# Corporate Catalyst Acquisition Inc.
**(A Capital Pool Company)**

**Financial Statements**

**For the Years Ended December 31, 2017 and 2016**

**(Expressed in Canadian dollars)**

# INDEPENDENT AUDITORS' REPORT

**To the Shareholders of Corporate Catalyst Acquisition Inc.**
**(A Capital Pool Company)**

We have audited the accompanying financial statements of Corporate Catalyst Acquisition Inc. which comprise the statements of financial position as at December 31, 2017 and December 31, 2016 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2017 and December 31, 2016 and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Corporate Catalyst Acquisition Inc. as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years ended December 31, 2017 and December 31, 2016 in accordance with International Financial Reporting Standards.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Corporation's continuing operations, as intended, are dependent upon its ability to complete a qualifying transaction. The ability of the Corporation to complete a qualifying transaction or fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing. There is no assurance that the Corporation will be successfully in completing a Qualifying Transaction. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
March 19, 2018
Toronto, Ontario

# Corporate Catalyst Acquisition Inc.
**(A Capital Pool Company)**
**Statements of Financial Position**
**(Expressed in Canadian dollars)**
**As at December 31, 2017 and December 31, 2016**

| | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash (Note 4) | $ **131,913** | $ 179,838 |
| **Liabilities** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | $ **19,512** | $ 6,502 |
| **Shareholders' Equity** | | |
| **Share capital** (Note 5) | **831,324** | 831,324 |
| **Contributed surplus** (Note 5) | **129,295** | 129,295 |
| **Deficit** | **(848,218)** | (787,283) |
| | **112,401** | 173,336 |
| | $ **131,913** | $ 179,838 |

Nature of Operations (Note 1)

**Approved by the Board** **"Paul Kelly"** Director **(Signed)** **"Morris Prychidny"** Director **(Signed)**

The accompanying notes are an integral part of these financial statements

## Corporate Catalyst Acquisition Inc.
### (A Capital Pool Company)
### Statements of Loss and Comprehensive Loss
### For the years ended December 31, 2017 and December 31, 2016
### (Expressed in Canadian dollars)

| | | 2017 | | 2016 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Professional fees | **$** | **53,532** | $ | 35,239 |
| Filing fees | | **7,249** | | 8,264 |
| General and administrative | | **154** | | 183 |
| **Total expenses** | | **60,935** | | 43,686 |
| **Net loss and comprehensive loss** | **$** | **(60,935)** | $ | (43,686) |

| | | | | |
|---|---|---|---|---|
| **Loss per share (Note 9)** | | | | |
| Basic and diluted | **$** | **(0.03)** | $ | (0.02) |

| | | |
|---|---|---|
| **Weighted average number of common shares outstanding (Note 9)** | | |
| Basic and diluted | **2,260,440** | 2,260,440 |

The accompanying notes are an integral part of these financial statements

## Corporate Catalyst Acquisition Inc.
**(A Capital Pool Company)**
**Statements of Changes in Equity**
**For the years ended December 31, 2017 and December 31, 2016**
**(Expressed in Canadian dollars)**

| | Number of Common Shares | Capital Stock | Contributed Surplus | Deficit | Total |
|---|---|---|---|---|---|
| **Balance, December 31, 2015** | **4,820,440** | **$ 831,324** | **$ 129,295** | **$ (743,597)** | **$ 217,022** |
| Net loss and comprehensive loss for the year | - | - | - | (43,686) | (43,686) |
| Cancellation of seed shares (Note 5) | - | - | - | - | - |
| **Balance, December 31, 2016** | **4,820,440** | **$ 831,324** | **$ 129,295** | **$ (787,283)** | **$ 173,336** |
| Net loss and comprehensive loss for the year | - | - | - | (60,935) | (60,935) |
| **Balance, December 31, 2017** | **4,820,440** | **$ 831,324** | **$ 129,295** | **$ (848,218)** | **$ 112,401** |

The accompanying notes are an integral part of these financial statements

## Corporate Catalyst Acquisition Inc.
**(A Capital Pool Company)**
**Statements of Cash Flows**
**For the years ended December 31, 2017 and December 31, 2016**
**(Expressed in Canadian dollars)**

| | | 2017 | | 2016 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net loss | **$** | **(60,935)** | $ | (43,686) |
| Items not affecting cash: | | | | |
| Non-cash professional fees | | **19,510** | | 6,500 |
| Changes in non-cash working capital: | | | | |
| Accounts payable and accrued liabilities | | **(6,500)** | | (9,000) |
| Net used in operating activities | | **(47,925)** | | (46,186) |
| **Net change in cash** | | **(47,925)** | | (46,186) |
| **Cash, beginning of year** | | **179,838** | | 226,024 |
| **Cash, end of year** | **$** | **131,913** | $ | 179,838 |

The accompanying notes are an integral part of these financial statements

## 1. NATURE OF OPERATIONS

Corporate Catalyst Acquisition Inc. (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on March 19, 2012 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 ("CPC Policy") of the TSX Venture Exchange Inc. (the "Exchange"). The Company has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in the CPC Policy.

The Company's common shares commenced trading on the Exchange on December 28, 2012, under the trading symbol "CII.P". On January 5, 2015, the Exchange suspended trading of the common shares of the Company as a result of failure to complete a Qualifying Transaction within 24 months of listing. The Company had until September 30, 2015 to complete its Qualifying Transaction without a transfer of its listing to the NEX Exchange.

The Company did not complete its Qualifying Transaction by September 30, 2015, and as a result, the Company applied for the transfer of its listing to the NEX Exchange which the Exchange accepted. At its annual and special meeting of shareholders held on December 16, 2014, the Company received shareholder approval to transfer its listing to the NEX Exchange and to cancel an aggregate of 2,450,000 Seed Shares (as defined by the policies of the Exchange) held by non-arm's length parties of the Company. On October 1, 2015, the Company cancelled 2,450,000 Seed Shares in accordance with Exchange policies. On October 5, 2015, the trading symbol for the Company changed from "CII.P" to "CII.H" and the shares resumed trading on September 13, 2016. The Company will continue to actively seek out opportunities to complete its Qualifying Transaction in the best interest of all shareholders. Where an acquisition is warranted, additional funding will be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will be successful in completing a Qualifying Transaction.

The head office, principal address and records office of the Company are located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3.

The financial statements were approved and authorized for issue by the Board of Directors on March 19, 2018.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Basis of Preparation

The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire periods presented in these financial statements.

### Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions that management has made that would result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the recognition of deferred income tax assets.

### Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, FVTPL, available for sale, FVTPL liabilities or other financial liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Financial Instruments** (Cont'd)

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

| Financial Instrument | Classification |
|---|---|
| Cash | FVTPL |
| Accounts payable and accrued liabilities | Other financial liabilities |

The Company's financial instruments measured at fair value on the statement of financial position consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Impairment of financial assets

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

**Interest Revenue**

Interest revenue is recorded as earned.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as unrealized gains or losses on available-for-sale investments and gains or losses on certain derivative instruments. To date there has not been any comprehensive income (loss) other than the net loss.

### Share-based Payments

The Company accounts for stock options using the fair value method. Under this method, compensation expense for stock options granted to employees is measured at fair value at the grant date using the Black Scholes option pricing model and recognized over the vesting period of the options granted.

Compensation expense for stock options granted to non employees is measured at the fair of the goods or services received. However, if the fair value cannot be estimated reliably, the share based payment transaction is measured at the fair value of the stock options granted at the date the Company received the goods or the services using the Black Scholes option pricing model.

### Loss Per Share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares.

Outstanding ordinary shares that are contingently returnable (including escrowed shares) are not treated as outstanding and are excluded from the calculation of basic earnings per share until the date the shares are no longer subject to recall.

### Share Issuance Costs

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to share capital when the related shares are issued.

### Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Income Taxes** (Cont'd)

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit and loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## 3. FUTURE CHANGES IN ACCOUNTING POLICIES

The following standard has been issued but is not yet effective:

a) IFRS 9, which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. IFRS 9 also incorporates requirements for financial liabilities, most of which were carried forward unchanged from IAS 39. Certain changes were made to the fair value option for financial liabilities to address the issue of own credit risk. IFRS 9 removes the volatility in profit or loss caused by changes to the credit risk of liabilities elected to be measured at fair value. Requirements related to hedge accounting, representing a new hedge accounting model, have been added to IFRS 9. The new model represents a substantial overhaul of hedge accounting, which will allow entities to better reflect their risk management activities in financial statements. The most significant improvements apply to those that hedge non-financial risk, so these improvements are expected to be of particular interest to non-financial institutions. In addition, a single, forward-looking expected loss impairment model is introduced, which will require more timely recognition of expected credit losses. The effective date for IFRS 9, which is to be applied retrospectively, is for annual periods beginning on or after January 1, 2018.

The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material.

(Expressed in Canadian dollars)

## 4. CASH RESTRICTION

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. The Company has exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

## 5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS

### Capital Stock

Authorized: an unlimited number of common shares

Issued and outstanding:

| | Number of shares | Value |
|---|---|---|
| **Balance at December 31, 2015** | **$ 4,820,440** | **$ 831,324** |
| **Balance at December 31, 2017 and December 31, 2016** | **$ 4,820,440** | **$ 831,324** |

(a) Escrowed Shares:

On April 3, 2012, the Company issued 4,600,000 common shares at $0.10 per share for gross proceeds of $460,000, which are subject to a CPC Escrow Agreement. Subsequently, on October 10, 2012, the Company issued an additional 400,000 common shares at $0.10 per share for gross proceeds of $40,000, which are subject to the same CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers and non-employees prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. In addition, all common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a control person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

On October 1, 2015, the Company cancelled 2,450,000 Seed Shares held by non-arm's length parties in accordance with Exchange policies, as a result of its failure to complete a Qualifying Transaction within the deadline imposed by the Exchange (Note 1).

(Expressed in Canadian dollars)

## 5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Cont'd)

**Capital Stock** (Cont'd)

(b) Initial Public Offering:

On December 28, 2012, the Company completed its initial public offering (the "Offering") of 2,084,400 common shares at a price of $0.20 per common share for gross proceeds of $416,880.

Regarding the 2,084,400 common shares issued pursuant to the Offering, 10,000 of these shares were acquired by an associate of a director, as a result these shares are being held in escrow.

As of December 31, 2017 there are 2,560,000 (2016 - 2,560,000) common shares held in escrow, and the weighted average shares outstanding does not include shares held in escrow as they are contingently returnable.

### Stock Options

The Company has an incentive stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants. Under the terms of the Plan, the number of shares subject to an option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued and outstanding common shares of the Company. Options granted under the Plan will have a term not to exceed 10 years, have an exercise price not less than the discounted market price and may be subject to vesting terms as determined by the Board of Directors.

On December 28, 2012, the Company granted stock options to acquire an aggregate of 708,440 common shares at an exercise price of $0.20 per option to directors and officers of the Company, which expire 10 years from the date of grant. These stock options vested upon grant and were estimated to have a fair value of $126,939.

The Company had the following stock options outstanding at December 31, 2017:

| Issuance Date | Exercise Price | Outstanding Options | Vested Options | Remaining Life (years) | Expiry Date |
|---|---|---|---|---|---|
| December 28, 2012 | $ 0.20 | 708,440 | 708,440 | 4.99 | December 28, 2022 |

(Expressed in Canadian dollars)

## 6. INCOME TAX

### Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

| | | **2017** | | 2016 |
|---|---|---|---|---|
| Loss before income taxes | **$** | **(60,935)** | $ | (43,686) |
| Statutory rate | | **26.5 %** | | 26.5 % |
| Expected income tax recovery | | **(16,148)** | | (11,577) |
| Change in deferred tax assets not recognized | | **16,148** | | (11,577) |
| Income tax expense | **$** | **-** | $ | - |

### Deferred Income Taxes

The components of the Company's deferred income tax assets are a result of the origination and reversal of temporary differences and are comprised of the following:

| | | **2017** | | 2016 |
|---|---|---|---|---|
| Non-capital loss carryforwards | **$** | **223,047** | $ | 206,899 |
| | | **223,047** | | 206,899 |
| Less: Deferred tax assets not recognized | | **(223,047)** | | (206,899) |
| | **$** | **-** | $ | - |

### Losses Carried Forward

The Company has available for deduction against future taxable income non-capital losses of $841,686 expiring as follows:

| | | |
|---|---|---|
| 2032 | $ | 55,276 |
| 2033 | | 81,327 |
| 2034 | | 334,273 |
| 2035 | | 242,107 |
| 2036 | | 67,768 |
| 2037 | | 60,935 |
| | **$** | **841,686** |

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable income will be available against which the Company can utilize these benefits.

(Expressed in Canadian dollars)

## 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments, consisting of cash and accounts payable and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at December 31, 2017, the Company has accounts payable and accrued liabilities of $19,512 (2016 - $6,502) due within 12 months and has cash of $131,913 (2016 - $179,838) to meet its current obligations. As a result, the Company has minimal liquidity risk.

## 8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, contributed surplus and deficit, in the definition of capital. At December 31, 2017, the Company has total equity of $112,401 (2016 - $173,336).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

## 9. LOSS PER SHARE

| | **2017** | 2016 |
|---|---|---|
| Numerator: | | |
| Net loss and comprehensive loss for the period | **$ (60,935)** | $ (43,686) |
| Denominator: | | |
| Weighted average number of common shares | **2,260,440** | 2,260,440 |
| Basic and diluted loss per share | **$ (0.03)** | $ (0.02) |

The diluted loss per share does not include the effect of the stock options outstanding as they are anti-dilutive.

## 10. SUBSEQUENT EVENTS

On March 13, 2018, the Company entered into a letter agreement (the "Letter Agreement") with Globalive Technology Partners Inc. ("GTP"), a private company incorporated under the laws of the Province of Ontario. The Letter Agreement outlines the principal terms and conditions pursuant to which the Company and GTP intend to complete a transaction that will result in a reverse takeover of the Company by shareholders of GTP (the "Proposed Transaction"). The Proposed Transaction will constitute the Company's Qualifying Transaction under the CPC Policy.

Pursuant to the terms of the Letter Agreement, the Company intends to acquire all of the issued and outstanding securities of GTP by way of a business combination. In consideration, CCA will issue approximately 140 million common shares (the "Resulting Issuer Shares") of the resulting public company (the "Resulting Issuer"), in the aggregate, to the holders of common shares of GTP ("GTP Shares"), the holders of subscription receipts of GTP to be issued under the Private Placement (as defined below), the holders of existing convertible debentures of GTP and the holders of the 24 million GTP Shares to be issued in exchange for certain assets valued at $12 million in the aggregate, to be sold to GTP prior to completion of the Proposed Transaction (the "GTP Vend-in Shares"). In addition, all, if any, stock options of GTP that are issued and outstanding on the effective date of the Proposed Transaction (the "Effective Date") will be exchanged for stock options of the Resulting Issuer, which shall be convertible into approximately 13.9 million Resulting Issuer Shares on a one-for-one basis, with the exercise price and other terms of such options unchanged.

In connection with the Proposed Transaction, the Company has agreed to, subject to regulatory and shareholder approval: (i) change the name of the Resulting Issuer to such name as GTP may reasonably determine; (ii) use its commercially reasonable efforts to consolidate its common shares on a 6.66:1 basis, or such other basis as agreed to by the Company and GTP; and (iii) approve an amended stock option plan.

Closing of the Proposed Transaction is subject to completion and execution of all definitive transaction documents (including accuracy of representations and warranties, compliance of covenants and satisfaction of customary conditions) and receipt of all requisite approvals and consents for the Proposed Transaction including: (i) approval by the Exchange of the Proposed Transaction and the proposed new insiders of the Company; (ii) approval by the board of directors of each of GTP and the Company; and (iii) approval by the shareholders of GTP.

In connection with the Proposed Transaction, GTP has agreed with Canaccord for Canaccord to act as the lead agent in a private placement of subscription receipts of GTP, subject to the satisfaction of customary conditions including the entering into of an agency agreement (the "Private Placement"). It is anticipated the Private Placement will be completed prior to the Effective Date and the shareholders of GTP pursuant to the Private Placement will receive common shares of the Company in accordance with the terms of the Proposed Transaction.