applicable Law. Beyond Oil has provided to the Purchaser copies of all Tax Returns for Beyond Oil filed for all periods. Beyond Oil and its subsidiaries have duly and timely paid any Tax due and payable by them, including all instalments on account of Tax that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Authority, and have duly and timely paid all assessments and reassessments they have received in respect of any Tax;

- (ff) there are no audits, reassessments or other proceedings in progress or threatened against Beyond Oil or its subsidiaries, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and there is no contingent liability of Beyond Oil or a subsidiary for Tax or any grounds that could prompt an assessment or reassessment for any Tax, and Beyond Oil has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;
- (gg) Beyond Oil and its subsidiaries have deducted, withheld or collected and remitted, as applicable, including with respect to its employees, the Shareholders, lenders and other third parties and from any related Person in a timely manner to the relevant Governmental Authority each Tax or other amount required to be deducted, withheld or collected and remitted by Beyond Oil, and has timely paid over such withheld amounts to the appropriate authorities;
- (hh) Beyond Oil and the Shareholders (with respect to their holdings of Beyond Oil Shares) are not subject to any restrictions or limitations pursuant to Part E2 of the ITO or pursuant to any Tax ruling made with reference to the provisions of Part E2;
- (ii) Beyond Oil has not been a member of an affiliated, combined, consolidated, unitary or other Tax group (other than a group of which Beyond Oil is the common parent). Beyond Oil is not a party to or bound by any Tax sharing, indemnification or allocation agreement or arrangement (or any agreement requiring Beyond Oil to pay any amount to any Person with respect to the receipt of a Tax refund or the utilization of a net operating loss or other Tax asset);
- (jj) Beyond Oil has not changed any Tax election, changed an annual accounting period, changed any accounting method, settled or compromised any Tax liability, claim or assessment, filed any amended Tax Return, entered into any closing agreement relating to any Tax, or surrendered any right to claim a Tax refund;
- (kk) Beyond Oil is duly registered for the purposes of VAT in Israel. Beyond Oil has complied with all Applicable Laws concerning VAT and with all Applicable Laws concerning indirect taxation, including with respect to the timely filing of accurate Tax Returns and payments and the maintenance of records. Beyond Oil has not entered into any exempt transactions in the current or preceding VAT year applicable to it and there are no circumstances by reason of which there might not be a full entitlement to credit for all VAT chargeable on supplies and acquisitions received and imports made (or agreed or deemed to be received or made) by it;
- (ll) Beyond Oil has never participated or engaged in any transaction or action which would require special reporting in accordance with Section 131(g) of the ITO and the Israeli Income Tax Regulations (Tax Planning Requiring Reporting), 2006, regarding aggressive tax planning. Beyond Oil has not received any “reportable tax opinion” or taken any “reportable position,” all within the meaning of Sections

131D and 131E of the Israeli Tax Ordinance and Sections 67C and 67D of the Israeli Value Added Tax Law, 1975, as amended;

- (mm) Beyond Oil has not applied for or received any Tax exemption, Tax holiday, or other Tax reduction agreement or order in connection with Israeli Taxes, or other applicable Taxes as the case may be, including any confirmation by the Israel Investment Center of “Approved Enterprise” or “Preferred Enterprise” status, other than as disclosed in Schedule 6.03(II). No prior approval of the Israel Investment Center, or any other Governmental Authority, is required in order to consummate the Transaction, or to preserve entitlement of Beyond Oil to any such incentive, subsidy, or benefit;
- (nn) The consummation of the Transaction contemplated under this Agreement will not adversely affect the continued qualification for the incentives or the terms or duration thereof or require any recapture of any previously claimed Israeli Tax incentive, and no consent or approval of any Governmental Authority is required, prior to the consummation of the Transaction contemplated by this Agreement, in order to preserve the entitlement of Beyond Oil to any such Israeli Tax incentive. There has been no indication from any Israeli Tax authority that the consummation of the Transaction contemplated by this Agreement would adversely affect Beyond Oil’s ability to set off for Israeli Tax purposes in the future any and all losses accumulated by Beyond Oil as of the Closing Date;
- (oo) Beyond Oil has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified Beyond Oil of such Governmental Authority’s intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on Beyond Oil;
- (pp) Labor Matters.
 - (1) Beyond Oil and its subsidiaries have no employees other than those employees listed in Schedule 6.03(pp) of the Beyond Oil Disclosure Letter and Beyond Oil and its subsidiaries are not a party to any employment, management or consulting agreement of any kind whatsoever, save as set out in Schedule 6.03(pp) of the Beyond Oil Disclosure Letter. True, correct and complete copies of all employment or consulting contracts, deferred compensation agreements, bonus, incentive, profit-sharing, deferred compensation, pension or severance plans, and other like benefits (whether on retirement, death or termination or during periods of sickness or disability), currently in force and effect for the benefit of any current or former officer, director, employee or consultant of Beyond Oil (or for the benefit of the dependents of any such person), as well as a description of any policy, practice, or custom currently in force and effect, have been made available to the Purchaser. Other than the Beyond Oil Option Plan, Beyond Oil does not currently operate any share or equity incentive plan for the benefit of any of its officers, directors, employees or contractors. Other than as required by applicable law, Beyond Oil has no

agreement, policy, custom, practice, plan or program for the payment of any form of severance or other payments in connection with the termination of employment services;

- (2) No key employee of Beyond Oil has been dismissed or has given notice of termination of his/her employment in the last 12 months period preceding the date of this Agreement, nor to Beyond Oil's knowledge, do any of the officer or key employees of Beyond Oil have at present any intention to terminate his or her employment agreement;
- (3) All holders of Beyond Oil Restricted Shares or Existing Target PubCo Options are Shareholders subject to this Agreement.
- (4) Beyond Oil has complied, in all material respects, with all applicable employment laws, policies, procedures and agreements relating to employment, and terms and conditions of employment. Beyond Oil has paid in full to all of its respective employees and consultants all wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees or consultants on or prior to the date of this Agreement. Beyond Oil has complied in all material respects with the applicable laws relating to the proper withholding and remittance to the proper tax and other authorities of all sums required to be withheld from employees or persons deemed to be employees under applicable laws. All persons classified by Beyond Oil as consultants or contractors thereof are correctly classified as such and not as employees for any purpose. All of Beyond Oil's employees are subject to Section 14 Arrangement under the Israeli Severance Pay Law, 1963 from the commencement date of their employment and on the basis of their entire salary. Beyond Oil's liability for any obligations to pay any amount of severance payment, pension, accrued vacation, and other social benefits and contributions, under applicable law or contract, or any other payment of substantially the same nature, is fully funded by deposit of funds in severance funds, pension funds, managers insurance policies or provident funds (and if not required to be so funded) adequate provisions have been made in Beyond Oil's Financial Statements;
- (5) to Beyond Oil's knowledge, no employee of Beyond Oil nor any consultant with whom Beyond Oil has contracted, is in violation of any material term of any employment or engagement contract, assignment agreement, non-competition agreement, restrictive covenant or any other contract or agreement, or is subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's or consultant's ability to promote the interest of Beyond Oil or to comply with its obligations to Beyond Oil (including the obligation to assign intellectual property rights) or that would conflict with Beyond Oil's business, and the continued employment or engagement of such employee or consultant by Beyond Oil will not result in any such material violation. Beyond Oil has not received any notice alleging that any such violation has occurred; and

- (6) Beyond Oil is not a party to, bound by or subject to, and no employee of Beyond Oil benefits from, any collective bargaining agreement, collective labor agreement, extension orders (*tzavei harchava*) (other than extension orders that apply to all employees in Israel generally), or other contract or arrangement with a labor union, trade union or other organization or body, to provide benefits or working conditions beyond the minimum benefits and working conditions required by applicable law. No labor union has requested or has sought to represent any of the employees, representatives or agents of Beyond Oil, nor is Beyond Oil aware of any labor organization activity involving its employees. There is no strike or other labor dispute involving Beyond Oil pending or, to Beyond Oil's knowledge, threatened.
- (qq) Beyond Oil has duly and timely filed all Tax Returns and reports (including information returns and reports) as required by Applicable Law. Each such return or report was true and complete when filed. None of such returns or reports has been audited by any taxing authority and Beyond Oil has not been advised that any of such returns or reports will be audited. There is no pending (or threatened by written notice delivered to Beyond Oil prior to the date hereof) dispute, examination, audit, claim or other action concerning any Tax or Tax Return of Beyond Oil claimed or raised by any Tax authority. Any and all Taxes and other charges due by Beyond Oil to any local or foreign Tax authorities (including, without limitation, those due in respect of the properties, income, franchises, licenses, sales or payrolls) have been timely paid. Beyond Oil has never had any Tax deficiency proposed or assessed against it and has not executed any waiver or extension of any statute of limitations on the assessment or collection of any Tax or governmental charge. No adjustment relating to any Tax Return filed by Beyond Oil has been proposed by any Tax authority to Beyond Oil. Beyond Oil has not incurred any taxes, assessments or governmental charges other than in the ordinary course of business and Beyond Oil has not had any delinquencies in the payment of any Tax that have not been completely and satisfactorily resolved. There are no Liens on the assets of Beyond Oil relating or attributable to Taxes, other than Liens for Taxes not yet due and payable. Beyond Oil has made adequate provisions on the Financial Statements and its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for the applicable period thereof and Beyond Oil had no liabilities for unpaid Taxes that had not been accrued or reserved on the Beyond Oil Financial Statements, whether asserted or unasserted, contingent or otherwise. Beyond Oil is not and have never been subject to Tax in any country other than its jurisdiction of incorporation by virtue of being treated as a resident of or having a permanent establishment or other place of business in that country, and no claim has ever been made by a Tax authority in a jurisdiction where Beyond Oil does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

Beyond Oil has not made any elections pursuant to the ITO. Except with respect to the contemplated transaction, Beyond Oil is not subject to any Tax ruling nor has it ever applied to receive any Tax determination or ruling or entered into any

agreement or arrangement that will be binding upon Beyond Oil or would otherwise have an effect on Beyond Oil following Closing.

All related party transactions or agreements to which Beyond Oil is a party (including, intercompany agreements) comply with transfer pricing rules and regulations under applicable law (including, Section 85A of the ITO).

- (rr) Other than as set out in Schedule 6.03(qq) of the Beyond Oil Disclosure Letter, Beyond Oil has not applied, obtained or received any grant, loan, incentives, benefits (including tax benefits), subsidies or other assistance from any governmental or regulatory authority or any agency, or any international or bilateral fund, institute or organization or public entities or authorities, including, from the Investment Center of the Ministry of Economy and Industry of the State of Israel or the National Authority for Technological Innovation (previously known as the Office of the Chief Scientist of Israel's Ministry of Economy), nor is Beyond Oil an "approved enterprise", "benefited enterprise" or "preferred enterprise" within the meaning of the Israeli Encouragement of Capital Investments Law, 1959, other than as set forth in this Section. Beyond Oil was and is in compliance, in all material respects, with the terms and conditions of any such grants or benefits. No royalties, interest, participation fees or other payments are payable or will be payable by Beyond Oil as a result of such grants or benefits, and the consummation of the transactions contemplated hereby will not affect the continued qualification for such grants or benefits, the terms or duration thereof or require any reimbursement, repayment, refund or cancellation of any previously claimed or received grants or benefits.
- (ss) the Corporate Records of Beyond Oil and its subsidiaries are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of Beyond Oil and its subsidiaries, and without limiting the generality of the foregoing: (i) the minute books of Beyond Oil and its subsidiaries contain complete and accurate minutes of all meetings of the directors and shareholders of Beyond Oil and its subsidiaries; (ii) such minute books contain all written resolutions passed by the directors and shareholders of Beyond Oil and its subsidiaries; (iii) the securities registers of Beyond Oil and its subsidiaries are complete and accurate, and all transfers of shares of Beyond Oil have been duly completed and approved; and (iv) the registers of directors and officers is complete and accurate and all former and present directors and officers of Beyond Oil and its subsidiaries were duly elected or appointed as the case may be;
- (tt) all Books and Records of Beyond Oil and its subsidiaries have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (uu) terms used but not otherwise defined in this Section 6.03(uu) shall have the meaning set forth in Section 6.03(uu)(7) below:

- (1) Other than as disclosed in Schedule 6.03(nn) of the Beyond Oil Disclosure Letter, Beyond Oil owns or has sufficient legal rights to use all Company Intellectual Property without any known conflict with, or infringement of, the rights of others, including without limitation the past and present employees and consultants and employers of the past and present employees and consultants of Beyond Oil, free and clear of all liens, charges, claims and restrictions. No product or service marketed, sold or rendered (or proposed to be marketed, sold or rendered) by Beyond Oil violates or will violate any license or infringes or will infringe any intellectual property rights of any other person. Other than with respect to commercially available software products under standard end-user object code license agreements or agreements providing for confidentiality of information entered into in the ordinary course of business, Beyond Oil is not bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person. Other than non-exclusive license agreements in Beyond Oil's standard form of license agreement, which form was provided to the Purchaser, and other than with respect to commercially available software products under standard end-user object code license agreements or agreements providing for confidentiality of information entered into in the ordinary course of business, there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to Beyond Oil Intellectual Property. Beyond Oil is not obligated or under any liability whatsoever (contingent or otherwise) to make any payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, any patent, trademark, service mark, trade name, copyright or other intangible asset, with respect to the use thereof or in connection with the conduct of its business as currently conducted and as currently proposed to be conducted. Beyond Oil has not received and is not aware of any communications alleging that Beyond Oil has violated or, by conducting Beyond Oil's Business, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person. To Beyond Oil's knowledge, no person has violated or is violating Beyond Oil Intellectual Property owned by Beyond Oil. Beyond Oil has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with Beyond Oil's Business.
- (2) Schedule 6.03(uu) of the Beyond Oil Disclosure Letter lists all registered Company Intellectual Property including without limitation, a complete list of all: (i) patents, trademarks, service marks, trade names, copyrights, domain name, registration with respect to any of Beyond Oil Intellectual Property and any applications for and under any of the foregoing; and (ii) unregistered trademark.

- (3) Except as provided in the Assignment of Intellectual Property Agreement and the Founders Agreement all of Beyond Oil's employees and consultants, past and present, have entered into written agreements with Beyond Oil assigning to Beyond Oil all rights, title and interests in Company Intellectual Property developed, invented, programmed, designed, conceived or reduced to practice (either alone or jointly with others) in the course of their employment or engagement, as the case may be, or that relate to Beyond Oil's business as currently conducted and as currently proposed to be conducted, and explicitly waiving all non-assignable rights (including moral rights) and rights to receive royalties or compensation in connection therewith (including, without limitation, under Section 134 of the Israeli Patent Law, 1967). Any and all Company Intellectual Property which has been, is currently being or will be developed by any employee or consultant of Beyond Oil is and shall be the sole property of Beyond Oil. Beyond Oil has taken all required security measures to protect the secrecy, confidentiality and value of all Beyond Oil Intellectual Property, which measures are reasonable and customary in the industry in which Beyond Oil operates and, to Beyond Oil's knowledge, there has been no breach of security of Beyond Oil's systems involving any such information. It will not be necessary to use any of the developments, ideas, inventions, trade secrets, proprietary information or other intellectual property of any of its employees.
- (4) No funding or grants from, or facilities of, a governmental body or institution, university, college or other academic or educational institution or research center, or organization whose primary purpose is to create or foster the creation of Open Source Software (as defined below) (or any affiliate of any of the foregoing), was used by Beyond Oil or on its behalf, or by any of its founders prior to the incorporation of Beyond Oil, in the development of Beyond Oil Intellectual Property. Other than as set forth in Section 6.03(nn)(4), to the knowledge of Beyond Oil, no current or former employee, consultant or independent contractor of Beyond Oil, who is or was involved in, or who is contributing or contributed to the creation or development of any Company Intellectual Property is or has performed services for or otherwise is or was under restrictions resulting from his or her relations with any government, university, college or other academic or educational institution or research center, or organization whose primary purpose is to create or foster the creation of Open Source Software during the time such employee, consultant or independent contractor is or was so involved in, or contributing to the creation or development of any Company Intellectual Property.
- (5) All of the rights, title and interests in Beyond Oil Intellectual Property that was developed, invented, programmed, designed, conceived or reduced to practice by the shareholders of Beyond Oil (either alone or jointly with others) prior to, upon or with a view of the incorporation of Beyond Oil ("SH IP") was duly, fully and irrevocably assigned by the shareholders to

Beyond Oil and inter alia, as provided in the Assignment of Intellectual Property Agreement and the Founders Agreement upon or in connection with the incorporation of Beyond Oil, free and clear of any liens, charges, claims and restrictions, and, to the extent already required, all declarations and documents required by the various patent offices in the countries in which Beyond Oil Intellectual Property was registered in order to register such assignments have been duly executed, submitted, approved and registered. Correct and complete copies of all assignment documents of the SH IP to Beyond Oil have been made available to the Purchaser. The Shareholders are the sole inventors and developers of the SH IP (including the inventions, methods and devices described and claimed in the patents which are part of such SH IP, if any) without any contribution, assistance, participation or alleged rights of any third party. Neither the shareholders nor any other person has any further interest in or rights to any of the SH IP. During the period in which the shareholders were developing the SH IP, the shareholders were not employed or engaged by any third party.

- (6) Beyond Oil does not use any Open Source Software.
- (7) Definitions. The following terms used in this Agreement shall have the meanings set forth below:

“knowledge”, including the phrase “to Beyond Oil’s knowledge” (or similar phrases), when used in this Section 6.03(uu) (*Intellectual Property*) shall mean the actual knowledge of Beyond Oil, without conducting any patent search, freedom to operate, infringement, or any similar search.

“Open Source Software” shall mean all software or other material that is distributed as “free software”, “open source software” or under a similar licensing or distribution terms.

- (vv) Beyond Oil has the exclusive right to use, sell, license, sub-license and prepare derivative works for and dispose of and has the rights to bring actions for the infringement or misappropriation of Beyond Oil’s IP that it has registered or applied for registration and Beyond Oil has not licensed, conveyed, assigned or encumbered any IP that it owns. Except as specified in listed in Schedule 6.03(uu) of the Beyond Oil Disclosure Letter, all registrations and filings necessary to preserve the rights of Beyond Oil to its IP have been made and are in good standing;
- (ww) all pending applications for registration of Beyond Oil’s IP are in good standing with the appropriate offices and assignments have been recorded in favour of Beyond Oil to the extent recordation within a timely manner is required to preserve the rights thereto;
- (xx) the execution and delivery of this Agreement or any agreement contemplated hereby will not breach, violate or conflict with any instrument or agreement governing any of Beyond Oil’s IP, will not cause the forfeiture or termination of

any of Beyond Oil's IP or in any way exclude the right of Beyond Oil to use, sell, license or dispose of or to bring any action for the infringement of any of Beyond Oil's IP (or any portion thereof);

- (yy) other than pursuant to the Allocation Agreement and Assignment of Intellectual Property Rights Agreement of technologies reducing the degree of acidity in edible oils, dated November 25, 2018 and its amendments, there are no royalties, honoraria, fees or other payments payable by Beyond Oil to any person by reason of, or in respect of, the ownership, use, license, sale or disposition of any of Beyond Oil's IP and there are no restrictions on the ability of Beyond Oil or any successor to or assignee from Beyond Oil to use and exploit all rights in such IP
- (zz) all maintenance fees due in accordance with the Beyond Oil's IP have been paid in a timely manner;
- (aaa) there is no suit, action or proceeding or, to the knowledge of Beyond Oil, pending or threatened against Beyond Oil that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Beyond Oil, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against Beyond Oil causing, or which could reasonably be expected to cause, a Material Adverse Effect on Beyond Oil;
- (bbb) the Beyond Oil Disclosure Letter contains full, true, accurate, and complete disclosure of each of the items to which it pertains, does not contain any statement or omission necessary in order to make the statements contained herein or therein not misleading; and
- (ccc) no representation or warranty of Beyond Oil contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

6.04 Survival of Representations and Warranties

The representations and warranties made by the Parties and contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the date that is 24 months from the date of Closing, other than the representations and warranties contained in Sections 6.02(i) to (k) and 6.03(ee) to (nn) and (qq)(*Taxation*), which shall survive for a period of 60 days from the expiration of the statute of limitation period with respect to such issues. No claim for breach of any representation, warranty or covenant shall be valid unless that Party against whom such claim is made has been given notice thereof before the expiry of such 24 month period.

ARTICLE VII COVENANTS

7.01 Mutual Covenants

Each of the Parties hereby covenants and agrees as follows:

- (a) commencing upon execution of this Agreement, Beyond Oil and FTC shall work diligently and in good faith to settle the terms of a secured loan by FTC to Beyond Oil in the aggregate principal amount of US\$750,000 or such other amount as Beyond Oil and the Purchaser may agree in writing (the “**Bridge Loan**”);
- (b) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Shareholder will be required to disclose that information has been withheld on this basis), furnish promptly to the other parties a copy of each notice, report, schedule or other document or communication delivered, filed or received by it in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting, the Transaction as contemplated herein (other than in respect of an Alternative Transaction, in which case a summary of the material terms may be provided)
- (c) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to complete the Transaction in accordance with the terms of this Agreement, including in the case of the Purchaser, obtain the Purchaser Shareholder Approval.
- (d) in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, to use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the Parties to complete the Transaction;
- (e) notwithstanding the foregoing covenants in Section 7.01, in the event the Exchange rejects the Purchaser’s application for Listing, on the basis that it objects to any of the terms hereof, including but not limited to the terms of the Target PubCo Options, the Deferred Purchase Price Agreement, the Consideration Securities, and/or the valuation of the Transaction, alone or in combination with the Bridge Financing or Concurrent Financing; the Parties agree to use commercially reasonable efforts to address any such comments or concerns of the Exchange and amend the affected terms of the Transaction to address the concerns of the Exchange;
- (f) to use commercially reasonable efforts to obtain, before the Closing Time, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third Parties as are necessary for the consummation of the Transaction;

- (d) to effect all necessary registrations and filings and submissions of information requested by any Governmental Authority in respect of the Transaction;
- (g) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction;
- (h) not settle or compromise any claim brought against it in connection with the Transaction prior to the Closing Date without the prior written consent of each of the other Parties, such consent not to be unreasonably withheld or delayed;
- (i) to promptly notify each of the other Parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (j) to co-operate with each of the other Parties hereto in good faith in order to ensure the timely completion of the Transaction;
- (k) to use commercially reasonable efforts to co-operate with each of the other Parties hereto in connection with the performance by the other of its obligations under this Agreement; and
- (l) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction.

7.02 Covenants of the Purchaser

The Purchaser covenants and agrees with each of the Shareholders and Beyond Oil that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VIII, it will:

- (a) make available and afford Beyond Oil and its authorized representatives and, if requested by Beyond Oil, provide (i) a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licenses, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser; (ii) every reasonable opportunity to have free and unrestricted access to the Purchaser's property, assets, undertaking, records and documents. At the request of Beyond Oil, the Purchaser will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Purchaser's business and any of its property or to enable Beyond Oil or its authorized representatives to obtain full access to all files and records

relating to any of the assets of the Purchaser maintained by Governmental Authorities. The obligations in this Section 7.02(a) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Beyond Oil under this Section 7.02(a) will not mitigate or otherwise affect the representations and warranties of the Purchaser hereunder;

- (b) not incur, provide a guarantee for or otherwise accept liability for any contractual obligation, liability or expense out of the ordinary course of business other than the Seed Loans and Bridge Loan;
- (c) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, other than in respect of the Concurrent Financing and Bridge Financing, it will not enter into any material Contract or transaction out of the ordinary course of business consistent with past practice without the prior consent of Beyond Oil, and the Purchaser will keep Beyond Oil fully informed as to the material decisions or actions required to be made with respect to the operation of its business,;
- (d) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;
- (e) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
 - (1) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
 - (2) use commercially reasonable efforts to make submissions to relevant regulatory authorities such that that escrow requirements are not applied by any such regulatory authority, including the Exchange, with respect to the Consideration Warrants and the Common Shares underlying the Consideration Warrants;

- (3) increase or decrease its paid-up capital or purchase or redeem any shares, except pursuant to the Bridge Financing and Concurrent Financing; or
- (f) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares except pursuant to the Concurrent Financing, Finders Fee Shares and Bridge Financing and the FTC Stock Options, without the written consent of Beyond Oil;
- (g) take all necessary corporate action and proceedings to approve and authorize the Concurrent Financing, the Bridge Financing, the issuance of the securities under the Concurrent Financing and Bridge Financing, and assuming completion of satisfactory negotiations pursuant to Section 7.01(a) hereof, the Bridge Loan; and
- (h) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Consideration Securities to the Shareholders, in each case, on a basis exempt from the prospectus and registration requirements of the applicable Securities Laws of the provinces of Canada in which the Shareholders are resident.

7.03 Covenants of Beyond Oil

Beyond Oil covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VIII, it will:

- (a) make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser provide (i) a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licenses, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to Beyond Oil; and (ii) every reasonable opportunity to have free and unrestricted access to Beyond Oil's property, assets, undertaking, records and documents. At the request of the Purchaser, Beyond Oil will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of Beyond Oil's business and any of its property or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of Beyond Oil maintained by governmental or other public authorities. The obligations in this Section 7.03(a) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance Beyond Oil will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 7.03(a) will not mitigate or otherwise affect the representations and warranties of Beyond Oil hereunder;
- (1) furnish to the Purchaser all such information concerning Beyond Oil and the Business, as may be reasonably required in the preparation of the

Prospectus and other documents related thereto, and Beyond Oil shall ensure that no such information provided by Beyond Oil for inclusion in the Prospectus shall contain any untrue statement of a material fact or omit to state a material fact required to be stated therein in order to make any information so furnished by Beyond Oil not misleading in light of the circumstances in which it is disclosed;

- (2) indemnify and save harmless the Purchaser and its respective directors, officers, employees, agents, advisors and representatives from and against any and all respective liabilities, claims, demands, losses, costs, damages and expenses to which the Purchaser or its respective directors, officers, employees, agents, advisors or representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (A) any misrepresentation or alleged misrepresentation in any information included in the Prospectus that is provided by Beyond Oil for inclusion therein; and
 - (B) any order made, or any inquiry, investigation or proceeding by any securities regulatory authority or other Governmental Authority, to the extent based on any misrepresentation or any alleged misrepresentation in any information related to Beyond Oil and provided for inclusion in the Prospectus;
 - (3) promptly notify the Purchaser if, at any time before the Closing Time, the Prospectus contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Prospectus and the parties shall co-operate in the preparation of any amendment or supplement as required or as appropriate. The Purchaser shall, subject to compliance by Beyond Oil with this Subclause 7.03(c)(v), and, if required by the Exchange or applicable Laws, file any amendment or supplement to the Prospectus with the applicable securities regulatory authority and as otherwise required; and
- (b) to prepare and cause to be prepared the audited consolidated financial statements of Beyond Oil as at and for the fiscal years ended December 31, 2020 and 2019 and balance sheet as of and for the six month period ended June 30, 2021 (the “**Beyond Oil Financial Statements**”) in accordance with IFRS, and in such a manner that the Beyond Oil Financial Statements, when completed, will be true, correct and complete and present fairly the Business Assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Beyond Oil as at the respective dates thereof and results of operations of Beyond Oil for the respective periods then ended;

- (c) except as authorized by this Agreement, not incur, provide a guarantee for or otherwise accept liability for any contractual obligation, liability or expense out of the ordinary course of business;
- (d) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and Beyond Oil will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business;
- (e) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles as the same exist at the date of this Agreement;
- (f) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
 - (1) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
 - (2) increase or decrease its paid-up capital or purchase or redeem any shares;
or
 - (3) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares other than the Target Pubco Options;
- (g) not make or change any Tax election, adopt or change any Tax accounting method, enter into any closing agreement in respect of Taxes, settle any Tax claim or assessment, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment or file any Return outside of the ordinary course of business, or amend any Return; and
- (h) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser.

7.04 Covenants of the Shareholders

Each of the Shareholders covenants and agrees with the other Parties hereto that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VIII, subject to Section 10.01, it will:

- (a) not effect a transfer of any Beyond Oil Shares held by such Shareholder unless the transferee enters into the Beyond Oil Shareholder Consent Agreement, in the form appended hereto as Schedule “B”;
- (b) diligently and in good faith negotiate the final form of all required closing documents, including any Escrow Agreements, the Deferred Purchase Price Agreement, and any other documents or agreements as required to effect the completion of the Transaction;
- (c) execute any documents that the Purchaser reasonably requires to complete the distribution of the Resulting Issuer Options; and
- (d) not encumber in any manner the Purchased Shares, or any Target PubCo Options such Shareholder may hold, and ensure that at the Closing Time the Purchased Shares and or Target PubCo Options are free and clear of all Liens.

ARTICLE VIII **TERMINATION**

8.01 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of all the Parties hereto;
- (b) by either Beyond Oil or the Purchaser if the Closing shall not have been consummated on or prior to the Termination Date, without liability to the terminating Party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 8.01(b) shall not be available to a Party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;
- (c) by the Purchaser, if there has been a material breach by Beyond Oil or the Shareholders of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Sections 4.01 and 4.02 which Beyond Oil or the Shareholders, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by the Purchaser;
- (d) by Beyond Oil if there has been a material breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement or any

of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Sections 4.01 and 4.03 which the Purchaser fails to cure within ten (10) Business Days after written notice thereof is given by Beyond Oil;

- (e) by the Purchaser, if Beyond Oil completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and
- (f) by any Party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no Party shall be entitled to terminate this Agreement if such Party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

8.02 Termination Fee

In the event the Purchaser terminates this Agreement pursuant to either Section 8.01(c) or 8.01(e) or Beyond Oil terminates this Agreement in a manner that is impermissible under the terms of this Section 8, which for certainty would constitute a material breach of this Agreement, then Beyond Oil shall pay to the Purchaser a termination fee of C\$150,000.00 as soon as practicable, and in any event within 5 Business Days of such termination (the "**Termination Fee**") by wire transfer of immediately available fund. Each of the Parties hereby acknowledges that the Termination Fee is a payment of liquidated damages which is a genuine pre-estimate of the damages which the Purchaser will suffer or incur as a result of the event giving rise to such damages and the resultant non-completion of the Transaction and is not a penalty. Beyond Oil hereby irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

8.03 Effect of Termination

Upon termination of this Agreement in accordance with the terms hereof, the Parties hereto shall have no further obligations under this Agreement, except that (i) if the Transaction is terminated as contemplated in Section 8.02, then Beyond Oil must pay FTC the Termination Fee; and (ii) if Beyond Oil terminates this Agreement pursuant to Section 8(d), then FTC shall reimburse Beyond Oil for all reasonable expenses actually incurred by it in connection with the Transaction.

ARTICLE IX

INDEMNIFICATION

9.01 Indemnification by the Purchaser

Subject to Section 6.04, the Purchaser shall indemnify and save the Shareholders harmless for and from:

- (a) any Loss suffered by the Shareholders or Beyond Oil as a result of any breach of representation, warranty or covenant on the part of the Purchaser contained in this

Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and

- (b) any Loss suffered by the Shareholders or Beyond Oil as a result of any dispute between any shareholders of the Purchaser who are shareholders of the Purchaser as of the date hereof amongst themselves, assuming that the Shareholders or Beyond Oil are enjoined or otherwise implicated or suffer a loss in connection with any such dispute.

9.02 Indemnification by Beyond Oil

Subject to Section 6.04, Beyond Oil shall indemnify and save the Purchaser harmless for and from any Loss suffered by the Purchaser as a result of any breach of representation, warranty or covenant on the part of Beyond Oil contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement.

9.03 Indemnification by Shareholders

The Shareholders shall severally but not jointly other than with respect to the indemnification in 9.03(b) which shall be on a joint and several basis, indemnify and save the Purchaser harmless for and from any Loss suffered by the Purchaser or Beyond Oil as a result of any:

- (a) breach by such Shareholder of any the representations and warranties on the part of such Shareholder contained in Section 6.02(c)(d)(e)(f)(g) and (i),(j), and (k) in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement;
- (b) Pre-Closing Taxes; and
- (c) Loss incurred or imposed on Beyond Oil or any holder Beyond Oil Shares (including gross-up, if any) resulting from the failure of such shares which were intended to be granted under Section 102(b)(2) of the ITO to be so qualified.

9.04 Notice of Claim

A Party entitled to and seeking indemnification pursuant to the terms of this Agreement (the “**Indemnified Party**”) shall promptly give written notice to the Party or Parties, as applicable, responsible for indemnifying the Indemnified Party (the “**Indemnifying Party**”) of any claim for indemnification pursuant to Sections 9.01, 9.02 and 9.03 (a “**Claim**”, which term shall include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

For certainty, in the case of any Third Party Claim, any amounts claimed by such Third Party (as defined below in Section 9.06(e)) shall constitute part of the aggregate amount of the claim for the purpose of Section 9.06 below, and specifically, any amounts claimed for punitive damages shall be included towards the calculation of the minimum claim amount of C\$50,000 noted in each of Section 9.06(b) and 9.06(c)

9.05 Procedure for Indemnification

- (a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim.
- (b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

9.06 General Indemnification Rules

The obligations of the Indemnifying party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

- (a) without limiting the generality of Sections 9.01, 9.02 and 9.03, any Claim for breach of any representation, warranty or covenant shall be subject to Section 6.04;
- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed C\$50,000;

- (c) the Purchaser shall not be entitled to recover under Section 9.02 or 9.03 hereof until the aggregate of all such Losses or Claims, including Third Party Claims, exceeds C\$50,000; provided however, that if the aggregate of all such Losses or Claims, including Third Party Claims, exceeds C\$50,000; the maximum liability of the Shareholders under Section 9.03 is the value of 50% of the then unissued Deferred Payment Shares issuable to the Shareholders (the “**Clawback Shares**”), which for the purpose of this Article 9 shall have a value of C\$0.75 per Clawback Share and the Purchaser’s sole recourse shall be to cancel and forfeit any rights of the Shareholders to the applicable number of Clawback Shares. For greater certainty, the Shareholder shall be obligated pursuant to the terms of this Agreement to take any and all actions as may be required by law for the Purchaser to cancel all Clawback Shares, up to the value of the applicable Claims under this Article 9;
- (d) notwithstanding anything to the contrary in this Agreement, the aggregate liability of Beyond Oil or the Purchaser to any and all Indemnified Parties under this 0 shall be limited to the value of the Payment Shares issued under this Agreement, with a deemed price of C\$0.75 per Payment Share;
- (e) if any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a “**Third Party**”) with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and thereafter seek reimbursement from the Indemnifying Party for any such payment. If any Indemnifying Party pays, or reimburses an Indemnified Party in respect of any Third Party Claim before completion of settlement negotiations or related legal proceedings, and the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (f) except in the circumstance contemplated by Section 9.05, and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);
- (g) the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;
- (h) the Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and

- (i) the provisions of this Article 9 shall constitute the sole remedy available to a Party against another Party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other Party in this Agreement.

ARTICLE X **NON-SOLICITATION**

10.01 Non-Solicitation

Prior to the Termination Date, or the earlier termination of this Agreement in accordance with its terms, each Party and any person acting on its behalf shall not and it shall cause its subsidiaries and its and their respective directors, officers, employees, representatives, advisors and agents (collectively, the “**Agents**”) not to, in each case, directly or indirectly do or allow to be done any of the following, except as contemplated in this Agreement, as applicable:

- (a) solicit, initiate, encourage, facilitate or accept any inquiry, proposal or offer (an “**Acquisition Proposal**”) from any person (other than the Parties hereto) with respect to any of the following transactions (each, an “**Alternative Transaction**”) between such Party or any of its affiliates and any person:
 - (1) the acquisition or purchase by any person or group of persons acting jointly or in concert of 20% or more of the assets of that Party (on a consolidated basis) in a single transaction or a series of related transactions (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale or other disposition of 20% or more the assets of that Party),
 - (2) a reorganization, liquidation, winding-up, and in the case of the Purchaser, a sale, issue or redemption of 20% or more of the total number of common shares or rights or interests therein or thereto or similar transactions involving the Purchaser;
 - (3) a merger, recapitalization, restructuring, reorganization, amalgamation, arrangement, joint venture or other business combination involving such Party or any of its affiliates; or
 - (4) any other extraordinary business transaction involving or otherwise relating to such Party or any of its affiliates;
- (b) participate in any discussions, conversations, negotiations or other communications with any person with respect to an Alternative Transaction;
- (c) enter into any agreement, arrangement or understanding with respect to an Alternative Transaction or pursuant to which such Party may be required to delay, abandon, terminate or fail to consummate the Transaction; or

- (d) furnish any information to any person in connection with a proposed Alternative Transaction or otherwise assist, facilitate or encourage the making of, or cooperate in any way regarding, any Acquisition Proposal.

In addition, the Parties agree to cease and terminate immediately, and to cause their respective Agents to cease and terminate immediately, any existing negotiations, discussions, conversations or other communications with respect to any Alternative Transaction.

The Parties shall promptly advise each other of their receipt of any Acquisition Proposal and any request for information that may reasonably be expected to lead to or is otherwise related to any Acquisition Proposal, the identity of the person making such Acquisition Proposal or request for information and the terms and conditions of such Acquisition Proposal.

Notwithstanding the foregoing, nothing contained in this Agreement shall be interpreted to extend to the acts or omissions of any person acting in his or her capacity as a director or officer of Beyond Oil or the Purchaser or otherwise to fetter the proper exercise of discretion of such person.

ARTICLE XI **GENERAL**

11.01 Shareholders' Representatives

(a) Notwithstanding anything to the contrary contained herein, each Shareholder hereby irrevocably jointly appoints Tamir Gedo and Jonathan Or (the "**Shareholders' Representatives**") as such Shareholder's representatives, attorneys-in-fact and agents, with full power of substitution, to act in the name, place and stead of such Shareholder with respect to, and in accordance with, the terms and provisions of this Agreement and to act on behalf of each Shareholder in any disagreement or litigation or arbitration involving this Agreement and to do or refrain from doing all such further acts and things, and to execute all such documents, as Shareholders' Representatives shall deem necessary or appropriate in conjunction with any of the transactions contemplated by this Agreement, including, without limitation, the power:

- (i) to negotiate, execute and deliver all ancillary agreements, statements, certificates, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the transactions contemplated by this Agreement (it being understood that the Shareholders shall execute and deliver any such documents which the Shareholders' Representatives agree to execute);

- (ii) to terminate this Agreement if the Shareholders, a Shareholder or the Shareholders' Representatives are entitled to do so;

- (iii) to give and receive all notices and communications to be given or received under this Agreement and to receive service of process in connection with any claims under this Agreement;

(iv) to agree to, negotiate, enter into settlements and compromises of, and to commence and conduct litigation and to comply with orders of courts with respect to, claims of any kind or nature, and to take all actions necessary or appropriate in the judgment of the Shareholders' Representatives for the accomplishment of the foregoing; and

(v) to take all actions which under this Agreement may be taken by the Shareholders or any Shareholder and to do or refrain from doing any further act or deed on behalf of the Shareholders or any Shareholder which the Shareholders' Representatives deem necessary or appropriate in their sole discretion relating to the subject matter of this Agreement as fully and completely as the Shareholders or any Shareholder could do if personally present.

(b) If either of Tamir Gedo or Jonathan Or becomes unable to serve as a Shareholders' Representative, he or his personal or legal representative shall be entitled to appoint his successor.

(c) Their appointment and grant of power and authority is coupled with an interest and is in consideration of the mutual covenants made herein and is irrevocable and shall not be terminated by any act of a Shareholder or Purchaser or by operation of law, whether by the death or incapacity of a Shareholder or by the occurrence of any other event. Each Shareholder hereby consents to the taking of any and all actions and the making of any decisions required or permitted to be taken or made by the Shareholders' Representatives pursuant to this Section. Each Shareholder agrees that the Shareholders' Representatives shall have no obligation or liability to any person (including without limitation any Shareholder) for any action or omission taken or omitted by the Shareholders' Representatives in good faith hereunder, and each Shareholder shall indemnify and hold the Shareholder Representatives harmless from and against any and all loss, damage, expense or liability (including reasonable counsel fees and expenses) which the Shareholders' Representatives may sustain as a result of any such act or omission (provided, however, that neither Tamir Gedo or Jonathan Or shall be required to indemnify himself and further provided that neither Tamir Gedo or Jonathan Or shall be entitled to indemnification for actual fraud (and not constructive fraud)).

(d) Purchaser and Beyond Oil shall be entitled to rely upon any document or other paper delivered by the Shareholders' Representatives as: (i) genuine and correct; and (ii) having been duly signed or sent by each of the Shareholders' Representatives, and they shall not be liable to a Shareholder for any action taken or omitted to be taken by any of them in such reliance.

(e) Tamir Gedo and Jonathan Or shall use commercially reasonable efforts to provide the other Shareholders with a copy of any written document: (i) delivered by Tamir Gedo and Jonathan Or to Purchaser in their capacity as the Shareholders' Representatives; and (ii) received by Tamir Gedo and Jonathan Or from Purchaser in their capacity as the Shareholders' Representatives, provided, however, that Tamir Gedo and Jonathan Or's failure to provide any such written document to a Shareholder shall not result in any liability to either Tamir Gedo or Jonathan Or and shall not limit Tamir Gedo and Jonathan Or's rights as the Shareholders' Representatives. Tamir Gedo and Jonathan Or shall provide such copies to the Shareholders in the manner provided for notice in Section 11.02.

(f) Each Shareholder shall, by notice given in accordance with Section 11.02, designate or provide an address of such Shareholder for notices to be given under this Agreement.

For greater certainty, the joint appointment of the Shareholders' Representatives shall mean that any such decision pursuant to this Section 11.01 must be approved by each of Tamir Gedo and Jonathan Or to be an effective substitution of the powers of the Shareholder as contemplated herein.

11.02 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement (each, a “**notice**”) shall be in writing addressed as follows:

- (a) if to the Purchaser:

FTC Cards Inc.
33157 Tunbridge Avenue
Mission, BC, V2V 6X9

Attention: Robert Kiesman, CEO
E-mail: robert@kiesman.ca

- (b) if to Beyond Oil:

Beyond Oil Ltd.
Kibbutz Yifat 3658300, Israel

Attention: Tamir Gedo, CEO
E-mail: tamir@beyondoil.co

- (c) if to a Shareholder or the Shareholder Representatives, to both:

Tamir Gedo
tamir@beyondoil.co

Jonathan Or
jonathan@beyondoil.co

or such other address as may be designated by notice given by either Beyond Oil, the Purchaser or the Shareholders' Representatives on behalf of the Shareholders to the other in accordance with this Section 11.02. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day.

11.03 Confidentiality

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the Parties hereto will keep confidential and refrain from using all information obtained by it in

connection with the transactions contemplated by this Agreement relating to any other Party hereto, provided however that such obligation shall not apply to any information: (i) which was in the public domain at the time of its disclosure to a Party; (ii) which subsequently comes into the public domain other than as a result of a breach of such Party's obligations under this Section 0; (iii) which was disclosed to such Party by a third party that was not under an obligation of confidentiality; or (iv) which was required to be disclosed in connection with the Listing. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to applicable laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

11.04 Assignment

No Party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other Parties hereto.

11.05 Binding Effect

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

11.06 Waiver

No waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise expressly provided. Any agreement as to the extension or waiver of any provision of this Agreement by any Party will be valid only if in writing and signed by such Party. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

11.07 Governing Law

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction and is to be treated in all respects as a British Columbia contract. The Parties agree to submit to the exclusive jurisdiction of the courts of British Columbia, provided that nothing in this Agreement shall prevent either Party from seeking injunctive relief in the courts of any competent jurisdiction.

11.08 Expenses

Subject to Article VIII, each Party shall be responsible for its costs and expenses incurred with respect to this Agreement, the Closing of the Transaction and all of the transactions contemplated herein. For greater certainty, if during the term of this Agreement, the Transaction does not successfully complete, then each Party will be responsible for its own expenses incurred. .

11.09 Time of Essence

Time is of the essence of this Agreement and of each of its provisions.

11.10 Public Announcements

Beyond Oil and the Purchaser shall co-operate with the other in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any Party hereto without the prior consent of the other Parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any Party hereto at any time from furnishing any information to any Governmental Authority or to the public if so required by applicable law and/or the provisions of this Agreement.

11.11 Further Assurances

Each Party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and instruments and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated herein, including but not limited to the Transaction and the Listing.

11.12 Entire Agreement

Other than any agreements made between the Purchaser and Beyond Oil in connection with the Seed Loans and the Bridge Loan, this Agreement (including the Schedules attached hereto), together with the documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the Parties hereto with respect to the subject matter hereof including the letter of intent dated May 7, 2021 between the Purchaser and Beyond Oil (which letter agreement the Purchaser and Beyond Oil hereby agree is terminated). There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement or any document delivered pursuant to this Agreement.

11.13 Amendments

No amendment of any provision of this Agreement will be valid or binding on any Party unless set forth in writing and duly executed by each of the Parties.

11.14 Severability

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

11.15 Remedies Cumulative

The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

11.16 Counterparts

This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by any electronically communicated method, each of which when executed and delivered shall be deemed to be an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

11.17 Independent Legal Advice

EACH SHAREHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SHAREHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, SUCH SHAREHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT SUCH SHAREHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT. EACH SHAREHOLDER ACKNOWLEDGES AND AGREES THAT MCMILLAN LLP ONLY ACTS FOR THE PURCHASER, AND NEITHER REPRESENTS OR ACTS FOR THE SHAREHOLDERS.

[Signature pages follow]

IN WITNESS WHEREOF this Agreement has been executed by the Parties hereto on the date first above written.

FTC CARDS INC.

By: “Signed”
Robert Kiesman
CEO

BEYOND OIL LTD.

By: “Signed”
Tamir Gedo
CEO

[The signature pages for the Shareholders follow]

Beyond Oil Shareholders

(a) Ordinary Shareholders

“Signed”

Jonathan Or

“Signed”

Aviva Or

“Signed”

Matan Or

“Signed”

Ariel Raich Adv

“Signed”

Eliezer Bali

“Signed”

Videvsky Yehushua Shlomo

“Signed”

Dan Itzhaki

“Signed”

Shmuel Vishedsky

“Signed”

Sarit Landau

“Signed”

Yakov Landau

“Signed”

Tamir Gedo

[Remainder of page is intentionally blank]

MOSHE COHEN M.C. LTD.

“Signed”

Name:

Title:

Z.Y.C. PROJECT LTD.

“Signed”

Name:

Title:

[Remainder of page is intentionally blank]

“Signed”

Uriel Cohen

[Remainder of page is intentionally blank]

(b) Preferred Shareholders

**LIAD DEVELOPMENT AND HOLDINGS
LTD.**

“Signed”

Name:
Title:

“Signed”

Lior Nourman Adv

Schedule A

Shareholders of Beyond Oil and Allocation of Consideration Securities

Name of Shareholder	Number of Beyond Oil Shares	Estimated Number of Payment Shares¹	Percentage of Payment Shares¹	Estimated Number of Consideration Warrants²	Percentage of Consideration Warrants²
Jonathan Or	800,819	6,414,831	26.28%	646,693	24.10%
Aviva Or	600,615	4,811,129	19.71%	485,020	18.08%
Matan Or	600,615	4,811,129	19.71%	485,020	18.08%
Eliezer Bali	113,600	909,974	3.73%	91,736	3.42%
Moshe Cohen M.C. Ltd.	113,600	909,974	3.73%	91,736	3.42%
Z.Y.C. Project Ltd.	44,953	360,089	1.48%	36,301	1.35%
Videvsky Yehushua Shlomo	65,338	523,380	2.14%	52,763	1.97%
Ariel Raich	18,033	144,450	0.59%	14,562	0.54%
Dan Itzhaki	107,677	862,529	3.53%	86,953	3.24%
Shmuel Vishedsky	25,694	205,818	0.84%	20,749	0.77%
Yakov Landau	29,594	333,333	1.37%	33,604	1.25%
Sarit Landau	29,594	333,333	1.37%	33,604	1.25%
Liad Development and Holdings Ltd (*Preferred Shares)	54,333	1,050,008	4.30%	296,533	11.05%

Name of Shareholder	Number of Beyond Oil Shares	Estimated Number of Payment Shares¹	Percentage of Payment Shares¹	Estimated Number of Consideration Warrants²	Percentage of Consideration Warrants²
Lior Nouman Adv (*Preferred Shares)	9,055	174,992	0.72%	49,419	1.84%
Tamir Gedo (Restricted Shares)	234,704	1,880,059	7.70%	189,533	7.06%
Uriel Cohen (Held by Trustee)	85,574	685,477	2.81%	69,104	2.58%
Total	2,933,798	24,410,506	100.00%	2,683,333	100.00%

¹ In the event of a discrepancy between the Estimated Number of Payment Shares and the Percentage of Payment Shares a Shareholder is entitled to, the Percentage cited herein will prevail.

² In the event of a discrepancy between the Estimated Number of Consideration Warrants and the Percentage of Consideration Warrants a Shareholder is entitled to, the Percentage cited herein will prevail.

Schedule B

Beyond Oil Shareholder Consent Agreement

The form of Beyond Oil Shareholder Consent Agreement is attached hereto.

BEYOND OIL SHAREHOLDER CONSENT AGREEMENT

THIS BEYOND OIL SHAREHOLDER CONSENT AGREEMENT (the “**Agreement**”) is dated and made effective as of the ●th day of, ●.

AMONG:

FTC CARDS INC., a company incorporated under the laws of the Province of British Columbia, Canada, and having an address for notice and delivery located at 33157 Tunbridge Avenue, Mission, BC, V2V 6X9

(hereinafter referred to as the “**Purchaser**”);

OF THE FIRST PART

AND:

BEYOND OIL LTD., a company incorporated under the laws of Israel, and having an address for notice and delivery located at Kibbutz Yifat 3658300, Israel

(hereinafter referred to as “**Beyond Oil**”);

OF THE SECOND PART

AND:

THE NEW BEYOND OIL SHAREHOLDERS who have executed this Agreement

(individually, a “**New Beyond Oil Shareholder**” and, collectively, the “**New Beyond Oil Shareholders**”).

OF THE THIRD PART

WHEREAS:

- A. The Purchaser, Beyond Oil, and the Shareholders entered into a Share Purchase Agreement dated effective ● and attached as Schedule “A” hereto (the “**Share Purchase Agreement**”);
- B. Pursuant to the Share Purchase Agreement, Beyond Oil agreed to the Transaction and further agreed to obtain the consent of the New Beyond Oil Shareholders to the Transaction (as defined therein); and
- C. The New Beyond Oil Shareholder has agreed to provide such consent and to be bound by the terms of the Share Purchase Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt

and sufficiency of which is hereby acknowledged, the Parties hereto do covenant and agree each with the other as follows:

1. Unless specifically defined herein or unless the context otherwise requires, terms used herein which are defined in the Share Purchase Agreement shall have the meanings ascribed to such terms in the Share Purchase Agreement.
2. On the execution of this Agreement by a New Beyond Oil Shareholder, such New Beyond Oil Shareholder covenants and agrees that it shall, together with the Shareholder (the “**New Beyond Oil Shareholder’s Transferor**”) from whom such New Beyond Oil Shareholder acquired common shares of Beyond Oil as trustee or nominee for the New Beyond Oil Shareholder’s Transferor, be bound by all of the provisions of the Share Purchase Agreement as if such New Beyond Oil Shareholder and the New Beyond Oil Shareholder’s Transferor were collectively an original party to the Share Purchase Agreement including, without limitation, all representations, warranties and covenants of the New Beyond Oil Shareholder’s Transferor contained therein (provided that it is acknowledged and agreed that the New Beyond Oil Shareholder is the registered owner of the common shares of Beyond Oil acquired by the New Beyond Oil Shareholder referred to below, but is not the beneficial owner thereof, and that the New Beyond Oil Shareholder’s Transferor is the beneficial owner of such shares).
3. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties hereby agree to attorn to the exclusive jurisdiction of the Courts of British Columbia and not to commence any form of proceedings in any other forum.
4. This Agreement may be signed by facsimile (including in .pdf format) and in counterpart, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

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

[The rest of this page left intentionally blank. The signature page follows.]

FTC CARDS INC.

Per: _____
Authorized Signatory

BEYOND OIL LTD.

Per: _____
Authorized Signatory

AND THE FOLLOWING NEW Beyond Oil SHAREHOLDER:

Name: _____

Number of Shares: _____

Address: _____

Signed: _____

Witness Name: _____

Signed: _____

Dated: _____

Schedule C

Beyond Oil Articles of Association

The form of Beyond Oil Articles of Association are attached hereto.

The Companies Law, 5759-1999 (hereinafter: "**the Law**")
Company Limited by Shares
Articles of Association

1. The name of Company is: **Beyond Oil Ltd.** (in English)
ביונד אויל בע"מ (in Hebrew)
(hereinafter: "**the Company**")
2. The objective of the Company is to engage in any lawful business.
3. The authorized share capital of the Company is NIS 1,000,000 divided into 100,000,000 ordinary Shares, each share with a nominal value of NIS 0.01.
4. The liability of the shareholders is limited to payment of the nominal value of their shares.
5. The directors of the company will be appointed by the holders of the majority shares of the Company.
6. Exemption, insurance and indemnification:
 - a. The Company may retroactively and in advance give an exemption to any of its officers from his or her liability, in whole or in part, for damage due to his or her violation of the duty of care owed towards the Company.
 - b. The Company may indemnify an officer retroactively and undertake in advance to indemnify an officer against all liabilities, expenses and matters for which the company is permitted to indemnify officers in accordance with the provisions of the Law as amended from time to time and as in effect on the date on which indemnification is requested.
 - c. The Company may enter into a contract to insure the liability of officers in respect of all liabilities, expenses and matters for which the Company is permitted to insure liability of officers, in accordance with the provisions of the Law, as amended from time to time and as may be in force on the date on which the insurance contract will be signed.
 - d. Decisions regarding the granting of an exemption, insurance, indemnity or undertaking to indemnify a director and/or officer who is not a director, will be made subject to law.
7. The legal quorum at Company meetings shall be the number of shareholders who, together or separately, hold not less than 50.1% of the Company's share capital.
8. The Company is private. The number of members shall not exceed 50 (fifty) except for employees of the Company or its former employees who prior thereto were and after their employment was terminated continue to be shareholders of the Company; the Company may not offer shares and/or bonds to the public; any transfer of shares requires the approval of the Board of Directors.
9. The Company is not obligated to hold an annual general meeting under Section 60 of the Law, except to the extent necessary for the appointment of an auditor.
10. Notwithstanding the contents of Section 290(a) of the Law, the Company shall have no obligation to offer shareholders the right to participate in future allocations and the provisions of section 290(a) of the Law shall not apply to the Company.

***** END *****

Schedule D

Estimated Closing Capitalization

The Estimated Closing Capitalization is attached hereto.

FTC			\$ Bank CAD
Current Structure	C\$ Price	Share Capital	gross
FTC		58,329,201	
FTC (Post Consolidation)		3,535,101	
Seed Financing	0.05	12,000,000	\$600,000
Bridge Financing**	0.50	2,500,000	\$1,250,000
Concurrent Fin (Sub Receipts)	0.75	4,666,667	\$3,500,000
Finder's fee		1,708,735	
Canada Group		24,410,505	
Vend-in		24,410,506	
Outstanding at close		48,821,011	\$5,350,000
ESOP		4,882,101	
Milestone I		4,882,101	
Milestone II		4,882,101	
Milestone III		4,882,101	
Milestone IV		4,882,101	
		73,231,516	\$5,350,000
Warrants for Concurrent		2,333,333	\$2,916,667
Broker warrants assumed at 7.50%		350,000	\$437,500
Beyond Oil Warrants		2,683,333	\$3,166,333
		78,598,183	\$11,870,500

Schedule E

Proposed Articles of the Purchaser

The Proposed Articles of the Purchaser are attached hereto.

BUSINESS CORPORATIONS ACT

ARTICLES

of

FTC CARDS INC.

TABLE OF CONTENTS

PART 1 INTERPRETATION	1
PART 2 SHARES AND SHARE CERTIFICATES	2
PART 3 ISSUE OF SHARES	4
PART 4 SHARE REGISTERS.....	5
PART 5 SHARE TRANSFERS.....	5
PART 6 TRANSMISSION OF SHARES	6
PART 7 PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES.....	7
PART 8 BORROWING POWERS	8
PART 9 ALTERATIONS	9
PART 10 MEETINGS OF SHAREHOLDERS	10
PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS.....	12
PART 12 VOTES OF SHAREHOLDERS	16
PART 13 DIRECTORS.....	20
PART 14 ELECTION AND REMOVAL OF DIRECTORS	22
PART 15 ALTERNATE DIRECTORS.....	29
PART 16 POWERS AND DUTIES OF DIRECTORS.....	31
PART 17 INTERESTS OF DIRECTORS AND OFFICERS	31
PART 18 PROCEEDINGS OF DIRECTORS	33
PART 19 EXECUTIVE AND OTHER COMMITTEES.....	35
PART 20 OFFICERS	37
PART 21 INDEMNIFICATION	38
PART 22 DIVIDENDS.....	40
PART 23 ACCOUNTING RECORDS AND AUDITOR.....	41
PART 24 NOTICES	42
PART 25 SEAL.....	44
PART 26 PROHIBITIONS.....	45
PART 27 SPECIAL RIGHTS AND RESTRICTIONS PREFERRED SHARES.....	46

BUSINESS CORPORATIONS ACT

ARTICLES

of

FTC CARDS INC.
(the “Company”)

PART 1

INTERPRETATION

Definitions

1.1 In these Articles, unless the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (b) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (c) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “**legal personal representative**” means the personal or other legal representative of the shareholder;
- (e) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (f) “**seal**” means the seal of the Company, if any;
- (g) “**share**” means a share in the share structure of the Company; and
- (h) “**special majority**” means the majority of votes described in §11.2 which is required to pass a special resolution.

Act and Interpretation Act Definitions Applicable

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

PART 2

SHARES AND SHARE CERTIFICATES

Authorized Share Structure

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

Form of Share Certificate

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

Shareholder Entitled to Certificate, Acknowledgment or Written Notice

2.3 Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to a holder of an uncertificated share a written notice containing the information required by the Act within a reasonable time after the issue or transfer of such share.

Delivery by Mail

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

Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

- (a) cancel the share certificate or acknowledgment; and
- (b) issue a replacement share certificate or acknowledgment.

Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

- (a) proof satisfactory to it of the loss, theft or destruction; and
- (b) any indemnity the directors consider adequate.

Splitting Share Certificates

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

Certificate Fee

2.8 There must be paid to the Company, in relation to the issue of any share certificate under §2.5, §2.6 or §2.7, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

Recognition of Trusts

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

PART 3

ISSUE OF SHARES

Directors Authorized

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

Commissions and Discounts

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

Brokerage

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

Conditions of Issue

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

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3.1.

Share Purchase Warrants and Rights

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

PART 4

SHARE REGISTERS

Central Securities Register

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

PART 5

SHARE TRANSFERS

Registering Transfers

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

- (a) except as exempted by the Act, a written instrument of transfer in respect of the share has been received by the Company (which may be a separate document or endorsed on the share certificate for the shares transferred) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer and the right of the transferee to have the transfer registered.

Form of Instrument of Transfer

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors from time to time or by the transfer agent or registrar for those shares.

Transferor Remains Shareholder

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

Signing of Instrument of Transfer

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

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

Enquiry as to Title Not Required

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

Transfer Fee

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

PART 6

TRANSMISSION OF SHARES

Legal Personal Representative Recognized on Death

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a

person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

Rights of Legal Personal Representative

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

PART 7

PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES

Company Authorized to Purchase, Redeem or Otherwise Acquire Shares

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

Purchase When Insolvent

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

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

Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

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

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

Company Entitled to Purchase, Redeem or Otherwise Acquire Share Fractions

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

PART 8

BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the *Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

PART 9

ALTERATIONS

Alteration of Authorized Share Structure

9.1 Subject to §9.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of §9.1(c) or §9.1(f)):

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and Articles accordingly.

Special Rights or Restrictions

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

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

and alter its Notice of Articles and Articles accordingly.

Change of Name

9.3 The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

Other Alterations

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10

MEETINGS OF SHAREHOLDERS

Annual General Meetings

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

Resolution Instead of Annual General Meeting

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

Calling of Meetings of Shareholders

10.3 The directors may, at any time, call a meeting of shareholders.

Notice for Meetings of Shareholders

10.4 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the

auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

Record Date for Notice

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

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

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

Record Date for Voting

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

Failure to Give Notice and Waiver of Notice

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Notice of Special Business at Meetings of Shareholders

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

- (a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Place of Meetings

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

PART 11

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

Special Business

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

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

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

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

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

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

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

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

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

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

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

Special Majority

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

Quorum

11.3 Subject to the special rights or restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

One Shareholder May Constitute Quorum

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

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

Persons Entitled to Attend Meeting

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of Quorum

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

Lack of Quorum

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

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of Quorum at Succeeding Meeting

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

Chair

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

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Selection of Alternate Chair

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

Adjournments

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

Notice of Adjourned Meeting

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

Decisions by Show of Hands or Poll

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

Declaration of Result

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

Motion Need Not be Seconded

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

Casting Vote

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

Manner of Taking Poll

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

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

Demand for Poll on Adjournment

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

Chair Must Resolve Dispute

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

Casting of Votes

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

No Demand for Poll on Election of Chair

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

Demand for Poll Not to Prevent Continuance of Meeting

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

Retention of Ballots and Proxies

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

PART 12

VOTES OF SHAREHOLDERS

Number of Votes by Shareholder or by Shares

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

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Votes of Persons in Representative Capacity

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

Votes by Joint Holders

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

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Legal Personal Representatives as Joint Shareholders

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

Representative of a Corporate Shareholder

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

- (a) for that purpose, the instrument appointing a representative must be received:
 - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this §12.5:

- (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
- (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

Proxy Provisions Do Not Apply to All Companies

12.6 If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

Appointment of Proxy Holders

12.7 Every shareholder of the Company entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than two) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate Proxy Holders

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

Proxy Holder Need Not Be Shareholder

12.9 A proxy holder need not be a shareholder of the Company.

Deposit of Proxy

12.10 A proxy for a meeting of shareholders must:

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

- (b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

Validity of Proxy Vote

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

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Form of Proxy

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

[Name of Company]
(the "Company")

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

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

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

Revocation of Proxy

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

- (a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Revocation of Proxy Must Be Signed

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

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the shareholder's legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

Production of Evidence of Authority to Vote

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

PART 13

DIRECTORS

First Directors; Number of Directors

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

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

- (ii) the number of directors in office pursuant to §14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors in office pursuant to §14.4.

Change in Number of Directors

13.2 If the number of directors is set under §13.1(b)(i) or §13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

Directors' Acts Valid Despite Vacancy

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

Qualifications of Directors

13.4 A director is not required to hold a share as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

Remuneration of Directors

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

Reimbursement of Expenses of Directors

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

Special Remuneration for Directors

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

Gratuity, Pension or Allowance on Retirement of Director

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

PART 14

ELECTION AND REMOVAL OF DIRECTORS

Election at Annual General Meeting

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

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

Consent to be a Director

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

- (a) that individual consents to be a director in the manner provided for in the Act;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the Act.

Failure to Elect or Appoint Directors

14.3 If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by §10.2, on or before the date by which the annual general meeting is required to be held under the Act; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by §10.2, to elect or appoint any directors;

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

- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the Act or these Articles.

Places of Retiring Directors Not Filled

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

Directors May Fill Casual Vacancies

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

Remaining Directors Power to Act

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

Shareholders May Fill Vacancies

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

Additional Directors

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

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

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

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

Ceasing to be a Director

14.9 A director ceases to be a director when:

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

Removal of Director by Shareholders

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

Removal of Director by Directors

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

Nomination of Directors

14.12

- (a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).

(c) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(d) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been

made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12:

(i) “**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) “**Applicable Securities Laws**” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) “**Associate**”, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) “**Derivatives Contract**” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) “**Meeting of Shareholders**” shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) “**owned beneficially**” or “**owns beneficially**” means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal

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

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).

PART 15

ALTERNATE DIRECTORS

Appointment of Alternate Director

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

Notice of Meetings

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

Alternate for More than One Director Attending Meetings

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

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

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

Consent Resolutions

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

Alternate Director an Agent

15.5 Every alternate director is deemed to be the agent of his or her appointor.

Revocation or Amendment of Appointment of Alternate Director

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

Ceasing to be an Alternate Director

15.7 The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) the term of his appointment expires, or his or her appointor revokes the appointment of the alternate directors.

Remuneration and Expenses of Alternate Director

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

PART 16

POWERS AND DUTIES OF DIRECTORS

Powers of Management

16.1 The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

Appointment of Attorney of Company

16.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 17

INTERESTS OF DIRECTORS AND OFFICERS

Obligation to Account for Profits

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

Restrictions on Voting by Reason of Interest

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

Interested Director Counted in Quorum

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

Disclosure of Conflict of Interest or Property

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

Director Holding Other Office in the Company

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

No Disqualification

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

Professional Services by Director or Officer

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

Director or Officer in Other Corporations

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

PART 18

PROCEEDINGS OF DIRECTORS

Meetings of Directors

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

Voting at Meetings

18.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

Chair of Meetings

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

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Meetings by Telephone or Other Communications Medium

18.4 A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person; or
- (b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Calling of Meetings

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

Notice of Meetings

18.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §18.1, 48 hours' notice or such lesser notice as the Chairman in his discretion determines, acting reasonably, is appropriate in any unusual circumstances of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §24.1 or orally or by telephone.

When Notice Not Required

- 18.7 It is not necessary to give notice of a meeting of the directors to a director if:
- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
 - (b) the director has waived notice of the meeting.

Meeting Valid Despite Failure to Give Notice

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

Waiver of Notice of Meetings

18.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Quorum

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

Validity of Acts Where Appointment Defective

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

Consent Resolutions in Writing

18.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

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

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

PART 19

EXECUTIVE AND OTHER COMMITTEES

Appointment and Powers of Executive Committee

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

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

- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Appointment and Powers of Other Committees

19.2 The directors may, by resolution:

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

Obligations of Committees

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

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

Powers of Board

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

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and

- (c) fill vacancies in the committee.

Committee Meetings

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

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 20

OFFICERS

Directors May Appoint Officers

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

Functions, Duties and Powers of Officers

20.2 The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Qualifications

20.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the

Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

Remuneration and Terms of Appointment

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

PART 21

INDEMNIFICATION

Definitions

21.1 In this Part 21:

- (a) “**eligible party**”, in relation to a company, means an individual who:
 - (i) is or was a director, alternate director or officer of the Company;
 - (ii) is or was a director, alternate director or officer of another corporation
 - (A) at a time when the corporation is or was an affiliate of the Company, or
 - (B) at the request of the Company; or
 - (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

and includes, except in the definition of “eligible proceeding”, and §163(1)(c) and (d) and §165 of the Act, the heirs and personal or other legal representatives of that individual;

- (b) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (c) “**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director, alternate director or officer of, or holding or having held a position equivalent to that of a director, alternate director or officer of, the Company or an associated corporation
 - (i) is or may be joined as a party; or

- (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (d) “**expenses**” has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and
- (e) “**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Mandatory Indemnification of Eligible Parties

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

Indemnification of Other Persons

21.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Authority to Advance Expenses

21.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

Non-Compliance with Act

21.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

Company May Purchase Insurance

21.6 The Company may purchase and maintain insurance for the benefit of any eligible party (or the heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

PART 22

DIVIDENDS

Payment of Dividends Subject to Special Rights

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

Declaration of Dividends

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

No Notice Required

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

Record Date

22.4 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

Manner of Paying Dividend

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

Settlement of Difficulties

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

- (a) set the value for distribution of specific assets;
- (b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

When Dividend Payable

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

Dividends to be Paid in Accordance with Number of Shares

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

Receipt by Joint Shareholders

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

Dividend Bears No Interest

22.10 No dividend bears interest against the Company.

Fractional Dividends

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

Payment of Dividends

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

Capitalization of Retained Earnings or Surplus

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

PART 23

ACCOUNTING RECORDS AND AUDITOR

Recording of Financial Affairs

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

Inspection of Accounting Records

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

PART 24

NOTICES

Method of Giving Notice

24.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

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

Deemed Receipt of Mailing

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

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) emailed to a person to the e-mail address provided by that person referred to in §24.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

Certificate of Sending

24.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §24.1 is conclusive evidence of that fact.

Notice to Joint Shareholders

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

Notice to Legal Personal Representatives and Trustees

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

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Undelivered Notices

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

PART 25

SEAL

Who May Attest Seal

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

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

Sealing Copies

25.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

Mechanical Reproduction of Seal

25.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.



PART 26

PROHIBITIONS

Definitions

26.1 In this Part 26:

- (a) “**designated security**” means:
 - (i) a voting security of the Company;
 - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) a security of the Company convertible, directly or indirectly, into a security described in §(a) or §(b);
- (b) “**security**” has the meaning assigned in the *Securities Act* (British Columbia); and
- (c) “**voting security**” means a security of the Company that:
 - (i) is not a debt security; and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Application

26.2 §26.3 does not apply to the Company if and for so long as it is a public company, a private company which is no longer eligible to use the private issuer exemption under the *Securities Act* (British Columbia), or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or a company to which the Statutory Reporting Company Provisions apply.

Consent Required for Transfer of Shares or Designated Securities

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

PART 27

SPECIAL RIGHTS AND RESTRICTIONS PREFERRED SHARES

Special Rights and Restrictions Applicable to Class and Each Series

27.1 The Preferred shares of the Company as a class shall have attached thereto the special rights and restrictions specified in this Article.

27.2 The Preferred shares may include one or more series of shares, and, subject to the Act, the directors may, by resolution,

- (a) determine the maximum number of shares of any of those series of shares that the Company is authorized to issue, determine that there is no maximum number or, if none of the shares of that series is issued, alter any determination so made, and authorize the alteration of the notice of articles accordingly;
- (b) alter the articles, and authorize the alteration of the notice of articles, to create an identifying name by which the shares of any of those series of shares may be identified or, if none of the shares of that series is issued, to alter any such identifying name so created;
- (c) alter the articles, and authorize the alteration of the notice of articles accordingly, to attach special rights or restrictions to the shares of any of those series of shares, including, but without in any way limiting or restricting the generality of the foregoing, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, the restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the

Company and voting rights and restrictions but no special right or restriction so created, defined or attached shall contravene the provisions of §27.3 and §27.4 of this Article, or, if none of the shares of that series is issued, to alter any such special rights or restrictions.

27.3 Holders of Preferred shares shall be entitled, on the distribution of assets of the Company on the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or on any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, to receive, before any distribution shall be made to holders of Common shares or any other shares of the Company ranking junior to the Preferred shares with respect to repayment of capital on any such event, the amount required to be paid in accordance with the special rights and restrictions attached to the series of shares held by them, together with the fixed premium (if any) thereon, an amount equal to all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to holders of Preferred shares of the amounts so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company except as specifically provided in the special rights and restrictions attached to any particular series.

27.4 Holders of Preferred shares shall only be entitled, as such, to receive notice of, and/or to attend and/or vote at, any general meeting of shareholders of the Company only as provided in the special rights and restrictions attached to any particular series.

Full name and signature of Director	Date of signing
_____ ●	