

LONGACRE RESOURCES INC.

- and -

GOLDEN LEAF HOLDINGS INC.

MERGER AGREEMENT

Dated as of May 22, 2015



TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND INTERPRETATION	1
Section 1.1 Definitions.....	1
Section 1.2 Currency.....	4
Section 1.3 Interpretation Not Affected By Headings.....	4
Section 1.4 Number and Gender.....	4
Section 1.5 Date for Any Action.....	5
Section 1.6 Meanings.....	5
Section 1.7 Statutes.....	5
Section 1.8 Enforceability.....	5
Section 1.9 Knowledge.....	5
Section 1.10 Schedules.....	5
ARTICLE 2 THE AMALGAMATION	5
Section 2.1 Agreement to Amalgamate.....	5
Section 2.2 Securities Compliance.....	5
Section 2.3 Preparation of Filings.....	6
Section 2.4 Filing of Articles of Amalgamation.....	6
Section 2.5 Effect of the Amalgamation.....	6
ARTICLE 3 REPRESENTATIONS AND WARRANTS OF LONGACRE	8
Section 3.1 Organization and Standing.....	8
Section 3.2 Capitalization.....	8
Section 3.3 Authority and No Violation.....	9
Section 3.4 Consents, Approvals.....	10
Section 3.5 Contracts.....	10
Section 3.6 Litigation, Etc.....	10
Section 3.7 Financial Statements, Reports.....	10
Section 3.8 Liabilities.....	10
Section 3.9 Litigation.....	11
Section 3.10 Absence of Certain Changes or Events.....	11
Section 3.11 Tax.....	11
Section 3.12 Employment Matters.....	12
Section 3.13 Creditors of Longacre.....	13
Section 3.14 Non Arm's-Length Contracts.....	13
Section 3.15 Environmental Matters.....	13
Section 3.16 No Guarantees or Indemnities.....	14
Section 3.17 No Loans.....	14
Section 3.18 Restrictions on Business.....	14
Section 3.19 Auditor Recommendations.....	14
Section 3.20 Real Property and Leases.....	14
Section 3.21 Compliance with Laws.....	14
Section 3.22 Brokerage and Finders' Fees.....	15
Section 3.23 Issuer Status.....	15
Section 3.24 Reporting.....	15
Section 3.25 Cease Trade.....	15
Section 3.26 Creditors of Longacre.....	15
Section 3.27 Non Arm's-Length Contracts.....	15
Section 3.28 Longacre Information.....	15
Section 3.29 Survival of Representations and Warranties.....	16
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF GLH	16
Section 4.1 Organization and Standing.....	16
Section 4.2 Capitalization of GLH.....	16
Section 4.3 Authority and No Violation.....	17
Section 4.4 Consents, Approvals.....	18

Section 4.5	Financial Statements, Reports.....	18
Section 4.6	Liabilities.....	18
Section 4.7	Litigation, Etc.....	19
Section 4.8	Insurance.....	19
Section 4.9	Absence of Certain Changes or Events.....	19
Section 4.10	Tax.....	19
Section 4.11	Employment Matters.....	20
Section 4.12	Corporate Records.....	21
Section 4.13	Contracts.....	22
Section 4.14	Compliance with Laws.....	22
Section 4.15	Restrictions on Business Activities.....	22
Section 4.16	Intellectual Property.....	22
Section 4.17	Brokerage and Finders' Fees.....	22
Section 4.18	Solvency of GLH.....	23
Section 4.19	Creditors of GLH.....	23
Section 4.20	Non Arm's-Length Contracts.....	23
Section 4.21	Environmental Matters.....	23
Section 4.22	No Guarantees or Indemnities.....	23
Section 4.23	No Loans.....	24
Section 4.24	Restrictions on Business.....	24
Section 4.25	Auditor Recommendations.....	24
Section 4.26	Real Property and Leases.....	24
Section 4.27	Licenses and Permits.....	24
Section 4.28	Product Liability.....	24
Section 4.29	GLH Information.....	24
Section 4.30	Survival of Representations and Warranties.....	25
ARTICLE 5 COVENANTS AND AGREEMENTS.....		25
Section 5.1	Mutual Covenants.....	25
Section 5.2	Covenants of GLH.....	28
Section 5.3	Access to Information.....	29
Section 5.4	Closing Matters.....	29
ARTICLE 6 CONDITIONS.....		29
Section 6.1	Mutual Conditions Precedent.....	29
Section 6.2	Additional Conditions Precedent to the Obligations of Longacre.....	30
Section 6.3	Additional Conditions Precedent to the Obligations of GLH.....	31
Section 6.4	Merger of Conditions.....	32
ARTICLE 7 AMENDMENT AND TERMINATION.....		33
Section 7.1	Termination.....	33
Section 7.2	Effect of Termination.....	34
ARTICLE 8 GENERAL.....		34
Section 8.1	Investigation.....	34
Section 8.2	Notices.....	34
Section 8.3	Assignment.....	35
Section 8.4	Binding Effect.....	35
Section 8.5	Third Party Beneficiaries.....	35
Section 8.6	Waiver and Modification.....	35
Section 8.7	No Personal Liability.....	36
Section 8.8	Further Assurances.....	36
Section 8.9	Expenses.....	36
Section 8.10	Public Announcements: Appropriate Regulatory Approvals.....	36
Section 8.11	Governing Law; Consent to Jurisdiction.....	36
Section 8.12	Entire Agreement.....	36
Section 8.13	Time of Essence.....	36
Section 8.14	Severability.....	37
Section 8.15	Counterparts.....	37

MERGER AGREEMENT

THIS MERGER AGREEMENT dated as of the 22nd day of May, 2015.

BETWEEN:

LONGACRE RESOURCES INC., a corporation existing pursuant to the provisions of the *Business Corporations Act* (British Columbia) ("**Longacre**")

- and -

GOLDEN LEAF HOLDINGS INC., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario) ("**GLH**")

WITNESSES THAT:

WHEREAS Longacre and GLH wish to merge their businesses;

AND WHEREAS the parties wish to effect the merger by amalgamating GLH with a newly created, wholly-owned subsidiary of Longacre ("**Newco**") so as to continue as one corporation in accordance with the terms and subject to the conditions herein set forth (the "**Amalgamation**");

AND WHEREAS Newco will not carry on any business prior to the Amalgamation;

AND WHEREAS Longacre and GLH wish to effect the foregoing merger through the amalgamation of Newco with GLH, such that the amalgamated corporation will be a wholly-owned subsidiary of Longacre and the existing securityholders of GLH will become securityholders of Longacre, in accordance with the terms and conditions herein set forth,

NOW THEREFORE 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 covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions.

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

"**Agreement**" means this Merger Agreement, including the recitals and schedules hereto;

"**Amalco**" means the continuing corporation constituted upon the Amalgamation upon the Effective Date;

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

"**Amalgamation**" means the amalgamation of Newco and GLH pursuant to Section 174 of the OBCA as provided for in this Agreement and the Amalgamation Agreement;

“Amalgamation Agreement” means the agreement governing the Amalgamation in substantially the form set out at Schedule B hereto;

“Appropriate Regulatory Approvals” means all of the rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities and the Exchange required or necessary for the completion of the transactions contemplated by this Agreement, including the Amalgamation;

“Articles of Amalgamation” means the articles of amalgamation in respect of the Amalgamation, in the form required by the OBCA;

“Business Day” means a day on which commercial banks are generally open for business in Toronto, Ontario other than a Saturday, Sunday or a day observed as a holiday in Toronto, Ontario under the Laws of the Province of Ontario or the federal Laws of Canada;

“Constating Documents” means, as applicable, the articles, by-laws or other similar constating documents of any body corporate;

“Director” means the Director appointed under the OBCA;

“Effective Date” means the date shown on the certificate of amalgamation issued by the Director pursuant to subsection 178(1) of the OBCA giving effect to the Amalgamation;

“Encumbrance” includes whether or not registered or recorded, any and all mortgages, liens, licenses, charges, security interests, pledges, conditional sales contracts, options or other rights to acquire any interest in any property, and any adverse claims or rights in any property;

“Environmental Laws” means all federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;

“Exchange” means the Canada Securities Exchange;

“GLH Amalgamation Resolution” means the special resolution of the GLH Shareholders approving the Amalgamation;

“GLH Disclosure Letter” means the disclosure letter delivered by GLH to Longacre concurrently with the execution and delivery of this Agreement;

“GLH Options” means the options to acquire GLH Shares on the terms set out in the applicable option certificates, each option entitling the holder thereof to acquire one GLH Share;

“GLH Securities” means collectively the GLH Shares, GLH Warrants and GLH Options;

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

“GLH Warrants” means the common share purchase warrants of GLH on the terms set out in the applicable warrant certificate, each warrant entitling the holder thereof to acquire one GLH Share;

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

“Holders” means, when used with reference to the Longacre Securities or the GLH Securities, the holders of such Longacre Securities or GLH Securities, or, as applicable, shown from time to time in the register maintained by or on behalf of Longacre or GLH, as applicable, in respect of the applicable securities;

“Laws” means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority (including the Exchange);

“Listing Statement” means the listing statement of Longacre prepared on a post-Amalgamation basis, in accordance with Form 2A as prescribed by the Exchange;

“Longacre Options” means the common share purchase options as may be issued to directors, officers, employees and consultants of Longacre and its Subsidiaries upon or following the Effective Date;

“Longacre Public Documents” means any documents filed with the Securities Authorities and/or the Exchange that are publicly disclosed under the profile for Longacre on the SEDAR website;

“Longacre Securities” means collectively the Longacre Shares and Longacre Warrants;

“Longacre Share Consolidation” has the meaning given to such term in Section 2.35(c);

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

“Longacre Warrants” means the common share purchase warrants currently outstanding in the capital of Longacre, which are to be cancelled as part of the transactions contemplated herein;

“Material Adverse Effect”, when used in connection with Longacre or GLH means any change, effect, event or occurrence, that is, or would be reasonably expected to be, materially adverse with respect to the condition (financial or otherwise), properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), businesses, prospects, operations or results of operations of Longacre or GLH, as applicable, or those of its respective subsidiaries, taken as a whole;

“material fact” has the meaning ascribed thereto in the Securities Act;

“misrepresentation” has the meaning ascribed thereto in the Securities Act;

“Newco” means the OBCA company to be incorporated as a wholly-owned subsidiary of Longacre for the sole purpose of amalgamating with GLH pursuant to the Amalgamation;

“Newco Shares” means the outstanding common shares in the capital of Newco;

“OBCA” means the *Business Corporations Act* (Ontario), as same may be supplemented, replaced or amended from time to time;

“Offering” means an offering of equity securities from the treasury of GLH, raising gross proceeds of up to \$10,000,000;

“Person” means and includes an individual, firm, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative, Governmental Entity, or other entity, whether or not having legal status;

“Regulations” means all statutes, laws, rules, orders, directives and regulations in effect from time to time and made by any Governmental Entity having jurisdiction over any of Longacre or GLH;

“**Securities Act**” means the *Securities Act* (Ontario) and all rules and regulations promulgated thereunder, as amended;

“**Securities Authorities**” means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;

“**Subsidiary**” means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a subsidiary;

“**Tax**” and “**Taxes**” means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes (including source withholdings in respect of income taxes, Canada Pension Plan and employment insurance premiums), payroll taxes, employment taxes, pension plan premiums, excise, severance, social security premiums, workers’ compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended;

“**Tax Returns**” means all returns, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

“**Termination Time**” means the time that this Agreement is terminated; and

“**Time of Closing**” shall have the meaning ascribed to such term in subsection 5.4(a) of this Agreement.

Section 1.2 Currency.

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

Section 1.3 Interpretation Not Affected By Headings.

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

Section 1.4 Number and Gender.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

Section 1.5 Date for Any Action.

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

Section 1.6 Meanings.

Words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA, unless otherwise defined herein or the context otherwise requires.

Section 1.7 Statutes.

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

Section 1.8 Enforceability.

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally and by the discretionary nature of certain remedies (including specific performance and injunctive relief).

Section 1.9 Knowledge.

Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of Longacre or GLH or words to like effect in this Agreement, Longacre or GLH shall be required, in addition to making any other reasonable inquiries, to make inquiries of their respective Chief Executive Officers and Chief Financial Officers.

Section 1.10 Schedules.

The following Schedules are annexed to this Agreement and is hereby incorporated by reference into this Agreement and forms part hereof:

- Schedule "A" - Post Transaction Capitalization of Longacre
- Schedule "B" - Amalgamation Agreement

**ARTICLE 2
THE AMALGAMATION**

Section 2.1 Agreement to Amalgamate

Newco and GLH will agree in the Amalgamation Agreement to amalgamate pursuant to the provision of section 174 of the OBCA as of the Effective Date and to continue as one corporation on the terms and conditions set out in the Amalgamation Agreement.

Section 2.2 Securities Compliance.

Longacre, with the full cooperation and assistance of GLH, shall use reasonable best efforts to obtain all orders required from the applicable Governmental Entity and the Exchange (but subject to escrow conditions imposed by the Exchange or applicable law) to permit the issuance and first resale of the Longacre Securities issuable pursuant to the Amalgamation without qualification with, or approval of,

or the filing of any prospectus or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Governmental Entity under any Canadian federal, provincial or territorial securities or other Laws or pursuant to the rules and regulations of any Governmental Entity administering such Laws, or the fulfillment of any other legal requirement in any such jurisdiction (other than, with respect to such first resales, any restrictions on transfer by reason of, among other things, a Holder being a “control person” for purposes of Canadian federal, provincial or territorial securities Laws).

Section 2.3 Preparation of Filings.

- (a) Each of the parties to this Agreement shall cooperate in the taking of all such actions as may be required under the OBCA in connection with the transactions contemplated by the Agreement.
- (b) Each of the parties to this Agreement shall promptly furnish to the others all information concerning it and its securityholders as may be required in connection with the preparation of the Listing Statement (which GLH and its counsel will assume primary responsibility for preparing for provision to Longacre and its counsel for review and comment and filing with the Exchange) and in order to effect the actions described in Section 2.1 and 2.2 and the foregoing provisions of this Section 2.3 and each covenants that no information furnished by it (to its knowledge in the case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Amalgamation and the other transactions contemplated by this Agreement will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.
- (c) Each of the parties to this Agreement shall promptly notify the other parties if at any time before or after the Effective Date it becomes aware that the Listing Statement contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement or such application. In any such event, each party shall cooperate in the preparation of a supplement or amendment to the Listing Statement or such other document, as required and as the case may be, and, if required, shall cause the same to be filed with the relevant securities regulatory authorities.

Section 2.4 Filing of Articles of Amalgamation.

Subject to the rights of termination contained in Article 8 hereof, upon the fulfillment of the necessary conditions to this Agreement, the parties shall jointly file with the Director the Articles of Amalgamation and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation, pursuant to the provisions of the OBCA.

Section 2.5 Effect of the Amalgamation.

On the Effective Date, the following shall occur, shall have occurred or shall be deemed to occur in the following order without any further act or formality:

- (a) Longacre shall have completed a consolidation of its common shares (the “**Longacre Share Consolidation**”) such that, without taking in consideration (b) below, following

the completion of the Longacre Share Consolidation there will be 725,000 Longacre Shares issued and outstanding;

- (b) Prior to the Amalgamation, all of the debts of Longacre, which are a minimum of \$105,000 (excluding debts incurred in relation to the transactions contemplated herein) shall have been forgiven or converted into not more than 50,000 Longacre Shares on a post-Longacre Share Consolidation basis;
- (c) All Longacre Warrants shall be cancelled;
- (d) Prior to the Amalgamation, Longacre shall continue as a corporation governed under the OBCA and, in so doing, shall change its name to "Greenpoint Holdings Inc." the ("Continuance");
- (e) Newco and GLH shall amalgamate to form Amalco and shall continue as one corporation under the OBCA in the manner set out in Section 2.5(f) hereof and with the effect set out in Section 179 of the OBCA;
- (f) Immediately upon the amalgamation of GLH and Newco to form Amalco as set forth in Section 2.4:
 - (i) each one (1) GLH Share issued and outstanding on the Effective Date, shall be exchanged for one (1) Longacre Share (at a deemed price of \$1.00 per Longacre Share);
 - (ii) following the exchange set out in Section 2.5(f)(i) above, the GLH Shares shall be cancelled;
 - (iii) Longacre shall receive one (1) fully-paid and non-assessable common share of Amalco for each one (1) Newco Share held by Longacre, following which all such Newco Shares shall be cancelled;
 - (iv) In accordance with the terms of GLH Warrants, each one (1) GLH Warrant issued and outstanding on the Effective Date shall automatically become exercisable for one (1) Longacre Share on the same terms without any further act on the part of GLH, Longacre or the Holders of GLH Warrants;
 - (v) each one (1) GLH Option issued and outstanding on the Effective Date shall be exchanged for one (1) Longacre Option on the same terms, *mutatis mutandis*, as the GLH Option for which it is exchanged;
 - (vi) in consideration for the issue by Longacre of the Longacre Shares pursuant to this subsection 2.5(f), Amalco shall issue to Longacre one (1) fully-paid and non-assessable common share of Amalco for each Longacre Share issued;
- (g) with respect to each of the GLH Shares exchanged in accordance with subsection 2.5(f):
 - (i) the Holders thereof shall cease to be the holders of such GLH Shares and the name of each such Holder shall be removed from the register of Holders of such GLH Shares;
 - (ii) the certificates (if any) representing any GLH Shares shall be deemed to have been cancelled as of the Effective Date and certificates representing the number

of Longacre Shares issuable to each Holder of GLH Shares will be issued to the holders of the GLH Shares;

provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

ARTICLE 3 REPRESENTATIONS AND WARRANTS OF LONGACRE

Longacre represents and warrants to and in favour of GLH as follows:

Section 3.1 Organization and Standing.

- (a) Longacre has been duly incorporated and is a valid and subsisting corporation under the provisions of the Laws of its jurisdiction of incorporation, has all requisite corporate power and authority to carry on its business as now being carried on by it and to own or lease and operate its properties and assets and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties makes such qualification necessary, except where, individually or in the aggregate, the failure to be so licensed or qualified would not have a Material Adverse Effect on Longacre.
- (b) Longacre has one Subsidiary as of the date hereof and shall have no Subsidiaries as of the Effective Date other than Newco.

Section 3.2 Capitalization.

- (a) The authorized share capital of Longacre consists of an unlimited number of common shares (defined as "**Longacre Shares**"). As at the date hereof, 6,070,000 Longacre Shares have been issued and are outstanding as fully paid and non-assessable shares and no other shares are outstanding.
- (b) Except for 4,570,000 Longacre Warrants which will be cancelled as required under this Agreement, Longacre does not have any outstanding agreements, subscriptions, warrants, options or commitments (pre-emptive, contingent or otherwise), nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating Longacre to offer, sell, repurchase or otherwise acquire, transfer, pledge or encumber any shares in the capital of Longacre, or other securities, nor are there outstanding any securities or obligations of any kind convertible into or exercisable or exchangeable for any capital stock of Longacre. There are no outstanding bonds, debentures or other evidences of indebtedness of Longacre having the right to vote or that are exchangeable or convertible for or exercisable into securities having the right to vote with Holders of Longacre Shares on any matter as of the date hereof.
- (c) Longacre is not a party to any agreement or arrangement to acquire any shares or other interests in any other companies or Persons and is not a party to any agreement or arrangement to acquire or lease any other business operations.
- (d) As of the date hereof, there are no shareholder agreements, proxies, voting trusts, rights to require registration under securities Laws or other arrangements or commitments to which Longacre is a party or bound with respect to the voting, disposition or registration of any outstanding securities of Longacre.

- (e) To the knowledge of Longacre, none of the Longacre Shares held by the Longacre shareholders are subject to any escrow restrictions, pooling arrangements, or voting trust, voluntary or otherwise; except for 4,670,000 Longacre Shares currently held in escrow, which escrowed shares will be cancelled on or before the Effective Date.

Section 3.3 Authority and No Violation.

- (a) Longacre has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and all documents and transactions contemplated herein have been duly authorized by all necessary corporate action of Longacre. This Agreement has been duly executed and delivered by Longacre and constitutes a valid and binding obligation of Longacre, enforceable in accordance with its terms subject only to the following qualifications:
 - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
 - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting the enforceability of creditors' rights.
- (b) None of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
 - (i) conflict with any of the terms, conditions or provisions of the Constatng Documents of Longacre;
 - (ii) subject to the consents, approvals, orders, authorizations, registrations, declarations or filings referred to in Section 3.4 being made or obtained, violate any provision of any Laws applicable to Longacre;
 - (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which Longacre is a party or by which it is bound or to which its property is subject, all as of the Effective Date; or
 - (iv) result in the cancellation, suspension or alteration in the terms of any licence, permit or authority held by Longacre, or in the creation of any Encumbrance upon any of the assets of Longacre under any such agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award or give to any other Person any interest or rights, including rights of purchase, termination, cancellation or acceleration;

except in the case of clauses (ii) through (iv) for any of the foregoing that would not, individually or in the aggregate, have a Material Adverse Effect on Longacre or impair the ability of Longacre to perform its obligations hereunder or prevent or delay the consummation of any of the transactions contemplated hereby; and

- (c) The board of directors of Longacre at a meeting duly called and held or by written resolution has authorized Longacre to enter into this Agreement.

Section 3.4 Consents, Approvals.

No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Longacre in connection with the execution and delivery of this Agreement by Longacre, the performance of its obligations hereunder or the consummation by Longacre of the transactions contemplated hereby other than (a) the approval of the Exchange, (b) such registrations and other actions required under federal, state, provincial, and territorial securities Laws as are contemplated by this Agreement, and (c) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Longacre or prevent or delay the consummation of any of the transactions contemplated hereby or impair Longacre's ability to perform its obligations hereunder.

Section 3.5 Contracts

As of the date hereof, there are no written or oral contracts, agreements, guarantees, leases and executory commitments which are material to Longacre and to which Longacre is a party other than as publicly disclosed.

Section 3.6 Litigation, Etc.

There are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Longacre or, instituted or, to the knowledge of Longacre, pending or threatened against or affecting Longacre at law or in equity or before or by any Governmental Entity, nor is there any judgment, order, decree or award of any Governmental Entity having jurisdiction, obtained, pending or, to the knowledge of Longacre, threatened against Longacre and neither Longacre nor its assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.

Section 3.7 Financial Statements, Reports.

- (a) The audited annual financial statements of Longacre for the financial year ended March 31, 2014 and the unaudited financial statements for the three and nine month periods ended December 31, 2014 (including any related notes thereto) (collective, the "Longacre Financial Statements") (i) have be prepared in accordance with International Financial Reporting Standards applied on a consistent basis during the periods involved, (ii) comply in all material respects with the requirements of applicable securities Laws, and (iii) fairly present the financial position, results of operations and cash flows of Longacre as of the date thereof and for the periods covered thereby.
- (b) From December 31, 2014 to the date of this Agreement, there has been no change by Longacre in its accounting policies, methods, practices or principles.

Section 3.8 Liabilities

Except as disclosed in the Longacre Financial Statements or as reasonably incurred in the ordinary course of Longacre's business since December 31, 2014, Longacre has no liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by International Financial Reporting Standards to be reflected on a balance sheet of Longacre) that have constituted or would be reasonably likely to constitute a Material Adverse Effect.

Section 3.9 Litigation

There are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Longacre or, instituted or, to the knowledge of Longacre, pending or threatened against or affecting Longacre at law or in equity or before or by any Governmental Entity, nor is there any judgment, order, decree or award of any Governmental Entity having jurisdiction, obtained, pending or, to the knowledge of Longacre, threatened against Longacre and neither GLH or its assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.

Section 3.10 Absence of Certain Changes or Events.

- (a) Each contract or agreement between Longacre and any other Person which is material to the ownership, use or operation of a material portion of the business, properties or assets of Longacre, has been filed on Longacre's profile on SEDAR and is in full force and effect and, to the best of the knowledge and belief of Longacre is valid, binding and enforceable against each of the parties thereto in accordance with its terms (subject only to the qualifications set out in subsections 3.3(a)(i) and (ii) hereof) and no material breach or default exists in respect thereof on the part of any party thereto and no event has occurred which, with the giving of notice or the lapse of time or both, would constitute such a material breach or default, except as disclosed to the parties in writing.
- (b) Since December 31, 2014, Longacre has not: (i) declared or paid any dividends or made any distribution of its properties or assets to its shareholders, (ii) disposed of any of its properties or assets other than disclosed in the Public Record or incurred any material indebtedness; or (iii) made or suffered any change or changes in its financial condition, assets, liabilities or business which, individually or in the aggregate, have a Material Adverse Effect or could have a Material Adverse Effect on its financial condition, assets, liabilities or business as currently or proposed to be conducted, except as disclosed to the parties in writing.

Section 3.11 Tax.

- (a) Longacre filed, or caused to be filed, all material Tax Returns required to be filed by it (all of which returns were correct and complete in all material respects), has timely paid, or caused to be paid, all Taxes due and payable by it, and has satisfied in full in all material respects all Tax withholding, deposit and remittance requirements imposed on or with respect to Longacre, and Longacre's audited financial statements for the fiscal period ended March 31, 2014 contains an adequate provision in accordance with International Financial Reporting Standards for all material amounts of Taxes payable in respect of each period covered by such financial statements to the extent such Taxes have not been paid, whether or not due and whether or not shown as being due on any Tax Return. Longacre has made adequate provision in accordance with International Financial Reporting Standards in its books and records for any amount of Taxes material to Longacre and accruing in respect of any accounting period ending subsequent to the period covered by such financial statements.
- (b) Longacre has not received any written notification that any issue involving an amount of Taxes has been raised (and is currently pending) by the Canada Revenue Agency, or any other taxing authority, including any sales tax authority, and no waivers of statutes of limitations or objections to any assessments or reassessments involving an amount of Taxes have been given, filed or requested with respect to Longacre. Longacre has not received any notice from any taxing authority to the effect that any Tax Return is being examined, and Longacre has no knowledge or notice of any contemplated Tax audit for

itself. There are no proposed (but unassessed) additional Taxes applicable by Longacre or its Subsidiaries and none has been asserted against Longacre. There are no Tax liens on, or statutory trusts in respect of, any assets of Lonacre except for Taxes not yet due and payable. Longacre has not received a refund of any Taxes to which it was not entitled.

- (c) Longacre has withheld from each payment made to any present or former employees, officers, consultants and directors and to all persons who are non-residents of Canada for the purposes of the Tax Act all amounts required by applicable Laws and have remitted such withheld amounts within the prescribed periods to the appropriate federal or provincial taxing authority, except as may have been disclosed in writing to GLH. Longacre has remitted all Canada Pension Plan contributions, Employment Insurance premiums and other Taxes payable by it and has or will have remitted such amounts to the proper taxing authority within the time required by applicable Laws. Longacre charged, collected and remitted on a timely basis all Taxes required by applicable Laws (including, without limitation, Part IX of the *Excise Tax Act* (Canada) or the retail sales tax legislation of any province of Canada) on any sale, supply or delivery whatsoever, made by Longacre.
- (d) Longacre is a “taxable Canadian corporation” for the purposes of the Tax Act.
- (e) If requested, Longacre will furnish to GLH true and complete copies of all of its federal and provincial income Tax Returns and Tax Returns filed by it pursuant to the *Excise Tax Act* (Canada).

Section 3.12 Employment Matters.

- (a) Longacre is not a party to any written or oral policy, agreement, obligation or understanding providing for severance, termination or change of control payments to any former or current director, officer, employee or consultant of Longacre.
- (b) there are no complaints against Longacre before any employment standards branch or tribunal or human rights tribunal, nor, to the knowledge of Longacre, any complaints or any occurrence which could reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation. There are no outstanding decisions or settlements or pending settlements under applicable employment standards legislation which place any obligation upon Longacre to do or refrain from doing any act. Except for non-compliance that is not or would not result in a Material Adverse Effect on Longacre or other non-compliances disclosed to GLH, Longacre is currently in full compliance with all workers’ compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and there are no pending claims or outstanding orders against Longacre under applicable workers’ compensation legislation, occupational health and safety or similar legislation nor has any event occurred which may give rise to any such claim.
- (c) Longacre has complied in all material respects with all applicable Laws relating to employment in its businesses, including those relating to wages, hours, collective bargaining, occupational health and safety, employment standards, pay equity and workers’ compensation. All salaries or wages, vacation pay (including banked vacation pay), bonuses, commissions, premiums for employment insurance, pension plan, premiums, and other employee benefit payments are accurately reflected and have been accrued in the books and records of Longacre no salaries or wages are owing to any employee of Longacre except for those salaries and wages accrued as of the date hereof

at each employee's current salary level or wage amount payable on the next scheduled pay period.

- (d) To the best of the knowledge of Longacre, no employee or independent contractor of Longacre is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's or independent contractor's best efforts to promote the interests of Longacre. To the best of the knowledge of Longacre, no present or former employee or independent contractor of Longacre have violated any term of any employment contract, non-competition or non-solicitation agreement, patent or other proprietary information agreement or similar contract with, or any fiduciary duty in favour of, a former employer of such employee or independent contractor or any other third party. Longacre has not received any notice from any third party alleging that such a violation has occurred.
- (e) Longacre has no employment agreements or consulting agreements currently in effect and has no employees and there are no consultants currently engaged by Longacre.
- (f) Longacre is not subject to any present or future obligation or liability under any pension plan, deferred compensation plan, retirement income plan, stock purchase plan, profit sharing plan, bonus plan or policy, employee group insurance plan, hospitalization plan, disability plan or other employee benefit plan, program, policy or practice, formal or informal, with respect to any of the employees of the business, other than the Canada Pension Plan and other similar plans established pursuant to statute.

Section 3.13 Creditors of Longacre.

As at the Effective Date, there will be no creditors of Longacre, except in relation the reasonable fees of its counsel and other expenses necessary to continue its corporate existence and reporting issuer status.

Section 3.14 Non Arm's-Length Contracts.

Longacre is not a party to any contract or agreement with any officer, director, shareholder or any Person not dealing at arm's-length (within the meaning of the Tax Act).

Section 3.15 Environmental Matters.

Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on Longacre:

- (a) it is not in violation of any applicable Environmental Laws;
- (b) it has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
- (c) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Longacre that have not been remedied;
- (d) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Longacre; and

- (e) it has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Law.

Longacre holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and Longacre has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated.

Section 3.16 No Guarantees or Indemnities.

Longacre is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Longacre and applicable laws and other than standard indemnities in favour of purchasers of assets in purchase and sale agreements or indemnities and guarantees in favour of Longacre's bankers or prior underwriters and guarantees), or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.

Section 3.17 No Loans.

Other than as stated in the Longacre Financial Statements, Longacare has no loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's-length with Longacre and such all loans noted in the Longacre Financial Statements shall have been fully repaid or extinguished on or before the the Effective Date.

Section 3.18 Restrictions on Business.

Longacre is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a Material Adverse Effect on the business of GLH.

Section 3.19 Auditor Recommendations.

Longacre has not received any management recommendation letters relating to Longacre from Longacre's current auditor.

Section 3.20 Real Property and Leases.

As at the Effective Date, Longacre will not own any interest in real property. As at the Effective Date, Longacre will have no interest in any leases, subleases, licenses or other occupancy agreements pursuant to which Longacre holds a leasehold estate or other right to use or occupy any interest in real property and under which Longacre is a lessee thereunder.

Section 3.21 Compliance with Laws.

Longacre is in compliance with all applicable Laws other than non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect on Longacre. No investigation or review by any Governmental Entity with respect to Longacre is pending or, to the knowledge of Longacre, is threatened, nor has any Governmental Entity indicated in writing an intention to conduct the same, other

than those the outcome of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Longacre.

Section 3.22 Brokerage and Finders' Fees.

Neither Longacre, nor any shareholder, director, officer or employee thereof, has incurred or will incur on behalf of Longacre, any brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby.

Section 3.23 Issuer Status.

Longacre is a "reporting issuer" (as defined in the Securities Act) and the equivalent status in each of British Columbia and Alberta, but none of the issued and outstanding Longacre Shares are listed for trading on the Exchange or any other stock exchange or trading platform.

Section 3.24 Reporting

Longacre has filed with the Securities Authorities and all applicable self-regulatory authorities a true and complete copy of the Longacre Public Documents. The Longacre Public Documents, at the time filed or, if amended, as of the date of such amendment: (a) did not contain any misrepresentation (as defined in the Securities Act) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (b) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Longacre except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on Longacre. Longacre has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

Section 3.25 Cease Trade

Longacre is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Longacre, no investigation or other proceedings involving Longacre is currently in progress or pending by any applicable stock exchange of Securities Authority.

Section 3.26 Creditors of Longacre.

Longacre has reasonable grounds for believing that no creditor of Longacre or Newco (once incorporated) will be prejudiced by the Amalgamation.

Section 3.27 Non Arm's-Length Contracts.

Longacre is not a party to any contract or agreement with any officer, director, shareholder or any Person not dealing at arm's-length (within the meaning of the Tax Act) with any of the foregoing.

Section 3.28 Longacre Information.

Longacre has fully made available to GLH and its advisers all of the information relating to Longacre that GLH has requested or which would be material to GLH's decision, acting prudently, whether to complete the transactions contemplated in this Agreement. None of the foregoing representations, warranties and statements of fact and no other statement furnished by or on behalf of Longacre to GLH or its advisers in connection with the negotiation of the transactions contemplated by this Agreement, contain in respect of Longacre, any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not misleading to a prospective

purchaser of securities of Longacre seeking full information as to Longacre and its properties, financial condition, prospects, businesses and affairs.

Section 3.29 Survival of Representations and Warranties.

The representations and warranties of Longacre contained in this Agreement shall be true at the Time of Closing as though they were made by Longacre at the Time of Closing.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF GLH**

GLH represents and warrants to and in favour of Longacre as follows:

Section 4.1 Organization and Standing.

- (a) GLH and each of its Subsidiaries has been duly incorporated and is a valid and subsisting corporation under the provisions of the Laws of its jurisdiction of incorporation, has all requisite corporate power and authority to carry on its business as now being carried on by it and to own or lease and operate its respective properties and assets and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its respective properties makes such qualification necessary, except where, individually or in the aggregate, the failure to be so licensed or qualified would not have a Material Adverse Effect on GLH.
- (b) All of the Subsidiaries of GLH are listed in the GLH Disclosure Letter.

Section 4.2 Capitalization of GLH.

- (a) The authorized share capital of GLH consists of an unlimited number of common shares, of which 53,636,116 are issued and outstanding (excluding any GLH Shares issued pursuant to the Offering). All the GLH Shares were offered, issued and sold in compliance with applicable securities Laws in distributions exempt from the prospectus and registration requirements of such securities Laws, and all notices and filings in respect of such distributions have been made by GLH within the time and within the manner required by such securities Laws, unless any such failure would not have a Material Adverse Effect.
- (b) Except for 4,250,000 GLH Shares that may become issuable in accordance with outstanding stock options exercisable, 22,366,685 GLH Shares that are issuable pursuant to GLH Warrants, 744,450 GLH Shares that will become issuable pursuant GLH Warrants that the Company has agreed to issue but not yet issued and 500,000 GLH Shares issuable upon the conversion of convertible debt instruments and excluding any securities to be issued in connection with the Offering and 500,000 GLH Shares payable to Liberty North Capital Inc. on completion of the Amalgamation as a finder's fee, GLH does not have any outstanding agreements, subscriptions, warrants, options or commitments (pre-emptive, contingent or otherwise), nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating GLH to offer, sell, repurchase or otherwise acquire, transfer, pledge or encumber any shares in the capital of GLH, or other securities, nor are there outstanding any securities or obligations of any kind convertible into or exercisable or exchangeable for any capital stock of GLH. There are no outstanding bonds, debentures or other evidences of indebtedness of GLH having the right to vote or that are

exchangeable or convertible for or exercisable into securities having the right to vote with Holders of GLH Shares on any matter as of the date hereof.

- (c) GLH Warrants may be issued as a finder's fee in connection with the Offering to acquire up to 700,000 GLH Shares;
- (d) GLH does not have any shares or other interests in any company or Person other than its Subsidiaries. GLH is not a party to any agreement or arrangement to acquire any shares or other interests in any other companies or Persons and is not a party to any agreement or arrangement to acquire or lease any other business operations.
- (e) As of the date hereof, there are no shareholder agreements, proxies, voting trusts, rights to require registration under securities Laws or other arrangements or commitments to which GLH is a party or bound with respect to the voting, disposition or registration of any outstanding securities of GLH and no such agreements or rights will be effective or outstanding following the Effective Date.
- (f) To the knowledge of GLH, none of the GLH Shares held by the Holders of GLH Shares are subject to any escrow restrictions, pooling arrangements, or voting trust, voluntary or otherwise.

Section 4.3 Authority and No Violation.

- (a) GLH has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the documents and transactions contemplated herein have been duly authorized by all necessary corporate action of GLH. This Agreement has been duly executed and delivered by GLH and constitutes a valid and binding obligation of GLH, enforceable in accordance with its terms subject only to the following qualifications:
 - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
 - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting the enforceability of creditors' rights.
- (b) None of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
 - (i) conflict with any of the terms, conditions or provisions of the Constatng Documents of GLH;
 - (ii) subject to the consents, approvals, orders, authorizations, registrations, declarations or filings referred to in Section 4.4 being made or obtained, violate any provision of any Laws applicable to GLH;
 - (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which

GLH is a party or by which it is bound or to which its property is subject, all as of the Effective Date; or

- (iv) result in the cancellation, suspension or alteration in the terms of any licence, permit or authority held by GLH, or in the creation of any Encumbrance upon any of the assets of GLH under any such agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award or give to any other Person any interest or rights, including rights of purchase, termination, cancellation or acceleration;

except in the case of clauses (ii) through (iv) for any of the foregoing that would not, individually or in the aggregate, have a Material Adverse Effect on GLH or impair the ability of GLH to perform its obligations hereunder or prevent or delay the consummation of any of the transactions contemplated hereby.

- (c) The board of directors of GLH at a meeting duly called and held or by written resolution has authorized GLH to execute and deliver this Agreement.
- (d) All of the Holders of GLH Shares will have approved on or before the Effective Date, by way of special resolution at a meeting duly called and held or by written resolution, the Amalgamation and the agreements and transactions related thereto.

Section 4.4 Consents, Approvals.

No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to GLH in connection with the execution and delivery of this Agreement by GLH, the performance of its obligations hereunder or the consummation by GLH of the transactions contemplated hereby other than (a) the approval by the Holders of GLH Shares, (b) any filings with the Director, and (c) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on GLH or prevent or delay the consummation of any of the transactions contemplated hereby or impair GLH's ability to perform its obligations hereunder.

Section 4.5 Financial Statements, Reports.

- (a) The audited annual financial statements of GLH for the period from incorporation to December 31, 2014 (including any related notes thereto) (i) will be prepared in accordance with International Financial Reporting Standards applied on a consistent basis during the periods involved, (ii) comply in all material respects with the requirements of applicable securities Laws, and (iii) fairly present the financial position, results of operations and cash flows of GLH as of the date thereof and for the periods covered thereby.
- (b) From December 31, 2014 to the date of this Agreement, there has been no change by GLH in its accounting policies, methods, practices or principles.

Section 4.6 Liabilities.

Except as disclosed in the GLH Disclosure Letter or as reasonably incurred in the ordinary course of GLH's business since December 31, 2014, GLH has no liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by International Financial Reporting Standards to be reflected on a balance sheet of GLH) that have constituted or would be reasonably likely to constitute a Material Adverse Effect.

Section 4.7 Litigation, Etc.

Except as set out in the GLH Disclosure Letter, there are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of GLH or, instituted or, to the knowledge of GLH, pending or threatened against or affecting GLH or its Subsidiaries at law or in equity or before or by any Governmental Entity, nor is there any judgment, order, decree or award of any Governmental Entity having jurisdiction, obtained, pending or, to the knowledge of GLH, threatened against GLH or its Subsidiaries and none of GLH, its Subsidiaries or their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.

Section 4.8 Insurance.

GLH and its Subsidiaries each have its respective assets and products insured against loss or damages as is appropriate to its business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets, and such insurance coverages are and will be continued in full force and effect to and including the Effective Date and no notice of cancellation or termination has been received and there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default thereunder. A list of all insurance policies of GLH and its Subsidiaries currently in effect as at the date hereof are set out in the GLH Disclosure Letter.

Section 4.9 Absence of Certain Changes or Events.

- (a) Each contract or agreement between GLH or its Subsidiaries and any other Person which is material to the ownership, use or operation of a material portion of the business, properties or assets of GLH, has been listed in the GLH Disclosure Letter and is in full force and effect and, to the best of the knowledge and belief of GLH is valid, binding and enforceable against each of the parties thereto in accordance with its terms (subject only to the qualifications set out in subsections 4.3(a)(i) and (ii) hereof) and no material breach or default exists in respect thereof on the part of any party thereto and no event has occurred which, with the giving of notice or the lapse of time or both, would constitute such a material breach or default, except as disclosed to the parties in writing.
- (b) Since December 31, 2014, GLH has not: (i) declared or paid any dividends or made any distribution of its properties or assets to its shareholders, (ii) disposed of any of its properties or assets or incurred any material indebtedness; or (iii) made or suffered any change or changes in its financial condition, assets, liabilities or business which, individually or in the aggregate, have a Material Adverse Effect or could have a Material Adverse Effect on its financial condition, assets, liabilities or business as currently or proposed to be conducted, except as disclosed to the parties in writing.

Section 4.10 Tax.

- (a) GLH and its Subsidiaries have filed, or caused to be filed, all material Tax Returns required to be filed by it (all of which returns were correct and complete in all material respects), has timely paid, or caused to be paid, all Taxes due and payable by it, and has satisfied in full in all material respects all Tax withholding, deposit and remittance requirements imposed on or with respect to GLH and its Subsidiaries, and GLH's audited financial statements for the fiscal period ended December 31, 2014 will contain an adequate provision in accordance with International Financial Reporting Standards for all material amounts of Taxes payable in respect of each period covered by such financial statements to the extent such Taxes have not been paid, whether or not due and whether or not shown as being due on any Tax Return. GLH has made adequate provision in

accordance with International Financial Reporting Standards in its books and records for any amount of Taxes material to GLH (taken as a whole) and accruing in respect of any accounting period ending subsequent to the period covered by such financial statements.

- (b) GLH or its Subsidiaries has not received any written notification that any issue involving an amount of Taxes has been raised (and is currently pending) by the Canada Revenue Agency, or any other taxing authority, including any sales tax authority, and no waivers of statutes of limitations or objections to any assessments or reassessments involving an amount of Taxes have been given, filed or requested with respect to GLH or its Subsidiaries. GLH or its Subsidiaries has not received any notice from any taxing authority to the effect that any Tax Return is being examined, and GLH has no knowledge or notice of any contemplated Tax audit for itself or any of its Subsidiaries. There are no proposed (but unassessed) additional Taxes applicable by GLH or its Subsidiaries and none has been asserted against GLH or its Subsidiaries. There are no Tax liens on, or statutory trusts in respect of, any assets of GLH or its Subsidiaries except for Taxes not yet due and payable. GLH or its Subsidiaries has not received a refund of any Taxes to which it was not entitled.
- (c) GLH and each of its Subsidiaries has withheld from each payment made to any present or former employees, officers, consultants and directors and to all persons who are non-residents of Canada for the purposes of the Tax Act all amounts required by applicable Laws and have remitted such withheld amounts within the prescribed periods to the appropriate federal or provincial taxing authority, except as may have been disclosed in writing to Longacre. GLH has remitted all Canada Pension Plan contributions, Employment Insurance premiums and other Taxes payable by it and has or will have remitted such amounts to the proper taxing authority within the time required by applicable Laws. GLH charged, collected and remitted on a timely basis all Taxes required by applicable Laws (including, without limitation, Part IX of the *Excise Tax Act* (Canada) or the retail sales tax legislation of any province of Canada) on any sale, supply or delivery whatsoever, made by GLH.
- (d) GLH is a “taxable Canadian corporation” for the purposes of the Tax Act.
- (e) If requested, GLH will furnish to Longacre true and complete copies of all of its federal and provincial income Tax Returns and Tax Returns filed by it pursuant to the *Excise Tax Act* (Canada).

Section 4.11 Employment Matters.

- (a) Except as disclosed in the GLH Disclosure Letter, GLH or its Subsidiaries is not a party to any written or oral policy, agreement, obligation or understanding providing for severance, termination or change of control payments to any former or current director, officer, employee or consultant of GLH or any of its Subsidiaries.
- (b) Except as disclosed in the GLH Disclosure Letter, there are no complaints against GLH or its Subsidiaries before any employment standards branch or tribunal or human rights tribunal, nor, to the knowledge of GLH, any complaints or any occurrence which could reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation. There are no outstanding decisions or settlements or pending settlements under applicable employment standards legislation which place any obligation upon GLH or its Subsidiaries to do or refrain from doing any act. Except for non-compliance that is not or would not result in a Material Adverse Effect on GLH or other non-compliances disclosed to Longacre, GLH and its Subsidiaries is currently in

full compliance with all workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and there are no pending claims or outstanding orders against GLH or its Subsidiaries under applicable workers' compensation legislation, occupational health and safety or similar legislation nor has any event occurred which may give rise to any such claim.

- (c) GLH and its Subsidiaries have complied in all material respects with all applicable Laws relating to employment in its businesses, including those relating to wages, hours, collective bargaining, occupational health and safety, employment standards, pay equity and workers' compensation. All salaries or wages, vacation pay (including banked vacation pay), bonuses, commissions, premiums for employment insurance, pension plan, premiums, and other employee benefit payments are accurately reflected and have been accrued in the books and records of GLH or its Subsidiaries (as applicable) and no salaries or wages are owing to any employee of GLH or its Subsidiaries except for those salaries and wages accrued as of the date hereof at each employee's current salary level or wage amount payable on the next scheduled pay period.
- (d) To the best of the knowledge of GLH, no employee or independent contractor of GLH is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's or independent contractor's best efforts to promote the interests of GLH and its Subsidiaries. Except as disclosed in the GLH Disclosure Letter, to the best of the knowledge of GLH, no present or former employee or independent contractor of GLH or any of its Subsidiaries have violated any term of any employment contract, non-competition or non-solicitation agreement, patent or other proprietary information agreement or similar contract with, or any fiduciary duty in favour of, a former employer of such employee or independent contractor or any other third party. GLH has not received any notice from any third party alleging that such a violation has occurred.
- (e) The GLH Disclosure Letter sets out the names and annual compensation of each employee and consultant that GLH or its Subsidiaries intends to have continue their service for GLH or respective Subsidiary after the Effective Date and, to the best of the knowledge of GLH, no such consultant or employee of GLH or its Subsidiaries intends to terminate his or her relationship as an employee, or consultant, as the case may be.
- (f) GLH is not subject to any present or future obligation or liability under any pension plan, deferred compensation plan, retirement income plan, stock purchase plan, profit sharing plan, bonus plan or policy, employee group insurance plan, hospitalization plan, disability plan or other employee benefit plan, program, policy or practice, formal or informal, with respect to any of the employees of the business, other than the Canada Pension Plan and other similar plans established pursuant to statute.

Section 4.12 Corporate Records.

Except for transaction contemplated herein to occur on or before the Effective Date which have not been completed as at the date hereof, the corporate records and minute books of GLH as required to be maintained by GLH under the Laws of its jurisdiction of incorporation, as made available to Longacre and its counsel, are up-to-date in all material respects, and contain complete and accurate minutes of all meetings of shareholders and the board of directors and any committees thereof and all resolutions consented to in writing.

Section 4.13 Contracts.

As of the date hereof, there are no written or oral contracts, agreements, guarantees, leases and executory commitments, which are material to GLH and to which GLH is a party other than those contracts disclosed to Longacre in the GLH Disclosure Letter.

Section 4.14 Compliance with Laws.

Except as disclosed in the GLH Disclosure Letter, GLH and its Subsidiaries are in compliance, and at all times have complied, with all applicable Laws other than non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect on GLH taken as a whole. No investigation or review by any Governmental Entity with respect to GLH or any of its Subsidiaries is pending or, to the knowledge of GLH, is threatened, nor has any Governmental Entity indicated in writing an intention to conduct the same, other than those the outcome of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on GLH taken as a whole.

Section 4.15 Restrictions on Business Activities.

There is no agreement, judgment, injunction, order or decree binding upon GLH or any of its Subsidiaries that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of GLH or its Subsidiaries, acquisition of property by GLH or its Subsidiaries or the conduct of business by GLH or its Subsidiaries as currently conducted or proposed to be conducted.

Section 4.16 Intellectual Property.

- (a) GLH and its Subsidiaries does, directly or indirectly, own, license or otherwise have legally enforceable rights to use, or can acquire on reasonable terms and without material expense, all patents, patent rights, trademarks, trade names, service marks, copyrights and any applications therefor, processes, recipes, technology, know-how, trade secrets, computer software and applications and tangible or intangible proprietary information or materials, that are material to and used in the business of GLH as presently conducted and has so disclosed such intellectual property to Longacre in the GLH Disclosure Letter. All registrations for such intellectual property rights are in effect and subsisting and, include all of the trademarks that are necessary to the ongoing operation of its business in the manner currently conducted and proposed to be conducted. To the best of GLH's knowledge and belief, (i) the conduct of its business does not infringe or otherwise violate any of the intellectual property rights of any Person and there is no such claim pending or, to the knowledge of GLH, threatened against GLH or its Subsidiaries, and (ii) no Person is infringing or otherwise violating any intellectual property owned by GLH or its Subsidiaries, and there is no such claim pending or, to the knowledge of GLH, threatened against any Person by GLH or its Subsidiaries; and
- (b) GLH has not licensed, sold, transferred or otherwise disposed of any intellectual property owned by GLH or its Subsidiaries which is material to the business and operations of GLH.

Section 4.17 Brokerage and Finders' Fees.

Other than in connection with the Offering and except as disclosed in the GLH Disclosure Letter, neither GLH, nor any shareholder, director, officer or employee thereof, has incurred or will incur on behalf of GLH, any brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with the Amalgamation contemplated hereby.

Section 4.18 Solvency of GLH.

There are reasonable grounds for believing that (a) GLH is able to pay its liabilities as they become due and, immediately prior to the time of the consummation of the Amalgamation, will be able to pay its liabilities as they become due; and (b) the realizeable value of GLH's assets is not less than the aggregate of its liabilities and stated capital of all classes of GLH Shares.

Section 4.19 Creditors of GLH.

A list of creditors of GLH as at February 28, 2015 is set out in the GLH Disclosure Letter. GLH has reasonable grounds for believing that no creditor of GLH will be prejudiced by the Amalgamation.

Section 4.20 Non Arm's-Length Contracts.

Except as disclosed in the GLH Disclosure Letter, GLH is not a party to any contract or agreement with any officer, director, shareholder or any Person not dealing at arm's-length (within the meaning of the Tax Act).

Section 4.21 Environmental Matters.

Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on GLH or its Subsidiaries:

- (a) it is not in violation of any applicable Environmental Laws;
- (b) it has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
- (c) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by GLH that have not been remedied;
- (d) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of GLH; and
- (e) it has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Law.

GLH and its Subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under the *Environmental Protection Act* (Ontario), GLH has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated.

Section 4.22 No Guarantees or Indemnities.

None of GLH or its Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of GLH and its Subsidiaries and applicable laws and other than standard indemnities in favour of purchasers of assets in purchase and sale agreements or indemnities and guarantees in favour of GLH's bankers or

prior underwriters and guarantees), or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.

Section 4.23 No Loans.

Except as set out herein or otherwise disclosed in the GLH Disclosure Letter, none of GLH or its Subsidiaries has no loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's-length with GLH.

Section 4.24 Restrictions on Business.

GLH is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a Material Adverse Effect on the business of GLH.

Section 4.25 Auditor Recommendations.

GLH has not received any management recommendation letters relating to GLH from GLH's current auditor.

Section 4.26 Real Property and Leases.

GLH does not own any interest in real property. All of the leases, subleases, licenses or other occupancy agreements ("**Leases**") pursuant to which GLH holds a leasehold estate or other right to use or occupy any interest in real property and under which GLH is a lessee thereunder (all such real property being hereinafter collectively, "**Leased Real Property**") have been disclosed to Longacre in writing and are valid and enforceable leasehold interests in full force and effect and are legal, valid and binding obligations of GLH and, to the knowledge of GLH, the other parties thereto There has not been any sublease, assignment, mortgage, conveyance or other Encumbrance entered into by GLH in respect of the Leases. GLH has not received any written notice of any default with respect to any Lease.

Section 4.27 Licenses and Permits.

As of the date of this Agreement, GLH has obtained all approvals, permits and licenses of Governmental Entities (collectively, "**Permits**") required to conduct the business of GLH as conducted and proposed to be conducted and all such Permits are in full force and effect and the business of GLH is being operated in compliance therewith in all material respects.

Section 4.28 Product Liability.

There exists no defect in the design or manufacture of any product manufactured, packaged, distributed or sold by GLH, and there exists no pending, or to the knowledge of GLH, threatened products liability claim with respect to any product manufactured, packaged, distributed or sold by GLH.

Section 4.29 GLH Information.

GLH has fully made available to Longacre and its advisers all of the information relating to GLH that Longacre has requested for deciding whether to complete the transactions contemplated in this Agreement. None of the foregoing representations, warranties and statements of fact and no other statement furnished by or on behalf of GLH to Longacre or its advisers in connection with the negotiation of the transactions contemplated by this Agreement, contain in respect of GLH, any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not

misleading to a prospective purchaser of securities of GLH seeking full information as to GLH and its properties, financial condition, prospects, businesses and affairs.

Section 4.30 Survival of Representations and Warranties.

The representations and warranties of GLH contained in this Agreement shall be true at the Time of Closing as though they were made by GLH at the Time of Closing.

**ARTICLE 5
COVENANTS AND AGREEMENTS**

Section 5.1 Mutual Covenants.

(a) Each of Longacre and GLH agree as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 7, in each case except (i) with the consent of the other party to any deviation therefrom (such consent not to be unreasonably withheld or delayed); or (ii) as expressly contemplated by this Agreement:

(i) it shall not:

- A. declare or pay any dividends on, make other distributions or return capital in respect of any of its capital stock or any other equity interests;
- B. split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock;
- C. except in connection with (i) the Offering; (ii) any securities that may become issuable as contemplated in this Agreement and the payment of 500,000 GLH Shares to Liberty North Capital Inc. as a finder's fee, issue, sell, pledge, reserve, set aside, dispose of or encumber, repurchase, redeem or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock, except pursuant to fully vested stock options and warrants outstanding on the date hereof;
- D. enter into or announce any agreement or arrangement with respect to the sale, voting, registration or repurchase of any shares of its capital stock or any security convertible into or exchangeable for such shares; or
- E. not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Amalgamation, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the Securities Act, for securities or assets of the party in question, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the

Amalgamation, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event a party, including any of its officers or directors, receives any form of offer or inquiry, it shall forthwith (in any event within one business day following receipt thereof) notify the other party to this Agreement of such offer or inquiry and provide the other party with such details as it may request.

(ii) it shall not:

- A. incur any indebtedness for borrowed money or purchase money indebtedness or assume, guarantee, endorse or enter into a “keepwell” or similar arrangement with respect to any indebtedness;
- B. make or commit to make any material capital expenditures (including capital lease obligations) without the consent of Longacre; or
- C. enter into any material operating lease or create any mortgages, liens, security interests or other encumbrances on the property of such party in connection with any indebtedness.

(iii) it shall not:

- A. increase the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any employee benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or employee of such party;
- B. increase (or enter into any commitment or arrangement to increase) the compensation or benefits, or otherwise to extend, expand or enhance the engagement, employment or any related rights, of any former, present or future director, officer, employee or consultant of such party;
- C. except as specifically provided under this Agreement, whether through its board of directors or otherwise, accelerate the vesting of any unvested stock options or accelerate the release of, or the expiry date of any hold period or otherwise amend, vary or modify any plans or the terms of any stock option or warrant without the written consent of the other parties; or
- D. without the written consent of Longacre, adopt, establish, enter into or implement any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of such party or amend any employee benefit plan, policy, severance or termination agreement.

(iv) other than in connection with the GLH Share Split, it shall not amend or propose to amend its Constatng Documents.

(v) it shall not pay, discharge, satisfy, compromise or settle any material claims or material liabilities prior to the same being due.

- (vi) except as required by applicable Laws, it shall not enter into, terminate or waive any provision of, exercise any material option or relinquish any material contractual rights under, or modify in any material respect any material contract, agreement, guarantee, lease commitment or arrangement.
 - (vii) it shall not make any changes to the existing accounting practices, methods and principles relating to such party except as required by Laws or by Canadian generally accepted accounting principles as advised by such party's regular independent accountants, as the case may be.
 - (viii) it shall not make or rescind any material tax election, except with Longacre's prior written consent.
 - (ix) it shall not (a) enter into any confidentiality or standstill (other than in respect of confidentiality agreements entered into in the ordinary course of business), or (b) amend or release any third party from its obligations or grant any consent under, any confidentiality or standstill provision or fail to fully enforce any such provision.
 - (x) it shall not take or fail to take any action which would cause any of such party's representations or warranties hereunder to be untrue or would be reasonably expected to prevent or materially impede, interfere with or delay the Amalgamation.
 - (xi) it shall not agree in writing or otherwise to take any of the actions as described above in clauses (i) through (x).
- (b) Each party to this Agreement shall promptly advise the other parties in writing:
- (i) of any event, condition or circumstance that might be reasonably expected to cause any representation or warranty of such party contained in this Agreement to be untrue or inaccurate on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date);
 - (ii) of any Material Adverse Effect on such party or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on such party; and
 - (iii) of any material breach by such party of any covenant, obligation or agreement contained in this Agreement.
- (c) Each of Longacre, Newco and GLH shall use its reasonable best efforts to perform all obligations required to be performed by such party under this Agreement, cooperate with the other parties hereto in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, each of Longacre and GLH shall:
- (i) use reasonable best efforts to satisfy or cause to be satisfied as soon as reasonably practicable all the conditions precedent that are set forth in Article 6 hereof;
 - (ii) apply for and use reasonable best efforts to obtain as promptly as practicable all Appropriate Regulatory Approvals relating to such party or any of its Subsidiaries and, in doing so, to keep the other parties hereto reasonably

informed as to the status of the proceedings related to obtaining the Appropriate Regulatory Approvals, including providing such other parties with copies of all related applications and notifications, in draft form, in order for such other party to provide its reasonable comments;

- (iii) use reasonable best efforts to comply promptly with all requirements which applicable Laws may impose on such party or such party's Subsidiaries with respect to the transactions contemplated hereby;
- (iv) use reasonable best efforts to defend all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (v) use reasonable best efforts to have lifted or rescinded any injunction or restraining order or other order which may adversely affect the ability of the parties to consummate the transactions contemplated hereby;
- (vi) effect all necessary registrations, filings and submissions of information required by Governmental Entities from such party or any of such party's Subsidiaries in connection with the transactions contemplated hereby; and
- (vii) use reasonable best efforts to obtain all waivers, consents and approvals from other parties to loan agreements, leases or other contracts required to be obtained by such party or any of such party's Subsidiaries to consummate the transactions contemplated hereby which the failure to obtain would materially and adversely affect the ability of such party or such party's Subsidiaries to consummate the transactions contemplated hereby.

Section 5.2 Covenants of GLH.

- (a) GLH agrees that until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 7, in each case except (i) with the consent of Longacre to any deviation therefrom, such consent not to be unreasonably withheld or delayed or (ii) as expressly contemplated by this Agreement, it shall:
 - (i) carry on its businesses in the usual and ordinary course consistent with past practices and in a manner consistent with industry;
 - (ii) use reasonable best efforts to preserve intact its present business organization and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with customers, suppliers and others having business dealings with it; and
 - (iii) maintain and keep its material properties and assets in as good repair and condition as at the date hereof, subject to ordinary wear and tear, all to the end that its goodwill and ongoing businesses shall not be impaired in any material respect at the Effective Date.
- (b) Until the earlier of the Effective Date and the termination of this Agreement pursuant to Article 7, GLH shall not sell, pledge, encumber, lease (whether such lease is an operating or capital lease) or otherwise dispose of any of its assets other than in the ordinary course of business.

Section 5.3 Access to Information.

- (a) Subject to subsection 5.3(b) and applicable Laws, upon reasonable notice to an officer of such party, each of Longacre and GLH shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors (“**Representatives**”) of the other parties access, during normal business hours from the date hereof and until the earlier of the Effective Date or the termination of this Agreement, to its properties, books, contracts and records as well as to its management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of such party. During such period, each of Longacre and GLH shall furnish promptly to the other parties all information concerning such party’s business, properties and personnel as the other party may reasonably request.
- (b) Longacre and GLH acknowledge that certain information received pursuant to subsection 5.3(a) will be non-public or proprietary in nature and that such parties shall not disclose such information to third parties without the prior written consent of the other party unless required to do so by Law.

Section 5.4 Closing Matters.

- (a) The completion of the transactions contemplated under this Agreement shall be closed at the offices of GLH’s counsel, Ellison Law Professional Corporation, a member of Acuity Corporate Securities Lawyers at 130 King Street West, Toronto, Ontario, M5X 1C7, at 10:00 a.m. (Toronto Time) (the “**Time of Closing**”) on June 15, 2015 or on such other date or at such other time and place as the parties may agree.
- (b) Each of Longacre and GLH shall deliver, at the Time of Closing, such customary certificates, resolutions, legal opinions and other closing documents as may be required by the other parties hereto, acting reasonably. For greater certainty, Longacre shall also deliver evidence that all regulatory and Exchange approvals have been obtained.

**ARTICLE 6
CONDITIONS**

Section 6.1 Mutual Conditions Precedent.

The respective obligations of Longacre and GLH to complete the transactions contemplated by this Agreement and to file the Articles of Amalgamation for acceptance by the Director to give effect to the Amalgamation shall be subject to the satisfaction of each of the following conditions at or prior to the Effective Date;

- (a) the Exchange shall have conditionally approved the listing thereon of the Longacre Shares (i) outstanding following the Longacre Share Consolidation; (ii) to be issued pursuant to the Amalgamation as of the Effective Date; (iii) issuable upon exercise of the GLH Warrants and Longacre Options to be issued pursuant to the Amalgamation and following the Amalgamation;
- (b) GLH shall have provided Longacre with its audited financial statements for the period from incorporation until December 31, 2014 prepared in accordance with International Financial Reporting Standards consistently applied, along with an unqualified audit opinion from its independent;
- (c) all other Appropriate Regulatory Approvals shall have been obtained or received from the Persons having jurisdiction in the circumstances, and all other applicable regulatory

requirements and conditions shall have been complied with, the failure to obtain which would, individually or in the aggregate, have a Material Adverse Effect on Amalco or Longacre after the Effective Date;

- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated under this Agreement and there shall be no proceeding, whether of a judicial or administrative nature or otherwise, in progress that relates to or results from the transactions contemplated under this Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated under this Agreement in accordance with the terms and conditions hereof or thereof;
- (e) there shall not exist any prohibition at Law against the completion of the Amalgamation;
- (f) all consents and approvals under any agreements to which either of Longacre or GLH may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated under this Agreement shall have been obtained or received;
- (g) none of the consents, orders, regulations or approvals contemplated herein shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties hereto acting reasonably;
- (h) employment agreements, in a form satisfactory to Longacre and the parties thereto, shall have been entered into between Longacre or a Subsidiary and each of Jack Schwebel, Andy Hartogh, Chris Miller, Philip van den Berg, Beau Whitney and Moshe Bar, each party acting reasonably; and
- (i) this Agreement shall not have been terminated under ARTICLE 7.

The foregoing conditions are for the mutual benefit of Longacre and GLH and may be waived in writing, in whole or in part, by Longacre and GLH at any time.

Section 6.2 Additional Conditions Precedent to the Obligations of Longacre.

The obligations of Longacre to complete the transactions contemplated hereby and the obligation of Newco to file Articles of Amalgamation jointly with GLH and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) GLH shall have performed or complied with, in all material respects, each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Date;
- (b) each of the representations and warranties of GLH under this Agreement shall be true and correct in all respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except: (i) for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date, (ii) as affected by transactions contemplated or permitted by this Agreement; or (iii) where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on GLH;

- (c) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to GLH or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on GLH;
- (d) Longacre shall have received a certificate of a senior officer of GLH addressed to Longacre and dated the Effective Date, confirming that the conditions in subsections 6.2(a), (b), (c) and (e) have been satisfied;
- (e) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Governmental Entity or by any other Person against GLH that would, if successful, have a Material Adverse Effect on GLH, in the sole discretion of Longacre, acting reasonably;
- (f) the boards of directors and shareholders of GLH shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by GLH to permit the consummation of the Amalgamation;
- (g) except as agreed to by the parties in writing, the post Amalgamation capitalization of Longacre shall be in accordance with the capitalization table attached hereto as Schedule "A" assuming the Company issues 10 million GLH Shares in the Offering; and
- (h) the number of GLH Shares held by GLH shareholders that exercise dissent rights pursuant to Section 185 of the OBCA does not exceed 5% of the number of GLH Shares that are issued and outstanding immediately prior to the Effective Date.

The foregoing conditions are for the benefit of Longacre and may be waived in writing, in whole or in part, by Longacre at any time.

Section 6.3 Additional Conditions Precedent to the Obligations of GLH.

The obligations of GLH to complete the transactions contemplated hereby and the obligation of GLH to file Articles of Amalgamation jointly with Newco and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) Longacre shall have performed or complied with, in all material respects, each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Date;
- (b) each of the representations and warranties of Longacre under this Agreement (which for purposes of this clause (b) shall be read as though none of them contained any Material Adverse Effect or other materiality qualification), shall be true and correct in all respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except: (i) for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date, (ii) as affected by transactions contemplated or permitted by this Agreement; or (iii) where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on Longacre;
- (c) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to Longacre or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on Longacre;

- (d) GLH shall have received a certificate of a senior officer of Longacre addressed to GLH and dated the Effective Date, confirming that the conditions in subsections 6.3(a), (b), (c) and (e) have been satisfied;
- (e) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Governmental Entity or by any other Person against Longacre that would, if successful, have a Material Adverse Effect on Longacre, in the sole discretion of GLH, acting reasonably;
- (f) the board of directors of Longacre shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Longacre to permit the consummation of the Amalgamation;
- (g) Longacre has divested of all mining and mining related assets to the satisfaction of GLH and its counsel, acting reasonably;
- (h) the Longacre Share Consolidation has been completed;
- (i) the Debt Conversion has been completed
- (j) Longacre shall have provided evidence to the satisfaction of GLH and its counsel, acting reasonably, the Longacre Warrants have been cancelled;
- (k) the Continuance has been completed;
- (l) subject to prior receipt of regulatory approval, Jack Schwebel, Sam Pillersdorf, Don Robinson, Philip van den Berg, Elijah Cohl and Steven Small or such other persons as GLH may direct in writing have been duly elected or appointed to the board of directors of Longacre;
- (m) shareholders of GLH representing not more than 2% of the issued and outstanding GLH Shares exercised their statutory dissent rights in connection with the Amalgamation;
- (n) subject to prior receipt of regulatory approval, Don Robinson has been appointed as Chief Executive Officer of Longacre and Philip van den Berg has been appointed as Chief Financial Officer of Longacre; and
- (o) except as agreed to by the parties in writing, the post Amalgamation capitalization of Longacre shall be in accordance with the capitalization table attached hereto as Schedule "A" without giving effect to the Offering.

The foregoing conditions are for the benefit of GLH and may be waived in writing, in whole or in part, by GLH at any time.

Section 6.4 Merger of Conditions.

The conditions set out in Section 6.1, Section 6.2, and Section 6.3, shall be conclusively deemed to have been satisfied, waived or released on the filing by GLH and Newco of the Articles of Amalgamation, and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation and the issuance by the Director of a certificate of amalgamation.

**ARTICLE 7
AMENDMENT AND TERMINATION**

Section 7.1 Termination.

This Agreement may be terminated and the Amalgamation abandoned at any time prior to the Effective Date:

- (a) by the mutual written consent of Longacre and GLH;
- (b) by any one of Longacre or GLH, if there shall be any Law that makes consummation of the Amalgamation illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent Governmental Entity enjoining Newco and GLH from consummating the Amalgamation shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (c) by either Longacre or GLH, if the Effective Date does not occur on or prior to July 31, 2015 or such other date as Longacre and GLH may agree; provided, however, that the right to terminate this Agreement under this subsection 7.1(c) shall not be available to any party whose failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;
- (d) by Longacre, if the board of directors or the shareholders of GLH fail to recommend or withdraws, modifies or changes its approval or recommendation of this Agreement and the Amalgamation, in a manner adverse to Longacre;
- (e) by GLH, if the board of directors of Longacre fails to recommend or withdraws, modifies or changes its approval or recommendation of this Agreement and the Amalgamation, in a manner adverse to GLH;
- (f) by either of Longacre or GLH, by written notice to the other party, if any of the mutual conditions precedent set out in Section 6.1 hereof have not been complied with or waived on or before the date required for performance thereof; provided, however, that no party may rely on the failure to satisfy any of the conditions set out in Section 6.1 if the condition would have been satisfied but for a failure by such party in complying with its obligations hereunder;
- (g) by GLH, by written notice to Longacre, if any of the conditions precedent set out in Section 6.3 hereof have not been complied with or waived on or before the date required for performance thereof; provided, however, that no party may rely on the failure to satisfy any of the conditions set out in Section 6.3 if the condition would have been satisfied but for a material failure by such party in complying with their obligations hereunder;
- (h) by GLH, if Longacre has breached any of its representations, warranties, agreements or obligations herein which breach would result in the failure to satisfy one or more conditions set forth in subsections 6.3(b) or (c) and such breach is not curable or if curable, is not cured within 20 days after notice thereof has been received by Longacre;
- (i) Longacre shall have disposed of all its interests in any real property or mining or resources claims;

- (j) Longacre shall have sold, transferred or otherwise disposed of all of its shares in 0999562 B.C. Ltd.
- (k) by Longacre, by written notice to GLH, if any of the conditions precedent set out in Section 6.2 hereof have not been complied with or waived on or before the date required for performance thereof; provided, however, that no party may rely on the failure to satisfy any of the conditions set out in Section 6.2 if the condition would have been satisfied but for a material failure by such party in complying with their obligations hereunder; or
- (l) by Longacre, if GLH has breached any of its representations, warranties, agreements or obligations herein which breach would result in the failure to satisfy one or more conditions set forth in subsections 6.2(b) or (c) and such breach is not curable or if curable, is not cured within 20 days after notice thereof has been received by GLH.

Section 7.2 Effect of Termination.

If this Agreement is terminated in accordance with the provisions of Section 7.1, no party shall have any further liability to perform its obligations hereunder except for the provisions of this Section 7.2 and subsection 5.3(b) and Section 8.10; provided that neither the termination of this Agreement nor anything contained in this Section 7.2 shall relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein. If it shall be judicially determined that termination of this Agreement under Section 7.1 was caused by breach of this Agreement, then, in addition to any other remedies at law or equity for breach of this Agreement, the party so found to have breached this Agreement shall indemnify and hold harmless the other parties for their out-of-pocket costs, including reasonable fees and expenses of their counsel, accountants, financial advisors and other experts and advisors, incident to the negotiation, preparation and execution of this Agreement and related documentation.

**ARTICLE 8
GENERAL**

Section 8.1 Investigation.

Any investigation by a party hereto and its advisors shall not mitigate, diminish or affect the representations and warranties of any other party to this Agreement.

Section 8.2 Notices.

All notices which may or are required to be given pursuant to any provision of this Agreement shall be in writing and shall be deemed given when delivered personally, faxed (which is confirmed) or dispatched (postage prepaid) to a nationally recognized overnight courier service with overnight delivery instructions, in each case addressed to the particular party at:

in the case of Longacre or Newco:

with a copy to:

LONGACRE RESOURCES INC.
29th Floor, Three Bentall Centre
595 Burrard Street
PO Box 49130
Vancouver, BC V7X 1J5

Attention: Mark Holden, CEO
Facsimile: (604) 632-4487

Owen Bird Law Corporation
29th Floor, Three Bentall Centre
595 Burrard Street
PO Box 49130
Vancouver, BC V7X 1J5

Attention: Jeff Lightfoot
Facsimile: (604) 632-4487

and if to GLH:

GOLDEN LEAF HOLDINGS INC.
1235 Bay Street, Suite 400
Toronto ON M5R 3K4

Attention: Philippus van den Berg,
CFO
Facsimile: (503) 296-2087

with a copy to:

Ellison Law Professional Corporation
130 King Street West, Suite 2700
Toronto, Ontario
M5X 1C7

Attention: David N. Ellison
Facsimile: (416) 663-5002

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing.

Section 8.3 Assignment.

No party may assign this Agreement or any of its rights, interests or obligations under this Agreement or the Amalgamation (whether by operation of law or otherwise) without the prior written consent of the other party.

Section 8.4 Binding Effect.

This Agreement and the Amalgamation shall be binding upon and shall enure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

Section 8.5 Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall be construed to create any third party beneficiaries.

Section 8.6 Waiver and Modification.

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

Section 8.7 No Personal Liability.

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

Section 8.8 Further Assurances.

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

Section 8.9 Expenses.

Subject to Section 7.2 above, each party shall pay its own costs and expenses in connection with the Amalgamation including, without limitation, legal, accounting and auditing fees, regulatory and exchange fees, meeting and mailing costs, if applicable, and any fees or commissions of brokers, finders or other third parties employed in connection with the Amalgamation. Notwithstanding the foregoing, GLH and its counsel shall be primarily responsible for the preparation of the Listing Statement in the form required by the Exchange and GLH will bear the cost of all filing fees payable to the Exchange in respect of the Listing Statement.

Section 8.10 Public Announcements: Appropriate Regulatory Approvals.

The parties agree to consult with each other prior to issuing any news releases or public statements with respect to the Amalgamation or the other transactions contemplated by this Agreement, and to use their respective reasonable best efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Laws, each party shall use its reasonable best efforts to enable the other parties to review and comment on all such news releases prior to the release thereof. The parties agree that Longacre will issue a news release with respect to this Amalgamation as soon as practicable following the execution of this Agreement.

Section 8.11 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

Section 8.12 Entire Agreement.

This Agreement, and the other agreements and other documents referred to herein, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties.

Section 8.13 Time of Essence.

Time is of the essence of this Agreement.

Section 8.14 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

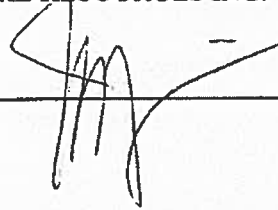
Section 8.15 Counterparts

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

WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinbefore written.

LONGACRE RESOURCES INC.

Per: _____



GOLDEN LEAF HOLDINGS INC.

Per: _____



SCHEDULE A
PRO FORMA POST TRANSACTION CAPITALIZATION OF LONGACRE

Name	Number of Shares	% of Total Resulting Issuer Shares (undiluted)	% of Total Resulting Issuer Shares (fully diluted)
GLH Shareholders	53,636,116	82.63%	57.84%
Finder's Fee payable to Liberty North Capital Inc.	500,000	0.77%	0.54%
<i>subtotal:</i>	54,136,116	83.40%	58.38%
Name	Number of Shares	% of Total Resulting Issuer Shares (undiluted)	% of Total Resulting Issuer Shares (fully diluted)
Longacre Shareholders	775,000	1.19%	0.84%
Name	Number of Shares	% of Total Resulting Issuer Shares (undiluted)	% of Total Resulting Issuer Shares (fully diluted)
GLH Shares issuable to investors under the Offering	10,000,000	15.41%	10.78%
Total:	64,911,116	100.0%	70.00%

Convertible Securities:

Name	Number of Shares	% of Total Resulting Issuer Shares (fully diluted)
Warrants	22,366,696	24.12%
Warrants that could be issued in connection with the Offering	700,000	0.75%
Stock Options	4,250,000	4.58%
Convertible Debentures	500,000	0.54%
<i>total:</i>	27,816,696	

**SCHEDULE B
AMALGAMATION AGREEMENT**

THIS AMALGAMATION AGREEMENT dated [●], 2015.

BETWEEN:

LONGACRE RESOURCES INC., a company continued under the OBCA (as defined below) (“**PublicCo**”);

- and -

● **ONTARIO INC.**, a company incorporated under the OBCA (as defined below) (“**Subco**”);

- and -

GOLDEN LEAF HOLDINGS INC., a company incorporated under the OBCA (“**Target**”);

RECITALS:

- (a) PublicCo and Target have agreed by a merger agreement dated May 22, 2015 (the “**Merger Agreement**”) to merge the business and assets of Target with those of PublicCo;
- (b) The authorized share capital of PublicCo consists of an unlimited number of common shares of which 775,000 PublicCo Shares (as defined below) are issued and outstanding at the date hereof as fully paid and non-assessable;
- (c) The authorized share capital of Subco consists of an unlimited number of common shares, of which one (1) Subco Share (as defined below) is issued and outstanding at the date hereof as fully paid and non-assessable, and which is held by PublicCo;
- (d) The authorized share capital of Target consists of an unlimited number of common shares, of which 53,636,166 Target Shares (as defined below) are issued and outstanding at the date hereof as fully paid and non-assessable;
- (e) Subco and Target, acting under the authority contained in the OBCA, have agreed to amalgamate upon the terms and conditions hereinafter set out as of the date shown on the Certificate of Amalgamation (as defined below);
- (f) In conjunction with the Amalgamation, PublicCo shall issue to each registered holder of Target Shares one (1) PublicCo Share for each Target Share held;
- (g) It is desirable that the Amalgamation (as defined below) should be effected.

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

1. Interpretation

In this Agreement, including the recitals:

“**Agreement**” means this Amalgamation Agreement, its recitals and schedules, and any amendment

made to this Agreement;

“Amalco” means the corporation resulting from the Amalgamation and continuing the corporate existence of the Amalgamating Corporations (as defined below) under the name **“Golden Leaf Holdings Inc.”**;

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

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

“Amalgamating Corporation” means each of Subco and Target and **“Amalgamating Corporations”** means both of them;

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

“Articles of Amalgamation” means the articles of amalgamation giving effect to the Amalgamation to be filed with the Director appointed under the OBCA, pursuant to this Agreement;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Director appointed under the OBCA, in respect of the Amalgamation;

“Effective Date” means the date set out on the certificate endorsed by the Director appointed under the OBCA on the Articles of Amalgamation giving effect to the Amalgamation;

“Merger” means the series of transactions through which the businesses of Target and PublicCo will be merged, including the Amalgamation;

“OBCA” means the *Business Corporations Act* (Ontario), as amended;

“Parties” means PublicCo, Subco, Target and any other Person who may become a party to this Agreement;

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

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

“PublicCo Shares” means the common shares in the capital of PublicCo, on a post-consolidated basis, as contemplated in the Merger Agreement;

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

“Target Options” means options to acquire Target Shares

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

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

“**Target Warrants**” means warrants to acquire Target Shares together with broker_warrants to acquire Target Shares; and

“**Transfer Agent**” means TMX Equity Transfer Services.

2. Agreement to Amalgamate

Each of the Parties hereby agrees to the Amalgamation such that the Amalgamating Corporations shall continue as one corporation under the OBCA, on the terms and conditions set out in this Agreement.

3. Amalgamation Events

Upon the Amalgamation on the Effective Date:

- (a) holders of outstanding Target Shares shall receive one (1) PublicCo Share for each Target Share held;
- (b) each outstanding Subco Share shall be exchanged for one (1) Amalco Share;
- (c) each outstanding Target Option shall be exchanged for one PublicCo option exercisable to acquire one (1) PublicCo Share on the same exercise terms as the Target Option for which it is exchanged;
- (d) as consideration for the issuance of PublicCo Shares to effect the Merger, Amalco shall issue to PublicCo one (1) Amalco Share for each PublicCo Share so issued;
- (e) all of the property and assets of each of Target and Subco shall become the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of Target and Subco; and
- (f) Amalco shall be a wholly-owned subsidiary of PublicCo.

4. Delivery of Securities Following Amalgamation

As soon as practicable following the completion of the Amalgamation, PublicCo shall:

- (i) issue PublicCo options in exchange for Target Options; and
- (ii) cause the Transfer Agent to send to each Target Shareholder, upon receipt of physical share certificates evidencing their respective Target Shares together with such other documents and instruments as PublicCo and the Transfer Agent may reasonably require, where applicable, by ordinary first class mail, certificates evidencing the PublicCo Shares to which such holder shall have become entitled in accordance with paragraph 3(a) hereof.

Upon due exercise of any of the Target Warrants, PublicCo shall issue PublicCo Shares based on the ratio stipulated in paragraph 3(c) hereof and the terms of the Target Warrants.

5. Fractional Shares

No fractional PublicCo Shares will be issued or delivered to any Target Shareholder otherwise entitled thereto, if any. Instead, the number of PublicCo Shares issued to each

exchanging holder of Target Shares will be rounded down to the nearest whole number.

6. Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Target Shares which were exchanged for PublicCo Shares in accordance with paragraph 3(a) hereof hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Transfer Agent shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the PublicCo Shares which such holder is entitled to receive in accordance with section 4 hereof. When authorizing such delivery of a certificate representing the PublicCo Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such PublicCo Shares is to be delivered shall, as a condition precedent to the delivery of such PublicCo Shares, give a bond satisfactory to PublicCo and the Transfer Agent in such amount as PublicCo and the Transfer Agent may direct, or otherwise indemnify PublicCo, Subco and the Transfer Agent in a manner satisfactory to PublicCo and the Transfer Agent, against any claim that may be made against PublicCo, Subco or the Transfer Agent with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Amalco.

7. Limitation and Prescription

To the extent that a former Target Shareholder shall not have complied with the provisions of sections 4 and 6 hereof on or before the date which is six years after the Effective Date (the "final prescription date"), then the PublicCo Shares which such former Target Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof, and the interest of the former Target Shareholder in such PublicCo Shares shall be terminated as of such final prescription date.

8. Name of Amalco

The name of Amalco shall be **Golden Leaf Holdings Inc.**

9. Registered Office

Until changed in accordance with the OBCA, the registered office of Amalco shall be at 1235 Bay St., Suite 400, Toronto, Ontario, Canada M5R 3K4.

10. Business and Powers

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

11. Authorized Capital

12. The authorized capital of Amalco shall be an unlimited number of common shares. Transfer Restrictions.

The right to transfer securities of Amalco shall be restricted. If Amalco:

- (a) is not a reporting issuer or an investment fund within the meaning of applicable securities legislation; and

- (b) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities;

then no securities in the capital of Amalco (other than non-convertible debt securities) shall be transferred without either:

- (c) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (d) the previous consent of the holders of at least 51% of the securities of that class for the time being outstanding expressed by a resolution passed by the security holders or by an instrument or instruments in writing signed by such security holders.

13. Stated Capital

The stated capital account in the records of Amalco for Amalco Shares shall be equal to the stated capital attributed to the shares of the Amalgamating Corporations.

14. Number of Directors

The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, until changed in accordance with the OBCA. Until changed by the shareholders of Amalco, or by the directors of Amalco if authorized by the shareholders of Amalco, the number of directors of Amalco shall be three (3).

15. Initial Directors

The first director of Amalco shall be Sam Pillersdorf

The first director named above shall hold office from the Effective Date until the later of the close of the first annual meeting of shareholders of Amalco and the date on which a successor is elected or appointed.

16. By-laws

The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, unless and until repealed or amended. Prior to the Effective Date, a copy of such by-laws may be examined at the offices of Ellison Law Professional Corporation, Suite 2700, 130 King Street West, Toronto, Ontario M5X 1C7.

17. Filing of Articles

Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the OBCA and with the terms of the Merger Agreement, and subject to the satisfaction or waiver of all conditions precedent set forth in the Merger Agreement, Target and Subco shall file the Articles of Amalgamation with the Director appointed under the OBCA, as provided under the OBCA.

18. Effect of Amalgamation

Upon the Effective Date:

- (a) the Amalgamating Corporations are amalgamated and continue as Amalco as contemplated by this Agreement;
- (b) Amalco possesses all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations;
- (c) a conviction against, or ruling, order or judgment in favour or against an Amalgamating Corporation may be enforced by or against Amalco;
- (d) the articles of amalgamation are deemed to be the articles of incorporation of Amalco and, except for the purposes of subsection 117 of the OBCA, the certificate of amalgamation is deemed to be the certificate of incorporation of Amalco; and
- (e) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Effective Date.

19. Termination

This Agreement may be terminated by the board of directors of each of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholders of the Amalgamating Corporations, at any time prior to the issuance of the Certificate of Amalgamation.

20. Governing Law

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

21. Further Assurances

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

22. Time of the Essence

Time shall be of the essence of this Agreement.

23. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties.

24. Counterparts

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

[the remainder of this page is deliberately left blank]

IN WITNESS HEREOF the Parties have executed this Agreement.

LONGACRE RESOURCES INC.

By: _____
Name: [●]
Title: [●]

● ONTARIO INC.

By: _____
Name: [●]
Title: [●]

GOLDEN LEAF HOLDINGS INC.

By: _____
Name: [●]
Title: [●]