

EXECUTION VERSION

**AMENDED AND RESTATED ARRANGEMENT AGREEMENT**

between

**EXITO ENERGY II INC.**

and

**GOOD LIFE NETWORKS INC.**

Amended and Restated as of the 31<sup>st</sup> day of January, 2017

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## AMENDED AND RESTATED ARRANGEMENT AGREEMENT

**THIS AGREEMENT** amends and restates the Arrangement Agreement dated as of October 7, 2016 between Exito Energy II Inc. and Good Life Networks Inc. and is made as of the 31<sup>st</sup> day of January, 2017.

### **BETWEEN:**

**EXITO ENERGY II INC.**, a corporation existing under the *Business Corporations Act* (Alberta) ("**Exito**")

- and -

**GOOD LIFE NETWORKS INC.**, a corporation existing under the *Business Corporations Act* (British Columbia) ("**GLN**")

### **WITNESSES THAT:**

**WHEREAS** Exito and GLN entered into an arrangement agreement dated as of October 7, 2016 (the "**Original Arrangement Agreement**");

**AND WHEREAS** Exito and GLN wish to amend and restate the Original Arrangement Agreement;

**AND WHEREAS** Exito and GLN propose to effect a business combination to combine the business and assets of GLN with those of Exito;

**AND WHEREAS** Exito wishes to acquire all of the outstanding common shares of GLN at one time in a single transaction;

**AND WHEREAS** the parties hereto intend to carry out the proposed business combination by way of a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia);

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

**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION AND SCHEDULE**

**1.1 Definitions**

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meaning ascribed to such capitalized word or term below:

- (a) "**ABCA**" means the *Business Corporations Act*, (Alberta) R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Acquisition Proposal**" means with respect to GLN, any inquiry or the making of any proposal to GLN or the GLN Shareholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from GLN or the GLN Shareholders of any securities of GLN (other than on exercise of currently outstanding GLN Warrants) pursuant to which, if consummated, such person would own or control, directly or indirectly, 20% or more of any class of GLN's securities; (ii) any acquisition of a material amount of the assets of GLN; (iii) an amalgamation, arrangement, merger, or consolidation involving GLN; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving GLN or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Exito under this Agreement or the Arrangement;
- (c) "**affiliate**" has the meaning set forth in the BCBCA;
- (d) "**Agreement**", "**this Agreement**", "**herein**", "**hereto**", "**hereof**" and "**hereunder**" and similar expressions refer to this arrangement agreement, as the same may be amended or supplemented from time to time and, where applicable, to the appropriate Schedules hereto;
- (e) "**Applicable Corporate Laws**", in the context that refers to one or more Persons, means all corporate laws, including the ABCA and/or BCBCA (as applicable), as the foregoing apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (f) "**Applicable Laws**", in the context that refers to one or more Persons, means the Laws that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (g) "**Applicable Securities Laws**" in the context that refers to one or more Persons, means, collectively, and as the context may require, the securities legislation of each of the

provinces and territories of Canada, the rules of the TSXV, and the rules, regulations and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Time, as the foregoing apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

- (h) "**Arrangement**" means the arrangement under the provisions of section 288 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith or at the direction of the Court in the Final Order;
- (i) "**Arrangement Dissent Rights**" means the rights of dissent in respect of the Arrangement as described in the Plan of Arrangement;
- (j) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the GLN Meeting;
- (k) "**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002, c. 57 as from time to time amended or re-enacted, including the regulations promulgated thereunder;
- (l) "**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia and also excluding any day on which the principal chartered banks located in the City of Vancouver are not open for business;
- (m) "**Claim**" means any claim, demand, lawsuit, proceeding, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing;
- (n) "**Concurrent Financing**" means a private placement by GLN of subscription receipts of GLN, at a price per subscription receipt of not less than \$0.25, for gross proceeds of at least \$3,500,000;
- (o) "**Continuance Dissent Rights**" means the rights of dissent of Exito Shareholders in respect of the Continuance pursuant to the provisions of section 191 of the ABCA;
- (p) "**Court**" means the Supreme Court of British Columbia;
- (q) "**CPC Policy**" means TSXV Policy 2.4 – *Capital Pool Companies*;
- (r) "**Disclosed Information**" means all information disclosed by the parties to each other prior to the date hereof and pursuant to the GLN Disclosure and the Public Record;
- (s) "**Effective Date**" means the date that is shown on the Certificate of Amalgamation;
- (t) "**Effective Time**" means the beginning of the day on the Effective Date which, in accordance with the BCBCA, will be designated as 12:01 a.m. (Vancouver Time) on the Effective Date on any applications required to be filed with the Registrar;

- (u) "**Escrow Transfer Agreement**" means the escrow transfer agreements to be entered into between certain Exito Shareholders and GLN, pursuant to which GLN and/or its nominees shall concurrently with the closing of the Arrangement acquire 50% of the outstanding escrowed Exito Shares, at a price of \$0.17 per Exito Consolidated Share;
- (v) "**Encumbrance**" includes any mortgage, pledge, assignment, charge, lien, claim security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (w) "**Exito**" means Exito Energy II Inc., a corporation incorporated under the ABCA;
- (x) "**Exito Agent's Options**" means the 500,000 options to purchase an equivalent number of Exito Shares outstanding pursuant to an option agreement dated July 14, 2015 between Exito and Macquarie Private Wealth Inc.;
- (y) "**Exito Board**" means the board of directors of Exito;
- (z) "**Exito Consolidated Share**" means Exito Shares immediately following the Exito Consolidation;
- (aa) "**Exito Consolidation**" means the consolidation of Exito Shares on a 2 for 1 basis;
- (bb) "**Exito Consolidation Resolution**" means the special resolution of the Exito Shareholders in respect of the Exito Consolidation to be considered at the Exito Meeting;
- (cc) "**Exito Continuance**" means the continuance of Exito from the jurisdiction of the Province of Alberta to the jurisdiction of the Province of British Columbia pursuant to section 303 of the BCBCA and section 189 of the ABCA, such continuance to occur prior to or concurrently with the Arrangement;
- (dd) "**Exito Continuance Resolution**" means the special resolution of the Exito Shareholders in respect of the Exito Continuance to be considered at the Exito Meeting;
- (ee) "**Exito Governing Documents**" means the certificate and articles of incorporation of Exito, as amended to the date hereof and the by-laws of Exito;
- (ff) "**Exito Loan**" means the loan of \$25,000 from Exito to GLN, under terms and conditions agreeable between the Parties and in compliance with the policies of the TSXV;
- (gg) "**Exito Meeting**" means the annual general and special meeting, including any adjournments or postponements thereof, of the Exito Shareholders to be held, among other things, to consider, and if deemed advisable, to approve the Exito Consolidation and the Exito Continuance;
- (hh) "**Exito Options**" means the options to purchase Exito Shares outstanding under the Exito Stock Option Plan;

- (ii) "**Exito Shareholder Resolutions**" means, collectively, the Exito Continuance Resolution and the Exito Consolidation Resolution;
- (jj) "**Exito Shareholders**" means the registered holders of Exito Shares;
- (kk) "**Exito Shares**" means the common shares in the capital of Exito, as constituted on the date hereof;
- (ll) "**Exito Stock Option Plan**" means the stock option plan adopted by Exito, as amended;
- (mm) "**Final Order**" means the order of the Court approving the Arrangement under section 291 of the BCBCA, in form acceptable to GLN and Exito, each acting reasonably, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of GLN and Exito, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both GLN and Exito, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;
- (nn) "**GLN**" means Good Life Networks Inc., a corporation incorporated under the laws of British Columbia;
- (oo) "**GLN Disclosure**" means the disclosure letter executed by GLN and delivered to Exito concurrently with the execution of this Agreement;
- (pp) "**GLN Governing Documents**" means the certificate of incorporation, articles and notice of articles of GLN;
- (qq) "**GLN Material Contract**" means an agreement that is material to the business of GLN or to the equity value of GLN and to which GLN is a party or bound;
- (rr) "**GLN Meeting**" means the annual general and special meeting, including any adjournments or postponements thereof, of the GLN Shareholders to be held, among other things, to consider, and if deemed advisable, to approve the Arrangement;
- (ss) "**GLN Nominees**" means each of Michael Woodman (more commonly referred to as Jesse Dylan), Eugene Valaitis and Cliff Dumas and any other individuals as mutually agreed upon by GLN and Exito;
- (tt) "**GLN Shareholders**" means the holders of GLN Shares;
- (uu) "**GLN Shares**" means the common shares in the capital of GLN, as constituted on the date hereof;
- (vv) "**GLN Warrants**" means, collectively, the outstanding warrants to acquire GLN Shares and the outstanding GLN special warrants;
- (ww) "**Governing Documents**" means either the Exito Governing Documents, or the GLN Governing Documents, as the case may be;

- (xx) "**Governmental Entity**" means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (yy) "**IFRS**" means International Financial Reporting Standards as set by the International Accounting Standards Board;
- (zz) "**Information Circular**" means the joint management information circular of GLN and Exito to be sent by GLN and Exito to their respective shareholders in connection with the GLN Meeting and the Exito Meeting, respectively, as such information circular may be affirmed, amended or modified subject to the Agreement;
- (aaa) "**Interim Order**" means the interim order of the Court contemplated by Section 2.2, in a form acceptable to GLN and Exito, each acting reasonably, providing for, among other things, the calling and holding of the GLN Meeting, as the same may be amended, modified, supplemented or varied by the Court (with the consent of the parties, acting reasonably);
- (bbb) "**in writing**" means written information including documents, files, records, books and other materials made available, delivered or produced to a party hereto by or on behalf of another party hereto including in the course of the former's due diligence review of the latter;
- (ccc) "**Law**" means any law, by-law, rule, regulation, order, ordinance, protocol, code, guideline, policy, notice, direction and judgement or other requirement of any Governmental Entity;
- (ddd) "**Lock-Up Agreements**" means the lock-up agreements to be entered into concurrently by each of the directors and officers of Exito as holders of Exito Shares and by each of the directors and officers of GLN as holders of GLN Shares, in the form mutually agreed to by Exito and GLN, acting reasonably, pursuant to which such Exito Shareholders and GLN Shareholders agree to irrevocably vote the Exito Shares or GLN Shares, as applicable, owned or controlled by them in favour of the Arrangement and all other matters to be considered at the Exito Meeting or GLN Meeting, as applicable;
- (eee) "**Losses and Liabilities**" means, in respect of a party and in relation to a matter, any and all:
- (i) losses, costs, damages, expenses and charges (including all penalties, assessments and fines) which such party suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and

- (ii) liabilities and obligations (whether under common law, in equity, under Applicable Laws and Applicable Securities Laws or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise) which such party suffers, sustains, pays or incurs, directly or indirectly, as a result of or in connection with such matter;
- (fff) "**Material Adverse Change**" means, in respect of either Exito or GLN, as the case may be, any change in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, leases, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of such party or any subsidiary, which is materially adverse to the business of such party and its subsidiaries (considered as a whole), other than a change (i) that arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by a party to the other prior to the date hereof; (ii) that results from conditions affecting the technology sector generally; (iii) that results from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; or (iv) that is consented to by the other party hereto or results from any matter consented to by the other party hereto;
- (ggg) "**Material Adverse Effect**", in relation to any event or change, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of Exito or GLN, as the case may be, and their respective subsidiaries (considered as a whole); provided that a Material Adverse Effect shall not include an adverse effect resulting from a change (i) that arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by a party to the other; (ii) that results from conditions affecting the technology sector industry generally; or (iii) that results from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; or (iv) that is consented to by the other party hereto or results from any matter consented to by the other party hereto;
- (hhh) "**Material Defect**" means any Losses and Liabilities reasonably expected to be incurred by Exito or GLN relating to the financial condition, operations, assets, liabilities, or business of Exito or GLN and identified by either party prior to the Effective Time;
- (iii) "**Meetings**" means collectively, the GLN Meeting and the Exito Meeting;
- (jjj) "**Outside Date**" means April 28, 2017 or such other date as may be agreed to in writing by the Parties;
- (kkk) "**Plan of Arrangement**" means the plan of arrangement substantially in the form and content set out in Schedule A hereto and any amendment or variation thereto made in accordance with section 6.1 of the Plan of Arrangement or Sections 9.1 and 9.2 of this Agreement;
- (lll) "**Person**" means any individual (or group of individuals) corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor or similar official, Government Authority or other legal entity;

- (mmm) "**Public Record**" means all documents or information filed by or on behalf of Exito, in compliance with or intended compliance with applicable Laws and which are accessible by a member of the general public through the System for Electronic Document Analysis and Retrieval (SEDAR) website maintained by the Canadian Securities Administrators;
- (nnn) "**Registrar**" means the Registrar of Companies or a Deputy Registrar of Companies appointed under the BCBCA;
- (ooo) "**Returns**" shall mean all reports, estimates, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes;
- (ppp) "**Securities Authorities**" means the Alberta Securities Commission and the other applicable securities regulatory authorities in Canada collectively;
- (qqq) "**subsidiary**" has the meaning set forth in the BCBCA;
- (rrr) "**Superior Proposal**" means an unsolicited *bona fide* written Acquisition Proposal that, if consummated in accordance with the terms thereof, would result in a transaction more favourable from a financial point of view to the GLN Shareholders than the Arrangement;
- (sss) "**Taxes**" shall mean, with respect to any person, all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, payroll and employee withholding taxes, labour taxes, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, value added taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing;
- (ttt) "**Transitional Services Agreement**" means a transitional services agreement to be entered into between Amalco (as defined in the Plan of Arrangement) and certain directors, officers and/or insiders of Exito, or an entity controlled by such parties, providing for the provision of certain transitional services to be provided by such person(s) for the benefit of Amalco following the Effective Date;
- (uuu) "**TSXV**" means the TSX Venture Exchange; and
- (vvv) "**U.S. Securities Act**" means the *United States Securities Act* of 1933, as amended.

In addition, words and phrases used but not otherwise defined herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

## **1.2 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 in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

## **1.3 Number, Gender and Persons**

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing a person or persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

## **1.4 Date for any Action**

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

## **1.5 Statutory References**

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

## **1.6 Currency**

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

## **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties hereto waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties hereto will engage in good faith negotiations to replace any provision hereof which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which approximates as much as possible the invalid or unenforceable provision which it replaces.

## 1.8 Accounting Matters

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

## 1.9 Knowledge

Where the phrase "to the best of the knowledge" is used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the collective knowledge of the senior officers of the party making the representation and warranty after having conducted an actual investigation as to the subject matter relating thereto, with the level of such investigation in each case being that of a reasonably prudent person investigating a material consideration in the context of a material transaction, and the use of such phrase herein shall constitute a representation and warranty by the party making the representation and warranty in each case that such investigation has been actually made.

## 1.10 Schedule

The following schedule is attached to, and is deemed to be incorporated into and forms part of, this Agreement:

Schedule	Matter
A	Plan of Arrangement

## ARTICLE 2 THE ARRANGEMENT

### 2.1 Plan of Arrangement

- (a) The Parties agree to carry out the Arrangement pursuant to which (among other things) each GLN Shareholder (other than those GLN Shareholders who have validly exercised Arrangement Dissent Rights) shall receive, for each 1 GLN Share, 0.2601 of an Exito Consolidated Share (the "**Exchange Ratio**"). For greater certainty, in the event that the Exito Consolidation Resolution is not approved at the Exito Meeting or not completed prior to the Effective Time for any reason, then the Exchange Ratio shall be adjusted such that GLN Shareholders shall receive, for each 1 GLN Share, 0.5202 of an Exito Share.
- (b) The Arrangement has been and shall continue to be structured and carried out such that the exchange of securities pursuant to the Arrangement: (i) will be made in compliance with Applicable Securities Laws; and (ii) assuming the Arrangement Resolution is approved and the Final Order is obtained, will not require registration under the U.S. Securities Act, in reliance on the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act.

- (c) GLN will file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the GLN Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and related matters to be considered at the GLN Meeting.
- (d) Provided all necessary approvals for the Arrangement Resolution are obtained from the GLN Shareholders and all necessary approvals for the Exito Shareholder Resolutions are obtained from the Exito Shareholders, Exito shall, with the cooperation and assistance of GLN, complete the Exito Continuance and following the completion of the Exito Continuance, GLN shall, with the cooperation and assistance of Exito, submit the Arrangement to the Court and apply for the Final Order.
- (e) Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 8, GLN shall execute and deliver such closing documents and instruments and forthwith proceed at the Effective Time to file with the Registrar, the Final Order and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.
- (f) The Parties shall use their commercially reasonable efforts to cause the Effective Date to occur on or about April 3, 2017 or as soon thereafter as reasonably practicable and in any event by the Outside Date.

## **2.2 Interim Order and the GLN Meeting**

GLN agrees that on or before February 21, 2017 or such later date as the Parties may agree in writing, GLN shall apply in a manner reasonably acceptable to Exito pursuant to the provisions under Division 5 of Part 9 of the BCBCA and, in cooperation with Exito, acting reasonably, prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the calling and the holding of the GLN Meeting, including the record date for determining the Persons to whom notice of the GLN Meeting is to be provided and for determining the Persons entitled to vote at the GLN Meeting;
- (b) that the securities of GLN for which holders as at the record date established for the GLN Meeting shall be entitled to vote on the Arrangement Resolution shall be the GLN Shares;
- (c) that all GLN Shareholders as at the record date established for the GLN Meeting shall be entitled to vote on the Arrangement Resolution, with each GLN Shareholder being entitled to one vote for each GLN Share held by it;
- (d) that the requisite level of approval for the Arrangement Resolution shall be at least two-thirds of the aggregate votes cast on the Arrangement Resolution by those GLN Shareholders present in person or represented by proxy and entitled to vote at the GLN Meeting; and (ii) if required by;

(e) that, in all other respects, the terms, restrictions and conditions of the constating documents of GLN, including quorum requirements and all other matters, shall apply in respect of the GLN Meeting, except as modified by the Interim Order;

(f) for the grant of Arrangement Dissent Rights to the GLN Shareholders in the manner set forth in Plan of Arrangement and the Interim Order;

(g) for the notice requirements with respect to the application by GLN to the Court for the Final Order; and

(h) that the GLN Meeting may be adjourned or postponed from time to time by GLN with the consent of GLN without the need for additional approval of the Court.

In pursuing the application for the Interim Order in respect of the Arrangement, GLN shall advise the Court that it is GLN's intention to rely upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act with respect to the issuance and distribution of Exito Consolidated Shares pursuant to the Arrangement, based on the Court's approval of the Arrangement.

### **2.3 Exito Options**

The Parties agree that, in accordance with Section 7.6 of the CPC Policy, all Exito Options shall remain valid and exercisable until twelve months after the Effective Date.

### **2.4 Adjustments in the Share Exchange Ratio**

If, between the date of this Agreement and the Effective Time, the outstanding GLN Shares or Exito Shares are changed into a different number or class of shares by reason of any stock split, division or subdivision of shares, stock dividend, reverse stock split, consolidation of shares, reclassification, recapitalization or other similar transaction, then the Exchange Ratio (as defined in the Plan of Arrangement) shall be appropriately adjusted. Notwithstanding the foregoing, GLN and Exito expressly agree and acknowledge that any cancellation of seed shares held by any officers, directors or insiders of Exito at the request of the TSXV shall not require any adjustment to the Exchange Ratio under this Section 2.4.

### **2.5 Material Defect Adjustment**

Further to Section 2.4, in the event that the total value of the Material Defect of a Party is equal to or greater than \$300,000, the Share Exchange Ratio shall be adjusted in favour of the other Party, taking into the account the total value of such Material Defect. In the event that both Parties have Material Defects equal to or greater than \$300,000 then the difference in the value of the Material Defects of the Parties will be set off against each other and if the remaining value of the Material Defect is equal to or greater than \$300,000, then the Share Exchange Ratio shall be adjusted in favour of the Party with a lesser Material Defect.

## 2.6 Information Circular, GLN Meeting and Exito Meeting

- (a) As promptly as practicable following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, including Applicable Securities Laws:
- (i) GLN and Exito shall prepare the Information Circular together with any other documents required by Applicable Laws in connection with the GLN Meeting and Exito Meeting, in consultation with, and with assistance from the Other Party;
  - (ii) GLN and Exito shall cause the Information Circular to be mailed to GLN Shareholders and the Exito Shareholders, respectively, and other Persons as may be required pursuant to the Interim Order and Applicable Laws, and filed with applicable Governmental Entities in all jurisdictions where the same is required to be mailed and filed; and
  - (iii) each of GLN and Exito shall convene and hold the GLN Meeting and the Exito Meeting, respectively, and shall use its reasonable commercial efforts to do so by March 23, 2017, and shall not adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) such meetings without the prior written consent of the other party except:
    - (A) as required for quorum purposes (in which case the GLN Meeting and the Exito Meeting shall be adjourned and not cancelled) or by Applicable Laws or by a Governmental Entity; or
    - (B) for an adjournment or postponement with the prior written consent of the other party for the purpose of attempting to obtain the requisite approval of the Arrangement Resolution or an adjournment or postponement pursuant to Section 5.4(b);
- (b) Each of GLN and Exito shall, in a timely manner, furnish each other with the GLN Information and Exito Information, as the case may be, required to be included in the Information Circular pursuant to Applicable Securities Laws.
- (c) GLN and Exito shall cooperate in the preparation, filing and mailing of the Information Circular. GLN and Exito will provide each other and their respective representatives with a reasonable opportunity to review and comment on the Information Circular and any other relevant documentation and shall incorporate all reasonable comments made in connection therewith; and the Information Circular shall be reasonably satisfactory to the Parties and their respective counsel before it is filed or distributed to the shareholders of GLN and Exito.
- (d) The Parties agree that the Information Circular will contain such information and disclosure as is determined to be necessary, in the sole determination of Exito, such that Exito will be able to conduct its annual general and special meeting business at the Exito Meeting, including, but not limited to, ratification of the Exito Option Plan, if necessary, and putting forward a slate of director nominees for election to the Exito Board that does not include the GLN Nominees if the GLN Shareholders do not approve the Arrangement

Resolution at the GLN Meeting or if the Exito Shareholders do not approve any of the Exito Shareholder Resolutions.

- (e) The Parties agree that the Information Circular will contain such information and disclosure as is determined to be necessary, in the sole determination of GLN, such that GLN will be able to conduct its annual general and special meeting business at the GLN Meeting, including, but not limited to, putting forward a slate of director nominees for election to the GLN Board that does not include the Exito Nominees if the GLN Shareholders do not approve the Arrangement Resolution at the GLN Meeting.

## **2.7 Preparation of Filings**

- (a) Exito and GLN shall cooperate in:
  - (i) seeking the Interim Order and the Final Order, including by Exito providing GLN on a timely basis any information required to be supplied by Exito concerning itself in connection therewith. GLN shall provide legal counsel to Exito with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and shall give reasonable consideration to all such comments. GLN shall also provide legal counsel to Exito on a timely basis with copies of any notice of appearance and evidence served on GLN or its legal counsel in respect of the application for the Final Order or any appeal therefrom. Subject to Applicable Laws, GLN shall not file any material with the Court or any Governmental Authority in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except with Exito's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Exito to agree or consent to any increase in the consideration to be received by GLN Shareholders or other modification or amendment to such filed or served materials that expands or increases Exito's obligations, or diminishes or limits Exito's rights, set forth in any such filed or served materials or under this Agreement; and
  - (ii) the taking of all such action as may be required under the ABCA, the BCBCA, Applicable Securities Laws and U.S. Securities Act in connection with the transactions contemplated by this Agreement and the Plan of Arrangement and the taking of all such action as may be required under the ABCA, the BCBCA, Applicable Securities Laws and the U.S. Securities Act in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.
  - (iii) Each of Exito and GLN shall promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in Section 2.1 and the foregoing provisions of this Section 2.7, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement will contain any misrepresentation.

## 2.8 Employees

- (a) Unless otherwise agreed among the Parties prior to the Effective Date, the employment of all employees and officers of GLN (the "**Continuing Employees**") will be assumed by Exito. At the Effective Time, the Continuing Employees, unless their employment is terminated, shall continue their employment on the terms and conditions comparable (excluding consideration of long term incentive plans), in the aggregate, to the terms and conditions on which they are currently employed.
- (b) GLN shall use its commercially reasonable efforts to cause the resignation of all of the directors and officers of GLN and its subsidiaries at or immediately following the Effective Time.

## 2.9 Exito Officers

The Parties agree that, immediately following the completion of the Arrangement, the Exito Board, as it exists at that time, shall appoint Michael Woodman (more commonly referred to as Jesse Dylan), President and CEO; Konstantin Lichtenwald, CFO; Cliff Dumas, VP Operations and Corporate Secretary; and Cornel Fota, CTO, of Exito, and any other individuals appointed to such offices as mutually agreed upon by GLN and Exito.

## 2.10 Effective Date

The Arrangement shall become effective at the Effective Time. GLN shall use its reasonable commercial efforts to: (a) mail the Information Circular to the GLN Shareholders by March 1, 2017; (b) hold the GLN Meeting by March 23, 2017; and (c) cause the Effective Date to occur on or about April 3, 2017 or as soon thereafter as reasonably practicable and in any event by the Outside Date.

## 2.11 Dissenting Shareholders

Registered GLN Shareholders entitled to vote at the GLN Meeting may exercise Arrangement Dissent Rights with respect to their GLN Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement and the Interim Order. GLN shall promptly give Exito notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such Dissent Rights and received by GLN and promptly provide Exito with copies of such notices and written objections and all other correspondence related thereto.

## 2.12 Consultation

Exito and GLN agree to consult with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement or making any filing with any federal, provincial or state governmental or regulatory agency or with any stock exchange with respect thereto.

### **2.13 Pre-closing**

Unless this Agreement is terminated pursuant to the provisions hereof, Exito and GLN shall meet at the offices of GLN's legal counsel, DuMoulin Black, at 10:00 a.m. on the day immediately prior to the Effective Date or at such other time or on such other date as they may mutually agree upon and each of them shall then table the documents required to be delivered by such party hereunder to complete the transaction contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released at the Effective Time, upon the Arrangement becoming effective.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF GLN**

GLN hereby represents and warrants to Exito as follows and acknowledges that Exito is relying upon such representations and warranties in connection with the entering into of this Agreement and performance of its obligations hereunder.

### **3.1 Organization and Qualification**

GLN is a corporation duly incorporated and validly existing under the laws of British Columbia and has the requisite corporate power and authority to carry on business as it is now being conducted. GLN is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect. No proceedings have been taken or authorized by GLN or its shareholders in respect of bankruptcy, insolvency, liquidation, dissolution or winding up of GLN.

### **3.2 Capacity and Power**

GLN has all necessary corporate power, authority and capacity to own or leases its assets and to carry on its business as being currently conducted.

### **3.3 Authority Relative to this Agreement**

Subject to receipt of the approval of the GLN Shareholders to the Arrangement, GLN has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by GLN of the transactions contemplated hereby have been duly authorized by the board of directors of GLN and no other corporate proceedings or other third party consents on the part of GLN are or will be necessary to authorize the performance of its obligations under this Agreement and the completion of the transactions contemplated hereby other than the approval of the board of directors of the Information Circular and the documents to be filed in connection with the Interim Order and the Final Order, approval of the GLN Shareholders of the Arrangement as contemplated by the Interim Order and such other matters as are necessary under the BCBCA and the Interim Order and the Final Order to consummate the Arrangement and such other regulatory approvals as may be required. This Agreement has been duly executed and

delivered by GLN and constitutes a legal, valid and binding obligation of GLN enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

### **3.4 No Violations**

- (a) The execution and delivery of and the performance of and compliance with the terms of this Agreement and the performance of any of the transactions contemplated hereby by GLN does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default, or entitle a party to terminate, accelerate, modify or call any obligations under any term or provision of the GLN Governing Documents or, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which GLN is a party or by which GLN is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to GLN, which default or breach might reasonably be expected to have a Material Adverse Effect on GLN or the ability of GLN to complete the transactions contemplated hereby.
- (b) There is no legal impediment to GLN's consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by GLN in connection with the transactions contemplated hereby, except for (i) consents or approvals required by the Interim Order or the Final Order, and such other regulatory approvals as may be required, (ii) filings with the Registrar under the BCBCA and filings with and approvals required by Securities Authorities and stock exchanges, (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of GLN to consummate the transactions contemplated hereby.

### **3.5 Capitalization of GLN**

As of the date hereof, the authorized share capital of GLN consists of an unlimited number of GLN Shares. As of the date hereof, 100,187,221 GLN Shares are issued and outstanding. As of the date hereof, GLN Warrants to acquire an aggregate of 2,699,200 GLN Shares have been issued. Other than pursuant to this Agreement and except as set forth above, there are no options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by GLN of any shares of GLN or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire GLN Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of GLN. All outstanding GLN Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all GLN Shares issuable upon exercise of outstanding GLN Warrants in accordance with their terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

### **3.6 No Material Adverse Change or Other Matters**

Other than as disclosed in the Disclosed Information, since June 30, 2016, GLN has: (i) not amended the GLN Governing Documents; (ii) not disposed of any property or assets out of the ordinary course of business; (iii) conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change; (v) not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; (vii) not entered into any agreements, whether in writing or verbal, providing for payments to be made to any employees, consultants, officers or directors of GLN in respect of loss of office or loss of employment in connection with the transactions contemplated hereby; or (viii) not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with GLN except as contemplated hereunder or in connection with the consummation of the Arrangement.

### **3.7 Board Determination**

The board of directors of GLN: (i) has determined that the Arrangement is fair to the GLN Shareholders (ii) has determined that the Arrangement is in the best interests of GLN and the GLN Shareholders; (iii) has unanimously approved the Arrangement and the execution and performance of this Agreement; and (iv) has resolved to unanimously recommend that GLN Shareholders vote in favour of the Arrangement.

### **3.8 No Undisclosed Material Liabilities**

Except: (a) as disclosed or reflected in the draft financial statements of GLN as at and for the period ended December 31, 2015, or as set forth or included in the Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice, or (ii) pursuant to the terms of this Agreement, GLN, to the best of its knowledge, has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on a balance sheet of GLN) that have constituted or would be reasonably likely to constitute a Material Adverse Change.

### **3.9 Brokerage Fees**

GLN has not retained nor will it retain, without Exito's written (such consent not to be unreasonably withheld), any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.

### **3.10 Financial Statements**

GLN's draft financial statements as at and for the period ended December 31, 2015 have been prepared in accordance with IFRS and to the best of the knowledge of GLN, have been prepared in accordance with IFRS (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of GLN's independent auditors, or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present the financial position, results of operations and changes in financial position and all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of GLN as of the dates thereof and for the periods indicated therein.

### **3.11 Subsidiaries**

GLN has no direct or indirect, wholly-owned or partially-owned subsidiaries other than Good Life Networks (USA) Inc., of which GLN holds a 60% interest.

### **3.12 Compliance with Law**

GLN has complied with and is in compliance with all laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect or materially affect the ability of GLN to perform its material obligations hereunder.

### **3.13 Material Agreements**

All agreements, permits, licenses, approvals, certificates or other rights or authorizations material to the conduct of GLN's business are valid and subsisting and GLN is not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations except where a failure to hold such licenses or the result of any such default would not have a Material Adverse Effect or materially affect or delay the ability of GLN to perform its material obligations hereunder. The GLN Disclosure contains a list of all GLN Material Contracts. GLN has made available to Exito true and complete copies of all GLN Material Contracts. GLN is not in default or breach of any GLN Material Contract, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach (subject to obtaining the consents specified in the GLN Disclosure). No counterparty to any GLN Material Contract is in default of any of its obligations under any GLN Material Contract, GLN is entitled to all benefits under each GLN Material Contract, and GLN has not received any notice of termination of any GLN Material Contract.

### **3.14 Employment Agreements**

Except as set out in the Disclosed Information, GLN is not a party to any written employment or consulting agreement or any verbal employment or consulting agreement which cannot be terminated without cause upon giving such notice as may be required by law and without the payment of any additional amount or any written agreement that provides for a payment by GLN on a change of control of GLN or severance of employment and GLN agrees

not to amend the terms and conditions of any of the foregoing agreements that were set forth or included in the Disclosed Information.

### **3.15 Employee Benefit Plans**

Except as set out in the Disclosed Information, GLN does not have any employee benefit plans, other than health, dental, vision and short and long term disability plans of general application, and has made no promises with respect to increased benefits under such plans.

### **3.16 Books and Records**

The corporate records and minute books of GLN have been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

### **3.17 Reporting Issuer Status**

GLN is not a "reporting issuer" or the equivalent under securities laws of any jurisdiction of Canada and the GLN Shares are not listed on any stock exchange in Canada or elsewhere.

### **3.18 No Orders**

No securities commission or similar regulatory authority or stock exchange, in Canada or the United States, has issued any order which is currently outstanding preventing or suspending trading in any securities of GLN, no such proceeding is, to the best of the knowledge of GLN, pending, contemplated or threatened and GLN is not in default of any requirement of any securities laws, rules or policies applicable to GLN or its securities.

### **3.19 Disclosure to Exito**

The data and information in respect of GLN and its business and operations provided by GLN to Exito was and is accurate and correct in all material respects as of the respective dates thereof and GLN has not omitted to provide to Exito any material information necessary in order for any information provided by GLN to Exito not to be misleading in any material way.

### **3.20 Litigation**

Except as set out in the Disclosed Information, to the best of the knowledge of GLN, there are no actions, suits or proceedings pending, or to the knowledge of GLN, threatened against GLN before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgement against GLN and if determined adversely to GLN, would have a Material Adverse Effect.

### **3.21 Title to Assets**

GLN owns, possesses and has good and marketable title to all of the undertakings, property and assets necessary for it to carry on its business as it is currently operated.

### **3.22 Intellectual Property**

The GLN Disclosure includes a list of all Intellectual Property that is registered with any Governmental Authority and that is used in connection with the conduct of GLN's business, and includes the jurisdictions (if any) in which that Intellectual Property is registered (or in which application for registration has been made) and the applicable expiry dates of all listed registrations. All necessary legal steps have been taken by GLN to preserve its rights to the Intellectual Property listed in the GLN Disclosure Letter. The GLN Disclosure also includes a list of all licence agreements under which GLN has been granted a right to use, or otherwise exploit, Intellectual Property owned by third parties. The Intellectual Property that is owned by GLN is owned free and clear of any Encumbrances, and no Person other than GLN has any right to use that Intellectual Property except as disclosed in the GLN Disclosure. The use by GLN of any Intellectual Property owned by third parties is valid, and GLN is not in default or breach of any licence agreement relating to that Intellectual Property, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach. The conduct by GLN of its business does not infringe the Intellectual Property of any Person.

### **3.23 Anti-Corruption**

None of GLN or any of its current or former directors, officers, employees or agents or any other Person acting on behalf of GLN has violated, or been involved in any legal proceeding regarding unlawful conduct under, any Laws prohibiting bribery or corruption, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (United States). GLN has anti-corruption policies and procedures in place and has effectively communicated those policies to all of its directors, officers, employees and agents and any other Person acting on behalf of GLN.

### **3.24 Money Laundering**

GLN is, and at all times has been, conducting its business in compliance with the financial record-keeping and reporting requirements of anti-money laundering Laws, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

### **3.25 Tax Matters**

- (a) All Returns required to be filed by or on behalf of GLN have been duly filed on a timely basis and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and to the best of the knowledge of GLN, no other Taxes are payable by GLN with respect to items or periods covered by such Returns.

- (b) For all periods covered by the filed tax Returns disclosed in the Disclosed Information, Exito has been furnished by GLN with true and complete copies of (i) the relevant portions of income tax audit reports, statements of deficiencies, closing or other agreements received by GLN or on behalf of GLN relating to Taxes and, (ii) all federal, provincial, state, local or foreign income or franchise tax Returns for GLN.
- (c) No material deficiencies exist or have been asserted with respect to Taxes of GLN. GLN is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against GLN or any of its assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of GLN. The Returns of GLN have not been audited by a government or taxing authority since GLN's incorporation, nor is any such audit in process, pending or threatened.
- (d) GLN has paid or provided adequate accruals, if applicable, in its draft financial statements for the year ended December 31, 2015 for Taxes in accordance with IFRS.
- (e) All filings made by GLN under which it has received or is entitled to government incentives have been made in all material respects in accordance with all applicable legislation and contain no misrepresentations of material fact and do not omit to state any material fact which could cause any amount previously paid or previously accrued on its accounts to be recovered or disallowed.
- (f) GLN has withheld as required by law and duly remitted on a timely basis all Taxes, withholdings, deductions, levies or other amounts which it is required to withhold or remit, including remittances with respect to income tax, withholding tax, GST, HST and employee source deductions. All instalments on account of Taxes due and payable with respect to periods ending on or before the Effective Date have been paid by GLN and GLN has made adequate provision of Taxes payable by it in respect of any period ending on or before the Effective Date for which Returns have not been filed.

### **3.26 Guarantees**

GLN is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to its by-laws and standard indemnity agreements and pursuant to the standard indemnity provisions in underwriting, agency or financial advisor agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation other than as set out in the Disclosed Information.

### **3.27 U.S. Matters**

- (a) GLN currently holds no assets (on a book-value basis) located in the United States and had no sales in or from the United States in its most recently completed fiscal year;
- (b) less than 50% of GLN's outstanding voting securities are directly or indirectly owned by residents of the United states;
- (c) the majority of GLN's officers and directors are not United States citizens or residents;

- (d) less than 50% of GLN's assets are located in the United States; and
- (e) the business of GLN is not administered principally in the United States.

### **3.28 Information Circular**

The information, data and other material (financial or otherwise) in respect of GLN furnished by GLN to be included in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations (as defined in the *Securities Act* (British Columbia)) or any untrue statement of a material fact in respect of GLN and will not omit to state a material fact in relation to GLN necessary to make such information not misleading in light of the circumstances under which it is presented.

### **3.29 Voting Arrangements**

To the best of the knowledge of GLN, neither GLN nor any of the GLN Shareholders is a party to any unanimous shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of GLN.

### **3.30 Rights Plan**

GLN does not have in place a shareholder rights protection plan.

### **3.31 Non-Arm's Length Debt**

No director, officer, insider or other party not at arm's length to GLN is indebted to GLN and GLN is not a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

### **3.32 Non-Arm's Length Interests**

No director, officer, insider or other non-arm's length party to GLN, or any associate or affiliate thereof, has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty, interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of GLN which will be effective after the Effective Date.

### **3.33 Insurance**

As at the date hereof, there are no policies of insurance in force naming GLN as an insured.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF EXITO**

Exito hereby represents and warrants to GLN as follows and acknowledges that GLN is relying upon such representations and warranties in connection with the entering into of this Agreement and the performance of its obligations hereunder.

### **4.1 Organization and Qualification**

Exito is a corporation duly incorporated and validly existing under the laws of Alberta and has the requisite corporate power and capacity to carry on its business as it is now being conducted. Exito is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect. No proceedings have been taken or authorized by Exito or its shareholders in respect of bankruptcy, insolvency, liquidation, dissolution or winding up of Exito.

### **4.2 Capacity and Power**

Exito has all necessary corporate power, authority and capacity to own or leases its assets and to carry on its business as being currently conducted.

### **4.3 Authority Relative to this Agreement**

Subject to receipt of the approval of the Exito Shareholders to the Arrangement, Exito has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Exito of the transactions contemplated hereby have been duly authorized by the board of directors of Exito and no other corporate proceedings or other third party consents on the part of Exito are or will be necessary to authorize the performance of its obligations under this Agreement and the completion of the transactions contemplated hereby other than the approval of the board of directors of the Information Circular and the documents to be filed in connection with the Interim Order and the Final Order, approval of the Exito Shareholders of the Arrangement as contemplated by the Interim Order and such other matters as are necessary under the BCBCA and the Interim Order and the Final Order to consummate the Arrangement and such other regulatory approvals as may be required. This Agreement has been duly executed and delivered by Exito and constitutes a legal, valid and binding obligation of Exito enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

### **4.4 No Violations**

- (a) The execution and delivery of and the performance of and compliance with the terms of this Agreement and the performance of any of the transactions contemplated hereby by Exito does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the

Exito Governing Documents, or, subject to Exito' bankers' consent to the Arrangement, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Exito is a party or by which Exito is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to Exito, which default or breach might reasonably be expected to have a Material Adverse Effect on Exito or the ability of Exito to complete the transactions contemplated hereby.

- (b) There is no legal impediment to Exito' consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by Exito in connection with the transactions contemplated hereby, except for (i) consents or approvals required by the Interim Order or the Final Order, and such other regulatory approvals as may be required, (ii) filings with the Registrar under the BCBCA and filings with and approvals required by Securities Authorities and stock exchanges, (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Exito to consummate the transactions contemplated hereby.

#### **4.5 Capitalization of Exito**

As of the date hereof, the authorized share capital of Exito consists of an unlimited number of Exito Shares and an unlimited number of preferred shares. As of the date hereof, 8,000,000 Exito Shares and no preferred shares are issued and outstanding. As of the date hereof, Exito Options to acquire an aggregate of 1,000,000 Exito Shares have been granted and are outstanding and Exito Agent's Options to acquire an aggregate of 500,000 Exito Shares have been granted and are outstanding. Other than pursuant to this Agreement and except as set forth above, there are no options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by Exito of any shares of Exito or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire Exito Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Exito. All outstanding Exito Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Exito Shares issuable upon exercise of outstanding Exito Options in accordance with their terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

#### **4.6 Board Approval**

The board of directors of Exito has unanimously approved the Arrangement and the entering into of this Agreement.

#### **4.7 No Material Adverse Change and Other Matters**

Other than as disclosed in the Disclosed Information, since June 30, 2016, Exito has: (i) not amended the Exito Governing Documents; (ii) not disposed of any property or assets

out of the ordinary course of business; (iii) conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change; (v) not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; or (vii) not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Exito except as contemplated hereunder or in connection with the consummation of the Arrangement.

#### **4.8 No Undisclosed Material Liabilities**

Except: (a) as disclosed or reflected in the audited financial statements of Exito as at and for the period ended December 31, 2015, or in the unaudited financial statements of Exito as at and for the period ended June 30, 2016, or as set forth or included in the Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice, or (ii) pursuant to the terms of this Agreement, Exito, to the best of its knowledge, has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on a balance sheet of Exito) that have constituted or would be reasonably likely to constitute a Material Adverse Change.

#### **4.9 Brokerage Fees**

Exito has not retained nor will it retain, without GLN's written consent not to be unreasonably withheld, any financial advisor, broker, agent or finder, or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, or any transaction contemplated hereby or any transaction presently ongoing or contemplated, except an advisor, if Exito so determines, to provide financial advisory services or to provide a fairness opinion.

#### **4.10 Financial Statements**

Exito' audited financial statements as at and for the period ended December 31, 2015 have been prepared in accordance with IFRS and to the best of the knowledge of Exito, its unaudited financial statements as at and for the period ended September 30, 2016, have been prepared in accordance with IFRS (except: (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Exito' independent auditors; or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present the financial position and condition, results of operations and changes in financial position and all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Exito as of the date thereof and for the period indicated therein (subject, in the case of any unaudited financial statements, to year end audited adjustments in accordance with IFRS).

**4.11 Subsidiaries**

Exito has no direct or indirect, wholly-owned or partially-owned subsidiaries.

**4.12 Compliance with Law**

Exito has complied with and is in compliance with all laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect or materially affect the ability of Exito to perform its material obligations hereunder.

**4.13 Material Agreements**

All agreements, permits, licenses, approvals, certificates or other rights or authorizations material to the conduct of Exito's business are valid and subsisting and Exito is not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations except with a failure to hold such licenses or the result of any such default would not have a Material Adverse Effect or materially affect or delay the ability of Exito to perform its material obligations hereunder.

**4.14 Books and Records**

The corporate records and minute books of Exito have been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

**4.15 Reporting Issuer Status**

Exito is a "reporting issuer" or the equivalent under securities laws of the Provinces of British Columbia and Alberta and to the best of the knowledge of Exito, is not in default of its obligations as a reporting issuer in such jurisdictions and the Exito Shares are listed and posted for trading on the TSXV and Exito is in material compliance with all rules, regulations and by-laws of the TSXV.

**4.16 Public Disclosure**

To the best knowledge of Exito, all documents or information sent by or on behalf of Exito to the Exito Shareholders or otherwise filed with regulatory authorities in Canada did not, as of their respective dates, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and no material change has occurred in relation to Exito which is not disclosed in the Public Record. Exito has not filed any confidential material change reports which continue to be confidential. Exito is in compliance with the filing and certification requirements of each of National Instrument 51-102 (Continuous Disclosure Obligations) and Multilateral Instrument 52-109 (Certificate of Disclosure in Issuers' Annual and Interim Filings).

**4.17 No Orders**

No securities commission or similar regulatory authority or stock exchange, in Canada or the United States, has issued any order which is currently outstanding preventing or suspending trading in any securities of Exito, no such proceeding is, to the knowledge of Exito, pending, contemplated or threatened and Exito is not, to the best of its knowledge, in default of any requirement of any securities laws, rules or policies applicable to Exito or its securities.

**4.18 Disclosure to GLN**

The data and information in respect of Exito and its business and operations provided by Exito to GLN was and is accurate and correct in all material respects as of the respective dates thereof and Exito has not omitted to provide to GLN any material information necessary in order for any information provided by Exito to GLN not to be misleading in any material way.

**4.19 Litigation**

Except as disclosed in the Public Record, there are no actions, suits or proceedings pending, or to the knowledge of Exito, threatened against Exito before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgement against Exito and if determined adversely to Exito, would have a Material Adverse Effect.

**4.20 Title to Assets**

Exito owns, possesses and has good and marketable title to all of the undertakings, property and assets necessary for it to carry on its business as it is currently operated.

**4.21 Tax Matters**

- (a) All Returns required to be filed by or on behalf of Exito have been duly filed on a timely basis and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Exito with respect to items or periods covered by such Returns.
- (b) For all periods covered by the filed tax Returns disclosed in the Disclosed Information, GLN has been furnished by Exito with true and complete copies of (i) the relevant portions of income tax audit reports, statements of deficiencies, closing or other agreements received by Exito or on behalf of Exito relating to Taxes and, (ii) all federal, provincial, state, local or foreign income or franchise tax Returns for Exito.
- (c) No material deficiencies exist or have been asserted with respect to Taxes of Exito. Exito is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Exito or any of its assets. No waiver or

extension of any statute of limitations is in effect with respect to Taxes or Returns of Exito. The Returns of Exito have not been audited by a government or taxing authority since Exito's incorporation, nor is any such audit in process, pending or, to the knowledge of Exito, threatened.

- (d) Exito has paid or provided adequate accruals in its financial statements for the three months ended June 30, 2016 for Taxes in accordance with IFRS.
- (e) All filings made by Exito under which it has received or is entitled to government incentives have been made in all material respects in accordance with all applicable legislation and contain no misrepresentations of material fact and do not omit to state any material fact which could cause any amount previously paid or previously accrued on its accounts to be recovered or disallowed.

#### **4.22 Debt/Working Capital**

As at June 30, 2016, Exito had working capital of not less than \$475,000.

#### **4.23 Guarantees**

Exito is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to its by-laws and standard indemnity agreements and pursuant to the standard indemnity provisions in underwriting, agency or financial advisor agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

#### **4.24 Information Circular**

The information, data and other material (financial or otherwise) in respect of Exito to be included in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations (as defined in the *Securities Act* (Alberta)) or any untrue statement of a material fact in respect of Exito and will not omit to state a material fact in relation to Exito necessary to make such information not misleading in light of the circumstances under which it is presented and shall contain all information in respect of Exito and the Exito Shares required by applicable Laws to be included in the Information Circular.

#### **4.25 Non-Arm's Length Debt**

No director, officer, insider or other party not at arm's length to Exito is indebted to Exito and Exito is not a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

#### **4.26 Non-Arm's Length Interests**

No director, officer, insider or other non-arm's length party to Exito, or any associate or affiliate thereof, has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty, interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Exito which will be effective after the Effective Date.

#### **4.27 Insurance**

The policies of insurance in force at the date hereof naming Exito as an insured and as disclosed in the Disclosed Information adequately covers all risks reasonably and prudently foreseeable in the operation and conduct of the business of Exito which would be customary in the business carried on by Exito, and to the knowledge of Exito, all such policies and insurance remain in force and effect and should not be cancelled or otherwise terminated as a result of the transactions contemplated herein.

### **ARTICLE 5 CONDUCT OF BUSINESS**

#### **5.1 Conduct of Business**

Each of Exito and GLN covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement, except with the written consent of the other party hereto (not to be unreasonably withheld):

- (a) it shall conduct its business only in the usual and ordinary course of business and consistent with past practice, and shall use all commercially reasonable efforts to maintain and preserve its business, assets, employees and advantageous business relationships;
- (b) it shall not (i) amend its Governing Documents; or (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares;
- (c) it shall not take any actions which would or might be reasonably expected to materially impede or otherwise frustrate the completion of the Arrangement; and
- (d) it shall refrain from taking any action that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

#### **5.2 Integration of Operations**

- (a) From the date hereof, each of Exito and GLN and their respective representatives will be permitted reasonable access to each other's offices and management personnel to permit

them to be in a position to expeditiously integrate the business and operations of GLN with those of Exito immediately upon, but not prior to, the Effective Time, provided the activities of either party pursuant to this Section 5.2 do not cause any unreasonable disruptions to the other party's business or operations prior to the Effective Time.

- (b) Each of the parties hereto shall provide the other with all information reasonably necessary relating to its business and affairs, including access to officers, employees and field sites which each party may reasonably acquire in connection with the transactions contemplated hereby. Each party shall conduct itself so as to keep the other fully informed as to its business and affairs and as to decisions required with respect to the most advantageous methods for supplying, operating and producing from its assets and shall co-operate with the other in respect thereof.

## **ARTICLE 6 COVENANTS OF GLN**

### **6.1 Interim Order**

As soon as practicable, GLN shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to Exito and GLN, acting reasonably provided that nothing shall require GLN to consent to any modification of this Agreement, the Arrangement, or GLN's obligations hereunder.

### **6.2 GLN Meeting**

In a timely and expeditious manner, subject to the provisions hereof including section 7.2(6), GLN shall:

- (a) forthwith carry out such terms of the Interim Order as are required under the terms thereof to be carried out by GLN;
- (b) prepare, in consultation with Exito, and file the Information Circular in all jurisdictions where the Information Circular is required to be filed and mail the Information Circular, as ordered by the Interim Order and in accordance with all applicable Laws complying in all material respects with all applicable Laws on the date of mailing thereof and containing complete and correct disclosure of all material facts relating to the Arrangement, Exito and GLN and not containing any misrepresentation (as defined under the *Securities Act* (Alberta)) with respect thereto and which Information Circular shall include (i) the unanimous determination of the board of directors of GLN that the Arrangement is fair, in the best interests of GLN and GLN Shareholders; and (ii) the unanimous recommendation of the board of directors of GLN that the GLN Shareholders vote in favour of the Arrangement;
- (c) convene the GLN Meeting on or about March 23, 2017 or as otherwise provided by the Interim Order;
- (d) provide notice to Exito of the GLN Meeting and allow representatives of Exito to attend the GLN Meeting unless such attendance is prohibited by Applicable Laws;

- (e) solicit proxies to be voted at the GLN Meeting in favour of the Arrangement;
- (f) promptly advise Exito of the number of GLN Shares for which GLN receives notices of dissent or written objections to the Arrangement and provide Exito with copies of such notices and written objections;
- (g) conduct the GLN Meeting in accordance with the Interim Order, the BCBCA, the GLN Governing Documents and as otherwise required by Applicable Laws; and
- (h) take all such actions as may be required under the BCBCA and the Interim Order in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

### **6.3 Amendments**

In a timely and expeditious manner, GLN shall prepare, in consultation with Exito, and file any mutually agreed (or otherwise required by applicable Laws) amendments or supplements to the Information Circular with respect to the GLN Meeting and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable legal requirements on the date of mailing thereof.

### **6.4 Final Order**

Subject to the approval of the Arrangement at the GLN Meeting, in accordance with the provisions of the Interim Order, GLN shall forthwith file, proceed with and diligently prosecute an application for the Final Order.

### **6.5 Arrangement**

GLN shall forthwith carry out the terms of the Interim Order and the Final Order and, on the day of the receipt of the Final Order and the satisfaction or waiver of the conditions to the completion of the Arrangement contained herein in favour of Exito and GLN to be agreed by GLN and Exito, file the Final Order, and any other documents requested by the Registrar, with the Registrar in order for the Arrangement to become effective.

### **6.6 Copy of Documents**

Except for non-substantive communications, GLN shall, as soon as reasonably possible, furnish to Exito a copy of each notice, report, schedule or other document or communication delivered, filed or received by GLN in connection with the Arrangement, the Interim Order or the GLN Meeting, any filings under applicable Laws and any dealings with regulatory agencies (including the TSXV) in connection with, or in any way affecting, the transactions contemplated in this Agreement.

**6.7 Insurance**

GLN shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

**6.8 Certain Actions**

GLN shall:

- (a) not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated hereunder or would render, or that reasonably may be expected to render, any representation or warranty made by GLN in this Agreement untrue in any material respect at any time prior to the Effective Time if then made;
- (b) use its commercially reasonable efforts to complete the Concurrent Financing;
- (c) other than as disclosed in the GLN Disclosure Letter, not (i) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares other than pursuant to the exercise of GLN Warrants; or (ii) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (iii) split, combine or reclassify any of its shares; (iv) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; (v) merge, amalgamate, or consolidate into or with any other person or company or enter into any other corporate reorganization, or sell all or any substantial part of its assets to any person or company, or perform any act or enter into any transaction or negotiation which can reasonably be expected to interfere or be inconsistent with the consummation of the Arrangement; or (vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as otherwise permitted by this Agreement or agreed to in writing by Exito;
- (d) not grant to any officer or director an increase in compensation in any form, grant any general salary increase other than in accordance with the requirements of any existing agreements, grant to any other employee any increase in compensation in any form other than routine increases in the ordinary course of business, or make any loan to any officer or director;
- (e) not, without the prior written consent of Exito, adopt or amend or make any contribution to any bonus, profit sharing, option, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with Applicable Laws or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (f) not, other than pursuant to a binding commitment entered into prior to the date hereof and disclosed to Exito: (i) sell, pledge, dispose of or encumber any assets, except for production in the ordinary course of business; (ii) expend or commit to expend more than \$50,000 individually or \$500,000 in the aggregate with respect to capital expenses; (iii) incur any indebtedness for borrowed money or other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligation of any other individual or entity make any other loans or advances, except in the ordinary course of business and in any event in excess of \$50,000 individually or \$500,000 in the aggregate; or (iv) enter into any hedges, swaps or other financial instruments or like transactions; (v) enter into any agreements for the sale and production having a term of more than thirty (30) days; (vi) enter into any consulting or contract operating agreement that cannot be committed on thirty (30) days or less notice without penalty; or (vii) enter to or modify the contract, agreement, commitment or arrangement with respect to any of the foregoing, except as otherwise permitted by this Agreement, or as agreed to in writing by Exito, such consent not to be unreasonably withheld; and
- (g) promptly notify Exito of (i) any Material Adverse Change, or any change which could reasonably be expected to become a Material Adverse Change, in respect of the business or in the conduct of the business of GLN; (ii) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (iii) any breach by GLN of any covenant contained in this Agreement; and (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of GLN contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect.

## **6.9 No Compromise**

GLN shall not settle or compromise any claim brought by any present, former or purported holder of any securities of GLN in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Exito, such consent not to be unreasonably withheld or delayed.

## **6.10 Satisfaction of Conditions**

GLN shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of Exito hereunder set forth in Article 8 hereof to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (a) obtain the approval of holders of at least 66 $\frac{2}{3}$ % of GLN Shares voted at the GLN Meeting to the Arrangement;

- (b) obtain all consents, approvals and authorizations as are required to be obtained by them under any applicable Law or from any Governmental Entity which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on GLN;
- (c) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any party hereto before any Governmental Entity;
- (d) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate, the transactions contemplated hereby;
- (e) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by GLN; and
- (f) co-operate with Exito in connection with the performance by Exito of its obligations hereunder.

#### **6.11 Refrain from Certain Actions**

GLN shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on GLN provided that where GLN is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, it shall immediately notify Exito in writing of such circumstances.

#### **6.12 Employment Agreements**

GLN shall not enter into any written or verbal employment agreements or consulting agreements.

#### **6.13 Co-operation**

GLN shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

#### **6.14 Closing Documents**

GLN shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by Exito, acting reasonably.

## 6.15 Non-Solicitation

GLN covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except with the written consent of Exito or as otherwise expressly permitted or specifically contemplated by this Agreement, GLN shall:

- (a) immediately cease and cause to be terminated any existing discussions or negotiations or other proceedings initiated prior to the date hereof by GLN, or its officers, directors, employees, financial advisors, representatives and agents ("**Representatives**") with respect to any Acquisition Proposal and shall request the return or destruction of any confidential information previously provided to any such third parties relating to an Acquisition Proposal;
- (b) not directly or indirectly, solicit, initiate or encourage (including by way of furnishing information) any inquiries or the making of any proposal or offer that constitutes or may reasonably be expected to lead to an Acquisition Proposal from any person, or engage in any discussion, negotiations or inquiries relating thereto or accept any Acquisition Proposal;
- (c) not release any person from any confidentiality or standstill agreement to which GLN and such person are parties or amend any such agreement; and
- (d) exercise all rights to require the return of information regarding GLN previously provided to such persons and shall exercise all rights to require the destruction of all materials including or incorporating any information regarding GLN.

Notwithstanding the above, GLN may:

- (e) engage in discussions or negotiations with any person who (without any solicitation, initiation or encouragement, directly or indirectly, by GLN or its Representatives) seeks to initiate such discussions or negotiations and may furnish such third person information concerning GLN and its business, properties and assets if, and only to the extent that:
  - (i) the other person has first made a Superior Proposal in respect of which the funds or other consideration necessary for completion thereof are or are reasonably likely to be available and GLN's board of directors has concluded in good faith, after considering applicable Law and receiving the advice of its counsel, that such action is required by GLN's board of directors to comply with its fiduciary duties under applicable Law;
  - (ii) prior to furnishing such information to or entering into discussions or negotiations with such person or entity, GLN provides immediate notice orally and in writing to Exito specifying that it is furnishing information to or entering into discussions or negotiations with such person or entity in respect to a Superior Proposal, receives from such person or entity an executed confidentiality agreement having confidentiality and standstill terms, and provides Exito with a copy of such Superior Proposal and any amendments thereto and confirming in writing the

determination of GLN's board of directors that the Acquisition Proposal if completed would constitute a Superior Proposal;

- (iii) GLN provides immediate notice to Exito at such time as it or such person or entity terminates any such discussions or negotiations; and
- (iv) GLN immediately provides or makes available to Exito any information provided to any such person or entity whether or not previously made available to Exito; and
- (f) comply with Part 13 of the *Securities Act* (Alberta) with regard to a tender or exchange offer, if applicable, and similar rules under applicable Canadian securities laws relating to the provision of directors' circulars, and make appropriate disclosure with respect thereto to the GLN Shareholders; and
- (g) accept, recommend, approve or implement a Superior Proposal from a third person, but only if prior to such acceptance, recommendation, approval or implementation, GLN's board of directors shall have concluded in good faith after considering all proposals to adjust the terms and conditions of this Agreement and the Arrangement which may be offered by Exito during the three (3) Business Day notice period set forth below and after receiving the written advice of its counsel, that such action is required by GLN's board of directors to comply with its fiduciary duties under applicable Law and subject to the next paragraph hereof.

GLN shall give to Exito, orally and in writing, at least three (3) Business Days advance notice of any decision by the board of directors of GLN to accept, recommend, approve or implement a Superior Proposal, which notice shall identify the party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. In addition, GLN shall and shall cause its financial and legal advisors to negotiate in good faith with Exito to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable GLN to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Exito proposes to amend this Agreement and the Arrangement to provide superior value to that provided under the Superior Proposal within the three (3) Business Day time period specified above, then GLN shall not enter into any definitive agreement regarding the Superior Proposal.

#### **6.16 Break Fee – Circumstances when Payable by GLN**

If at any time after the execution of this Agreement, provided Exito is not in default of its material obligations or representations and warranties contained herein which makes it impossible or unlikely that one or more of the conditions to completion of the Arrangement would be satisfied, GLN agrees to pay Exito in cash the amount of \$100,000 (the "**Break Fee**") if:

- (a) other than as a result of a Material Adverse Change in respect of Exito, the board of directors of GLN fails to recommend that GLN Shareholders vote in favour of the Arrangement or the board of directors of GLN withdraws or, in a manner materially adverse to the Arrangement or the completion thereof, modifies or changes its

recommendation to GLN Shareholders to vote in favour of the Arrangement unless such failure to recommend, such withdrawal, modification or change is due to the existence of the following and such following circumstance did not arise due to a failure of GLN to perform its obligations under this Agreement:

- (i) the Interim Order has been refused or has been granted in form or substance not satisfactory to GLN, acting reasonably, or has not been granted on or prior to February 21, 2017 or, if issued, has been set aside or modified in a manner unacceptable to GLN, acting reasonably, on appeal or otherwise;
  - (ii) the Final Order has not been granted in form and substance satisfactory to GLN, acting reasonably, on or prior to the Outside Date or, if issued, has been set aside or modified in a manner unacceptable to GLN, acting reasonably, on appeal or otherwise;
  - (iii) the Arrangement has not become effective on or before the Outside Date;
  - (iv) a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and no rights to appeal exist, provided that the party seeking to terminate this Agreement pursuant to this Section shall have used all commercially reasonable efforts to remove such order, decree, ruling or injunction; and
  - (v) Exito shall be in material breach of any of its material covenants, agreements or representations and warranties contained herein provided that GLN shall have given notice of and five days to cure any such breach by Exito and such breach shall not have been cured;
- (b) the board of directors of GLN shall have recommended that GLN Shareholders deposit their GLN Shares under, or vote in favour of, or otherwise accept an Acquisition Proposal other than with Exito;
  - (c) GLN enters into an agreement with respect to an Acquisition Proposal (other than a confidentiality agreement), prior to the date of the GLN Meeting;
  - (d) a *bona fide* Acquisition Proposal is made or announced and not withdrawn prior to the GLN Meeting to all or substantially all holders of GLN Shares and the Plan of Arrangement is not approved at the GLN Meeting by at least 66 $\frac{2}{3}$ % of the votes cast by holders of the GLN Shares who voted their GLN Shares at the GLN Meeting; or
  - (e) a material breach by GLN of any of its material representations, warranties or covenants in this Agreement which breach individually or in the aggregate would have a Material Adverse Effect on GLN, or on the ability of the parties hereto to consummate the Arrangement,

(any such event referred to as a "**Exito Fee Event**"), GLN shall pay to Exito the Exito Break Fee.

GLN agrees that the Exito Break Fee will be paid within three (3) Business Days of the date of earliest of any of the events referred to in Subsections 6.16 (a) to (e) occur. Upon the date of the earliest such event occurring, GLN shall be deemed to hold such sum in trust for Exito.

In the event that an Acquisition Proposal is entered into, made or announced, as contemplated by Section 6.16(d), GLN agrees, within three (3) Business Days thereof, to deliver to Exito an irrevocable letter of credit, in form and substance satisfactory to Exito payable by a Canadian chartered bank in the amount of the Exito Break Fee and which may be immediately drawn upon by Exito if the Exito Break Fee is payable, as such other form of security is as satisfactory to Exito.

GLN shall never be obligated to make more than one payment pursuant to this Section 6.16. GLN acknowledges that the Exito Break Fee set out in this Section 6.16 is payment of liquidated damages which is a genuine pre-estimate of the damages which Exito will suffer or incur as a result of the event giving rise to such damages and is not a penalty. GLN irrevocably waives any right they may have to raise as a defence that any such liquidated damages are excessive or punitive. Exito agrees that payment of the Exito Break Fee provided for in this Section 6.16 shall be Exito' sole remedy in connection with such event.

The provisions of this Section 6.16 shall survive termination of this Agreement (provided in the case of Subsection 6.16(d) hereof, such Acquisition Proposal shall have been made or announced prior to notice of termination).

## **ARTICLE 7 COVENANTS OF EXITO**

### **7.1 Interim Order**

As soon as practicable, Exito and GLN shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to Exito and GLN, acting reasonably.

### **7.2 Exito Assistance**

In a timely and expeditious manner, Exito shall:

- (a) forthwith carry out such terms of the Interim Order and Final Order as applicable to it and will use its reasonable commercial efforts to assist GLN in obtaining such orders; provided that nothing shall require Exito to consent to any modifications of this Agreement, the Plan of Arrangement or any of the obligations of Exito hereunder or thereunder; and
- (b) take all such actions as may be required under the ABCA and the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

### **7.3 Exito Meeting**

In a timely and expeditious manner subject to the provisions hereof, Exito shall:

- (a) prepare in consultation with GLN, and file the Information Circular in all jurisdictions where the Information Circular is required to be filed and mail the Information Circular, in accordance with all applicable laws, in all jurisdictions where the Information Circular is required to be mailed, complying in all material respects with all applicable laws on the date of mailing thereof and containing complete and correct disclosure of all material facts relating to the Exito Consolidation and the Exito Continuance, and not containing any misrepresentation (as defined under the *Securities Act* (Alberta) with respect thereto;
- (b) convene the Exito Meeting on March 23, 2017;
- (c) provide notice to GLN of the Exito Meeting and allow representatives of GLN to attend the Exito Meeting unless such attendance is prohibited by Applicable Laws;
- (d) solicit proxies to be voted at the Exito Meeting in favour of the Exito Consolidation and the Exito Continuance;
- (e) promptly advise GLN of the number of Exito Shares for which Exito receives notices of dissent and provide GLN with copies of such notices;
- (f) conduct the Exito Meeting in accordance with the ABCA, the Exito Governing Documents and as otherwise required by Applicable Laws; and
- (g) take all such actions as may be required under the ABCA in connection with the transactions contemplated by this Agreement.

### **7.4 Copy of Documents**

Except for non-substantive communications, Exito shall, as soon as reasonably possible, furnish to GLN a copy of each notice, report, schedule or other document or communication delivered, filed or received by Exito in connection with the Arrangement or the Interim Order, any filings under applicable Laws and any dealings with regulatory agencies (including the TSXV) in connection with, or in any way affecting, the transactions contemplated in this Agreement.

### **7.5 Insurance**

Exito shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

## 7.6 Certain Actions

Exito shall:

- (a) not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated hereunder or would render, or that reasonably may be expected to render, any representation or warranty made by Exito in this Agreement untrue in any material respect at any time prior to the Effective Time if then made;
- (b) use reasonable commercial efforts to obtain conditional approval of the listing of Exito Consolidated Shares issuable under the Arrangement on the TSXV prior to the mailing of the Information Circular;
- (c) use reasonable commercial efforts to obtain conditional approval from the TSXV to accept the Arrangement as Exito's Qualifying Transaction (as such term is defined in the CPC Policy);
- (d) subject to the TSXV's acceptance, enter into the Exito Loan with GLN, on terms satisfactory to Exito and GLN;
- (e) use its commercially reasonable efforts to obtain the Escrow Transfer Agreements;
- (f) maintain its status as a "reporting issuer" (or similar designated entity) not in default in all of the provinces of Canada where it is currently a reporting issuer in material compliance with all applicable Laws and to maintain the listing of the outstanding Exito Shares on the TSXV;
- (g) promptly notify GLN of (A) any Material Adverse Change, or any change which could reasonably be expected to become a Material Adverse Change, in respect of the business or in the conduct of the business of Exito, (B) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated), (C) any breach by Exito of any covenant contained in this Agreement, and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Exito contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect;
- (h) indemnify and save harmless GLN and GLN's directors, officers, employees and agents from and against all claims, suits, actions, causes of action, liabilities, damages, costs, charges and expenses to which GLN, or any director, officer, employee or agent thereof, may be subject or for which GLN, or any directors, officers, employees or agents thereof, may suffer, whether under the provisions of any statute or otherwise, in any way caused by, arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation based solely on the information required by applicable Law to be included in the Information Circular relating to Exito contained in the Information Circular or any material in respect of Exito filed in compliance or intended compliance with applicable Law;

- (i) prepare and file with the Securities Authorities all necessary applications to seek exemptions, if required, from the prospectus, registration and other requirements of the applicable securities laws of Canada for the issue by Exito and delivery by Exito of Exito Consolidated Shares pursuant to the Arrangement so that such securities may trade following the completion of the Arrangement without a hold period;
- (j) cause to be taken all necessary action to allot and reserve for issuance the Exito Consolidated Shares to be issued in exchange for GLN Shares in connection with the Arrangement and, on the Effective Date, cause to be issued fully paid and non-assessable Exito Consolidated Shares to those persons entitled thereto pursuant to the Arrangement; and
- (k) on the Effective Date, provide to Exito's transfer agent an irrevocable direction authorizing and directing such transfer agent to deliver the Exito Consolidated Shares issuable pursuant to the Arrangement to GLN Shareholders in accordance with the terms of the Arrangement.

#### **7.7 Satisfaction of Conditions**

Exito shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of GLN hereunder set forth in Sections 8.1 and 8.2 hereof to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

- (a) obtain all consents, approvals and authorizations as are required to be obtained by Exito under any applicable Law or from any Governmental Entity which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Exito;
- (b) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any party hereto before any Governmental Entity;
- (c) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate, the transactions contemplated hereby;
- (d) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Exito; and
- (e) co-operate with GLN in connection with the performance by GLN of its obligations hereunder.

## **7.8 Refrain from Certain Actions**

Exito shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on Exito, provided that where Exito is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, Exito shall immediately notify GLN in writing of such circumstances.

## **7.9 Co-operation**

Exito shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

## **7.10 Closing Documents**

Exito shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by GLN, acting reasonably.

## **7.11 Break Fee – Circumstances when Payable by Exito**

If at any time after the execution of this Agreement, provided GLN is not in default of its material obligations or representations and warranties contained herein which makes it impossible or unlikely that one or more of the conditions to completion of the Arrangement would not be satisfied, Exito agrees to pay GLN in cash the amount of \$100,000 (the "**GLN Break Fee**") if:

- (a) prior to the GLN Meeting, a Exito Acquisition Proposal (as defined below) in respect of Exito is publicly announced, proposed, offered or made to the holders of Exito Shares and: (i) at the date of the GLN Meeting, such Exito Acquisition Proposal shall not have expired or been withdrawn; and (ii) the GLN Shareholders do not approve the Arrangement at the GLN Meeting;
- (b) other than as a result of a Material Adverse Change in respect of GLN, Exito accepts, recommends, approves or enters into an agreement (other than a confidentiality agreement) to implement a Superior Proposal prior to and first to occur of the Effective Date of the Arrangement or termination of this Agreement; or
- (c) Exito materially breaches any of its material representations, warranties or covenants made in this Agreement, which breach individually or in the aggregate would have a Material Adverse Effect on Exito, or on the ability of the parties hereto to consummate the Arrangement,

(any such event referred to as a "**GLN Fee Event**"), Exito shall pay to GLN the GLN Break Fee within three (3) Business Days of the date of the earliest of any of such events to occur. On the date of the earliest event described above in this Section, Exito shall be deemed to hold such sum in trust for GLN.

In the event that a Exito Acquisition Proposal is publicly announced, entered into or made as contemplated by Section 7.11, Exito agrees, within three (3) Business Days to deliver to GLN an irrevocable letter of credit, in form and substance satisfactory to GLN, payable by a Canadian chartered bank in the amount of the GLN Break Fee and which may be immediately drawn upon by GLN if the GLN Break Fee is payable or such other form of security as is satisfactory to GLN.

Exito shall never be obligated to make more than one payment pursuant to this Section 7.11. Exito acknowledges that the GLN Break Fee set out in this Section 7.11 is payment of liquidated damages which is a genuine pre-estimate of the damages which GLN will suffer or incur as a result of the event giving rise to such damages and is not a penalty. Exito irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. GLN agrees that payment of the amount provided for in this Section 7.11 shall be GLN's sole remedy in connection with such event.

The provisions of this Section 7.11 shall survive termination of this Agreement (provided in the case of Subsection Section 7.11(c) hereof, such Exito Acquisition Proposal shall have been made or announced prior to notice of termination).

For this section "**Exito Acquisition Proposal**" shall mean with respect to Exito, any inquiry or the making of any proposal to Exito or the Exito Shareholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from Exito or the Exito Shareholders of any securities of Exito or its subsidiaries (other than on exercise of currently outstanding Exito Options and Exito Agent's Options) pursuant to which, if consummated, such person would own or control, directly or indirectly, 20% or more of any class of Exito securities; (ii) any acquisition of a material amount of the assets of Exito or its subsidiaries; (iii) an amalgamation, arrangement, merger, or consolidation involving Exito or its subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving Exito or its subsidiaries or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to GLN under this Agreement or the Arrangement.

## **ARTICLE 8 CONDITIONS**

### **8.1 Mutual Conditions**

The respective obligations of Exito and GLN to complete the transactions contemplated hereby are subject to the fulfilment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) concurrently with the Effective Time, Exito and GLN will negotiate in good faith to cause Amalco (as defined in the Plan of Arrangement) to enter into a Transitional Services Agreement with certain directors, officers and/or insiders of Exito, on terms mutually agreeable to both Exito and GLN;
- (b) on or prior to February 21, 2017, the Interim Order shall have been granted in form and substance satisfactory to the parties hereto, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties hereto, acting reasonably, on appeal or otherwise;
- (c) the Arrangement, with or without amendment, shall have been approved at the GLN Meeting by at least 66 $\frac{2}{3}$ % of the votes cast by the GLN Shareholders who voted their GLN Shares at the GLN Meeting, in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authorities;
- (d) the Final Order shall have been granted in form and substance satisfactory to the parties hereto, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;
- (e) the Effective Date shall be on or before the Outside Date, subject to any extension available to a party hereto pursuant to Section 8.4 hereof;
- (f) there shall not be in force any Law, ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which is materially adverse to Exito or GLN;
- (g) the TSXV shall have conditionally approved the listing thereon of the Exito Consolidated Shares to be issued pursuant to the Arrangement as of the Effective Date, or as soon as possible thereafter, subject to compliance with the usual requirements of the TSXV;
- (h) the TSXV shall have conditionally approved the Arrangement as the Qualifying Transaction of Exito, as such term is defined in the CPC Policy;
- (i) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity and the expiry of any waiting periods, in

connection with, or required to permit, the completion of the Arrangement, the failure of which to obtain or the non-expiry of which would be materially adverse to Exito or GLN or materially impede the completion of the Arrangement, shall have been obtained or received on terms that are reasonably satisfactory to each party hereto;

- (j) holders of not more than 5% of the outstanding GLN Shares shall have exercised Arrangement Dissent Rights that have not been withdrawn as at the Effective Date;
- (k) without limiting the scope of the foregoing conditions, all regulatory, third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements which either Exito or GLN shall consider necessary or desirable in connection with the Arrangement shall have been obtained in form and substance satisfactory to them; and
- (l) this Agreement shall not have been terminated pursuant to Article 9 hereof.

The foregoing conditions are for the mutual benefit of the parties hereto and may be waived, in whole or in part, by a mutual agreement in writing of Exito and GLN at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, Exito or GLN may, in addition to the other remedies it may have at law or in equity, rescind and terminate this Agreement by written notice to the other of them, prior to giving effect to the Arrangement, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding party hereto.

## **8.2 Exito Conditions**

The obligation of Exito to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the representations and warranties made by GLN in this Agreement shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and GLN shall have provided to Exito an officer's certificate certifying such accuracy on the Effective Date;
- (b) GLN shall have complied in all material respects with its covenants herein, and GLN shall have provided to Exito an officer's certificate certifying that GLN has so complied with its covenants herein;
- (c) the directors of GLN shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by GLN to permit the consummation of the Arrangement;
- (d) immediately prior to the Effective Time, Exito shall be satisfied that there are not more than an aggregate of 118,922,784 GLN Shares issued and outstanding or that are issuable

on exercise of GLN Warrants or other rights to acquire any GLN Shares and GLN shall provide to Exito a certificate to that effect immediately prior to the Effective Date;

- (e) the Concurrent Financing shall have been completed for minimum gross proceeds of \$3,500,000 in a manner satisfactory to Exito, acting reasonably;
- (f) no action, suit or proceeding has been taken or threatened against GLN before or by any court, tribunal or administrative body with the aim of preventing the Arrangement;
- (g) all requisite regulatory approvals, including Court approvals, if any, shall have been obtained and all requirements complied with by GLN in connection with the Arrangement;
- (h) there shall not have been a Material Adverse Change in respect of GLN since the date hereof;
- (i) the board of directors of GLN shall not have withdrawn, modified or changed any of its recommendation, approvals, resolutions or determinations referred to in Section 6.2(b) in a manner materially adverse to Exito or the completion of the Arrangement prior to mailing of the Information Circular, each of the directors, officers and employees of GLN (other than those agreed to by Exito) shall have provided their resignations together with releases in favour of GLN and Exito effective on the Effective Date, each in form and substance satisfactory and on terms as are satisfactory to Exito, acting reasonably.

The foregoing conditions are for the benefit of Exito and may be waived, in whole or in part, by Exito in writing at any time. If any of such conditions shall not be complied with or waived by Exito on or before Outside Date or the date required for the performance thereof, if earlier, then subject to Section 8.4 hereof, Exito may, in addition to the other remedies it may have at law or in equity, rescind and terminate this Agreement by written notice to GLN, prior to giving effect to the Arrangement, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by Exito.

### **8.3 GLN Conditions**

The obligation of GLN to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the representations and warranties made by Exito in this Agreement shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and Exito shall have provided to GLN an officer's certificate thereof certifying such accuracy on the Effective Date;
- (b) the directors of Exito shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Exito to permit the consummation of the Arrangement;

- (c) Exito shall have complied in all material respects with its covenants herein and Exito shall have provided to GLN an officer's certificate certifying that it has so complied with its covenants herein;
- (d) no action, suit or proceeding has been taken or threatened against Exito before or by any court, tribunal or administrative body with the aim of preventing the Arrangement;
- (e) all requisite regulatory approvals, including Court approvals, if any, shall have been obtained and all requirements complied with by Exito in connection with the Arrangement;
- (f) the Exito Continuance shall have been approved at the Exito Meeting by at least 66⅔% of the votes cast by the Exito Shareholders who voted their Exito Shares at the Exito Meeting, in accordance with the provisions of the ABCA;
- (g) holders of not more than 5% of the outstanding Exito Shares shall have exercised Continuance Dissent Rights that have not been withdrawn as at the Effective Date;
- (h) there shall not have been a Material Adverse Change in respect of Exito since the date hereof;
- (i) GLN shall be satisfied, acting reasonably, that the Exito Consolidated Shares issued to GLN Shareholders pursuant to the Arrangement (i) shall not be subject to any hold period, restricted period or seasoning period under applicable Law that shall not have been satisfied on the Effective Date, and (ii) shall have been conditionally accepted for listing on the TSXV, subject only to the filing of documentation that cannot be filed prior to the Effective Date; and
- (j) each of the directors, officers and employees of Exito (other than those agreed to by GLN) shall have provided their resignations together with releases in favour of Exito and GLN effective on the Effective Date, each in form and substance satisfactory and on terms as are satisfactory to GLN, acting reasonably.

The foregoing conditions are for the benefit of GLN and may be waived, in whole or in part, by GLN in writing at any time. If any of such conditions shall not be complied with or waived by GLN on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, GLN may, in addition to the other remedies it may have at law or in equity, rescind and terminate this Agreement by written notice to Exito, prior to giving effect to the Arrangement, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by GLN.

#### **8.4 Notice and Cure Provisions**

Each party hereto shall give prompt notice to the other hereto of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of any other party hereto contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by any other party hereto prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in its favour contained in Sections 8.1, 8.2 or 8.3 hereof, as the case may be.

Subject as herein provided, a party hereto may elect not to complete the transactions contemplated hereby pursuant to the provisions contained in Sections 8.1, 8.2 or 8.3 hereof or exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to giving effect to the Arrangement, the party hereto intending to rely thereon has delivered a written notice to the other party hereto specifying in reasonable detail the breaches of covenants or representations and warranties or other matters which the party hereto delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition or termination right, as the case may be, and (ii) if any such notice is delivered, and a party hereto is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the party hereto which has delivered such notice may not terminate this Agreement until the later of Outside Date and the expiration of a period of 30 days from date of delivery of such notice. If such notice has been delivered prior to the date of the Meetings, such meeting shall be postponed until the expiry of such period.

#### **8.5 Merger of Conditions**

The conditions set out in Sections 8.1, 8.2 or 8.3 hereof shall be conclusively deemed to have been satisfied, waived or released upon giving effect to the Arrangement. Exito and GLN acknowledge and agree that they shall have no right to give effect to the Arrangement unless such conditions have been satisfied, fulfilled or waived.

### **ARTICLE 9 AMENDMENT AND TERMINATION**

#### **9.1 Amendment**

This Agreement may, at any time and from time to time before or after the holding of the Meetings, be amended by mutual written agreement of the parties hereto without, subject to applicable Law, further notice to or authorization on the part of the GLN Shareholders or the Exito Shareholders, and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any of the parties hereto;
- (b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of any of the parties hereto; and
- (d) waive compliance with or modify any condition herein contained;

provided that no such amendment shall reduce the consideration to be received by the GLN Shareholders without the approval of the GLN Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

## **9.2 Alternative Transaction**

The parties hereto acknowledge and agree that, based upon tax, corporate, securities or other legal and other considerations, it may be more advantageous or appropriate to carry out the transaction contemplated herein by way of another form of plan of arrangement, amalgamation or take-over bid or other form of transaction ("**Other Transaction**"). In the event of such determination the parties agree to negotiate all such agreements, documents and arrangements that may be necessary or desirable to carry out the Other Transaction, provided that provisions hereof to the extent applicable or possible pursuant to applicable Laws shall apply *mutatis mutandis*, to such Other Transaction.

## **9.3 Termination**

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

- (a) by mutual written consent of the parties hereto;
- (b) upon any circumstances hereunder that give rise to a right of termination of this Agreement as provided in Sections 8.1, 8.2 or 8.3 hereof, subject to Section 8.4 hereof;
- (c) by Exito or by GLN if the approval of the Arrangement by GLN Shareholders or the Exito Shareholders required by Subsection 8.1(c) hereof in accordance with the terms of the Interim Order shall not have occurred on or before March 23, 2017;
- (d) by GLN or by Exito in the event that the Arrangement does not become effective on or before the Outside Date, subject to Section 8.4 hereof;
- (e) by Exito if a Exito Fee Event shall have occurred;
- (f) by GLN if a Exito Fee Event shall have occurred and GLN shall have paid the Exito Break Fee;
- (g) by GLN if a GLN Fee Event shall have occurred;
- (h) by Exito if a GLN Fee Event shall have occurred and the GLN Break Fee shall have been paid;
- (i) by GLN if Exito shall be in material breach of any covenant, agreement or representation and warranty contained herein except for any breaches of representations, warranties,

covenants or obligations which, in aggregate, would not have a Material Adverse Effect on Exito (taken as a whole) or on the ability to consummate the Arrangement provided that Exito shall have been given notice and five days to cure any such breach by GLN, if such breach is capable of being cured, and such breach shall not have been cured;

- (j) by Exito if GLN shall be in material breach of any covenant, agreement or representation and warranty contained herein except for any breaches of representations, warranties, covenants or obligations which, in aggregate, would not have a Material Adverse Effect on GLN (taken as a whole) or on the ability to consummate the Arrangement, provided that GLN shall have been given notice and five days to cure any such breach by Exito, if such breach is capable of being cured, and such breach shall not have been cured;
- (k) by GLN in the event of a Material Adverse Change of Exito;
- (l) by Exito in the event of a Material Adverse Change of GLN;
- (m) by Exito or by GLN if the Interim Order has been refused or has been granted in form or substance not satisfactory to Exito and GLN, acting reasonably, or has not been granted on or prior to February 21, 2017 or, if issued, has been set aside or modified in a manner unacceptable to Exito and GLN, acting reasonably, on appeal or otherwise;
- (n) by Exito or by GLN if the Final Order has not been granted in form and substance satisfactory to Exito and GLN, acting reasonably, on or prior to the Outside Date, 2017 or, if issued, has been set aside or modified in a manner unacceptable to Exito and GLN, acting reasonably, on appeal or otherwise; and
- (o) if a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable, provided that the party seeking to terminate this Agreement pursuant to this Section 9.3 shall have used all commercially reasonable efforts to remove such order, decree, ruling or injunction;

provided that any termination by a party hereto in accordance with this Section 9.3 shall be made by such party delivering written notice to the other party or parties hereto prior to the Effective Date specifying in reasonable detail the matter or matters giving rise to such termination right.

#### **9.4 Effect of Termination**

In the event of the termination of this Agreement as provided in Section 9.3, this Agreement shall forthwith have no further force or effect, other than Sections 6.16, 7.6(h), 7.11 and 10.3 (as provided therein) which shall survive termination, and there shall be no obligation on the part of GLN or Exito hereunder except those obligations that have accrued to such date. Nothing herein shall relieve any party from liability for any breach of this Agreement accruing prior to termination.

**ARTICLE 10  
GENERAL****10.1 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party hereto shall be in writing and shall be delivered by hand to the party hereto to which the notice is to be given at the following addresses or sent by facsimile to the following numbers or to such other address or facsimile number as shall be specified by a party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Vancouver time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the parties hereto shall be as follows:

- (a) if to GLN:

Good Life Networks Inc.  
Suite 209 – 1455 Bellevue,  
West Vancouver, BC, V7T 1C3

Attention: Jesse Dylan (aka Michael Woodman), President & CEO

with a copy to:

DuMoulin Black LLP  
10<sup>th</sup> Floor, 595 Howe Street  
Vancouver, BC V6C 2T5

Attention: Justin Kates  
Facsimile No.: 604-684-8772

- (b) if to Exito:

Exito Energy II Inc.  
1110, 335 – 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1C9

Attention: Brad Docherty, President & CEO

with a copy to:

Gowling (WLG) Canada LLP

Suite 1600, 421 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 4K9

Attention: Frank Sur  
Facsimile No.: 403-695-3574

## **10.2 Remedies**

The parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any party hereto or its representatives and advisors and that such breach may cause the non-breaching party hereto irreparable harm. Accordingly, the parties hereto agree that, in the event of any such breach or threatened breach of this Agreement by one of the parties hereto, Exito (if GLN is the breaching party) or GLN (if Exito is the breaching party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the parties hereto.

## **10.3 Expenses**

Except as expressly contemplated herein, each party hereto agrees to bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, the GLN Meeting, the Exito Meeting and the preparation and mailing of the Information Circular, including legal fees, accounting fees, printing costs, financial advisor fees and all disbursements by advisors.

## **10.4 Time of the Essence**

Time shall be of the essence in this Agreement.

## **10.5 Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein or therein.

## **10.6 Further Assurances**

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

**10.7 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the Laws of the Province of British Columbia and the Laws of Canada applicable therein but the reference to such Laws shall not, by conflict of laws rules or otherwise, require the application of the Law of any jurisdiction other than the Province of British Columbia. Each party hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

**10.8 Execution in Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same.

**10.9 Waiver**

No waiver or release by any party hereto shall be effective unless in writing and executed by the party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 10.1 hereof.

**10.10 Enurement and Assignment**

This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns and shall be binding upon the parties hereto and their respective successors. This Agreement may not be assigned by any party hereto without the prior written consent of the other party hereto.

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

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

**GOOD LIFE NETWORKS INC.**

Per: (signed) "Jesse Dylan"

Name: Jesse Dylan

Title: Chief Executive Officer

**EXITO ENERGY II INC.**

Per: (signed) "Brad Docherty"

Name: Brad Docherty

Title: President and Chief Executive Officer

**SCHEDULE A  
PLAN OF ARRANGEMENT  
DATED JANUARY 31, 2017**

**UNDER DIVISION 5 OF PART 9**

**OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**ARTICLE 1  
INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act*, (Alberta) R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Amalco**" means the corporation to be formed pursuant to the Amalgamation;
- (c) "**Amalco Shares**" means the common shares in the capital of Amalco;
- (d) "**Amalgamating Companies**" means Exito and GLN;
- (e) "**Amalgamation**" means the vertical short form amalgamation of Exito and GLN pursuant to Arrangement contemplated in Section 3.1 herein;
- (f) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to the provisions of Division 5 of Part 9 of the BCBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (g) "**Arrangement Agreement**" means the amended and restated arrangement agreement dated January 31, 2017 between GLN and Exito with respect to the Arrangement, and all amendments thereto;
- (h) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be voted upon by GLN Shareholders at the GLN Meeting;
- (i) "**BCBCA**" means the *Business Corporations Act*, (British Columbia) S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (j) "**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia and also excluding any day on which the principal chartered banks located in the City of Vancouver are not open for business;
- (k) "**Certificate of Amalgamation**" means the certificate of amalgamation issued by the Registrar in respect of the Amalgamation;
- (l) "**Court**" means the Supreme Court of British Columbia;

- (m) "**Dissent Rights**" has the meaning set out in Section 5.1;
- (n) "**Dissenting Shareholder**" means a registered GLN Shareholder who has validly exercised his, her or its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the GLN Shares in respect of which Dissent Rights are validly exercised by such holder;
- (o) "**Effective Date**" means the date shown on the Certificate of Amalgamation;
- (p) "**Effective Time**" means the beginning of the day on the Effective Date which, in accordance with the BCBCA, will be designated as 12:01 a.m. (Vancouver Time) on the Effective Date on any applications required to be filed with the Registrar;
- (q) "**Encumbrance**" includes any mortgage, pledge, assignment, charge, lien, claim security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (r) "**Exchange Ratio**" has the meaning set out in Section 3.1(b);
- (s) "**Exito**" means:
  - (i) prior to the Exito Continuance, Exito Energy II Inc., a corporation incorporated under the ABCA; and
  - (ii) after the Exito Continuance but before the Amalgamation, a company existing under the BCBCA,
 as the context requires;
- (t) "**Exito Consolidation**" means the consolidation of Exito Shares on a 2 for to 1 basis to be effected prior to completion of the Arrangement;
- (u) "**Exito Consolidated Share**" means Exito Shares immediately following the Exito Consolidation;
- (v) "**Exito Continuance**" means the continuance of Exito from the jurisdiction of the Province of Alberta to the jurisdiction of the Province of British Columbia pursuant to section 303 of the BCBCA and section 189 of the ABCA, such continuance to occur prior to or concurrently with the Arrangement;
- (w) "**Exito Shares**" means the common shares in the capital of Exito as constituted on the date hereof;
- (x) "**Exito Shareholders**" means the holders of Exito Shares;
- (y) "**Final Order**" means the order of the Court approving the Arrangement under section 291 of the BCBCA, in form acceptable to GLN and Exito, each acting reasonably, as

such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of GLN and Exito, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both GLN and Exito, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

- (z) "**GLN Meeting**" means the special meeting of GLN Shareholders to be held and any adjournments thereof to consider and vote on the Arrangement Resolution among other matters;
- (aa) "**GLN Warrantholders**" means the holders of GLN Warrants;
- (bb) "**GLN Warrants**" means, collectively, the outstanding warrants to acquire GLN Shares and the outstanding GLN special warrants;
- (cc) "**GLN Shareholders**" means the holders of GLN Shares;
- (dd) "**GLN Shares**" means the common shares in the capital of GLN as constituted on the date hereof;
- (ee) "**Information Circular**" means the joint management information circular GLN and Exito to be sent by GLN and Exito to their respective shareholders in connection with the GLN Meeting and the Exito Meeting, respectively, as such information circular may be affirmed, amended or modified subject to the Agreement;
- (ff) "**Interim Order**" means the interim order of the Court contemplated by Section 2.2 of the Arrangement Agreement, in a form acceptable to GLN and Exito, each acting reasonably, providing for, among other things, the calling and holding of the GLN Meeting, as the same may be amended, modified, supplemented or varied by the Court (with the consent of the parties, acting reasonably);
- (gg) "**Person**" means any individual, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;
- (hh) "**Registrar**" means the Registrar of Companies appointed under section 400 of the BCBCA;
- (ii) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.l. (5th Supp), as amended, including the regulations promulgated thereunder; and
- (jj) "**U.S Shareholders**" means shareholders of GLN who are resident in the United States.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

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

1.6 References in this Plan of Arrangement 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.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

2.1 This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2 This Plan of Arrangement, will become effective at, and be binding on and after, the Effective Time, on: (i) the GLN Shareholders, (ii) the GLN Warrantholders; (iii) GLN; and (iv) Exito.

2.3 The Final Order and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 The following is only intended to be a general statement for the purpose of the Plan and is qualified in its entirety by the specific provisions of the Plan.

One of the purposes of the Plan is to effect an exchange of all the GLN Shares for Exito Shares on the basis provided herein, with the result that GLN becomes a wholly owned subsidiary of Exito in a manner which permits resident U.S. Shareholders to receive Exito Shares on a basis which is exempt from U.S. registration requirements and trading restrictions.

## **ARTICLE 3 ARRANGEMENT**

3.1 The Arrangement involves a number of steps, including the following, which will be deemed to occur, without any further act or formality of or by Exito, GLN or another other person, sequentially commencing at the Effective Time:

- (a) each GLN Share held by a Dissenting Shareholder shall be irrevocably transferred to Exito, free and clear of all Encumbrances, without any further act or formality and:

- (i) such Dissenting Shareholder shall cease to be the holder of such GLN Shares so transferred and will cease to have any rights as holder of such GLN Shares other than the right to be paid fair value for such GLN Shares by Exito;
  - (ii) such Dissenting Shareholder's name shall be removed as the holder of such GLN Shares from the central securities register of holders of GLN Shares maintained by or on behalf of GLN; and
  - (iii) Exito shall become the sole legal and beneficial holder of such GLN Shares so transferred, free and clear of all Encumbrances, and shall be entered in the central securities register of holders of GLN Shares maintained by or on behalf of GLN;
- (b) GLN Shareholders and Exito will complete a share exchange whereby:
- (i) all of the issued and outstanding GLN Shares will be exchanged by GLN Shareholders (other than Dissenting Shareholders) on the basis of 0.2601 an Exito Consolidated Share for every one GLN Share held (the "**Exchange Ratio**"). In the event that the Exito Consolidation is not completed prior to the Effective Time for any reason, the Exchange Ratio shall be deemed to have been adjusted such that GLN Shares will be exchanged on the basis of 0.5202 of an Exito Share for every one GLN Share held;
  - (ii) Exito will in exchange acquire all of the issued and outstanding GLN Shares; and
  - (iii) GLN will become a wholly-owned subsidiary of Exito;
- (c) on the Effective Date, Exito and GLN will complete the Amalgamation whereby:
- (i) all of the assets and liabilities of Exito and GLN will become the assets and liabilities of Amalco;
  - (ii) the articles of Amalco on completion of the short-form vertical amalgamation will be the same as the articles of Exito prior to completion of the Amalgamation;
  - (iii) the notice of articles and authorized capital of Amalco on completion of the Amalgamation will be the same as the notice of articles of Exito prior to completion of the Amalgamation;
  - (iv) all of the issued and outstanding Exito Consolidated Shares will become Amalco Shares on a one-for-one basis;
  - (v) the issued and outstanding GLN Shares held by Exito will be cancelled without any repayment of capital in respect thereof; and
  - (vi) Amalco will refrain from issuing any securities in connection with the Amalgamation.

- (d) as a result of the Arrangement, GLN Shareholders (other than Dissenting Shareholders) will have effectively exchanged their GLN Shares for Amalco Shares on the basis of the Exchange Ratio;
- (e) the first directors of Amalco shall be Michael Woodman, Eugene Valaitis and Cliff Dumas and any other individuals as mutually agreed upon by GLN and Exito; and
- (f) the name of Amalco will be changed to “Good Life Networks Inc.” or such other name as may be acceptable to Exito, GLN and relevant Governmental Entities.

#### **ARTICLE 4 OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES**

4.1 From and after the Effective Time, certificates formerly representing GLN Shares under the Arrangement shall represent only the right to receive the consideration to which the GLN Shareholders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 5.1, to receive the fair value of the GLN Shares represented by such certificates.

4.2 From and after the Effective Time, any certificates representing the GLN Warrants shall represent only the right to receive the consideration to which the holders thereof are entitled pursuant to the terms thereunder.

4.3 Exito shall, as soon as practicable following the Effective Date forward or cause to be forwarded by first class mail (postage prepaid) to such former holder (other than a Dissenting Shareholder who exercised Dissent Rights which remain valid immediately prior to the Effective Time), at the address specified in the share register held by Exito’s transfer agent, Direct Registration System statements issued by such transfer agent, evidencing the number of Exito Shares issued to such holder under the Arrangement.

4.4 No certificates representing fractional Exito Shares shall be issued pursuant to the Plan of Arrangement. In lieu of any fractional Exito Shares, each beneficial holder of GLN Shares otherwise entitled to a fractional interest in Exito Shares will receive the nearest whole number of Exito Shares.

4.5 Exito’s transfer agent shall register the Exito Shares in the name of each GLN Shareholder entitled to receive Exito Shares pursuant to the Arrangement and shall deliver Direct Registration System statements issued by Exito’s transfer agent evidencing such Exito Shares as soon as practicable after the Effective Date.

4.6 All dividends paid or distributions made in respect of Exito Shares issued to a former GLN Shareholder or GLN Warranholder for which a certificate representing Exito Shares has not been delivered to such GLN Shareholder or GLN Warranholder in accordance with this Article 4 shall be paid or delivered to Exito’s transfer agent to be held in trust for such GLN Shareholder or GLN Warranholder for delivery to such shareholder or warranholder, net of all withholding and other taxes, upon delivery of the certificate in accordance with this

Article 4 or surrendered to Exito pursuant to Section **Error! Reference source not found.** hereof, as the case may be.

## **ARTICLE 5 DISSENTING SHAREHOLDERS**

5.1 Each registered GLN Shareholder may exercise rights of dissent ("**Dissent Rights**") pursuant to and in the manner set forth under Division 2 of Part 8 of the BCBCA, the Interim Order and this Section 5.1 in connection with the Arrangement, provided that the written objection to the Arrangement Resolution contemplated by Section 242 of the BCBCA must be sent to and received by GLN at least two days before the GLN Meeting. GLN Shareholders who duly exercise such Dissent Rights and who:

- (a) are ultimately determined to be entitled to be paid fair value by Exito for the GLN Shares in respect of which they have validly exercised Dissent Rights will be deemed to have irrevocably transferred such GLN Shares to Exito (free and clear of all Encumbrances) pursuant to Section 3.1(a); or
- (b) are ultimately not entitled, for any reason, to be paid fair value by Exito for the GLN Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a holder of GLN Shares to which Section 3.1(b) applies;

but in no case will GLN, Exito or any other person, including Exito's transfer agent, be required to recognize any Dissenting GLN Shareholder as a holder of GLN Shares or common shares of the Amalgamated Company after the completion of the steps set out in Section 3.1(a). Each Dissenting GLN Shareholder will cease to be entitled to the rights of a GLN Shareholder in respect of the GLN Shares or any rights to be a GLN Shareholder in respect of the Amalgamated Company in relation to which such Dissenting GLN Shareholder has exercised Dissent Rights and the names of each Dissenting GLN Shareholder will be removed from the central securities register of GLN as of the commencement of the implementation of the Arrangement on the Effective Date. For greater certainty, and in addition to any other restriction under Section 242 of the BCBCA, neither:

- (i) Warrantholders, in any event, nor
- (ii) GLN Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution;

shall be entitled to exercise Dissent Rights.

## **ARTICLE 6 AMENDMENTS**

6.1 GLN and Exito may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) filed with the

Court and, if made following the GLN Meeting, approved by the Court; and (iii) communicated to holders of GLN Shares and GLN Warrants, if and as required by the Court.

6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by GLN and Exito at any time prior to or at the GLN Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the GLN Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time but shall only be effective if it is consented to by Exito, provided that it concerns a matter which, in the reasonable opinion of Exito, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Exito, or any former holder of GLN Shares or GLN Warrants.