

ACQUISITION AGREEMENT

THIS AGREEMENT is effective the 29th day of January, 2021.

A M O N G:

VALOREM RESOURCES INC., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter called “**Valorem**”)

- and –

1286492 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter called “**Newco**”)

- and –

1267818 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter called “**1267818**”)

WHEREAS Valorem intends to acquire all of the issued and outstanding securities in the capital of 1267818 pursuant to the Amalgamation (as hereinafter defined);

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement and in any exhibits and amendments to this Agreement, the following terms shall have the meanings set forth below unless the context otherwise requires:

“**1267818**” means 1267818 B.C. Ltd. a corporation existing under the laws of the Province of British Columbia.

“**1267818 Acquisition**” means the acquisition by Valorem of all of the outstanding securities of 1267818, pursuant to the Amalgamation and on the terms and conditions set out herein.

“**1267818 Material Contracts**” means those material contracts to which 1267818 is a party referred to in Schedule 3.10(a).

“**1267818 Share**” means a non-par value common share in the capital of 1267818.

“**Agreement**” means this Agreement including the schedules and exhibits hereto, as amended or supplemented from time to time.

“**Amalco**” means the corporation resulting from the Amalgamation.

“**Amalgamation**” means the “three-cornered” amalgamation under the BCBCA, pursuant to which Newco will amalgamate with 1267818, resulting in the formation of Amalco.

“**Amalgamation Agreement**” means the agreement governing the Amalgamation substantially in the form attached as Exhibit A hereto, as may be amended from time to time.

“**Assets**” means all rights, interests, properties, assets and materials whether real or personal and whether tangible or intangible, owned by 1267818, including without limitation the Books and Records.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder.

“**BCSC**” mean the BC Securities Commission.

“**Books and Records**” means all title documents, files, ledgers, correspondence, contracts, lists, manuals, books of account, reports, texts, notes, studies, memoranda, invoices, accounting records, tax returns, receipts, plans, licenses, orders, permits, working papers, accounts, financial statements, financial working papers, minute books, share certificate books, share registers, computer discs, tapes, programs or other means of electronic storage, and all other records, documents or data of any nature or kind whatsoever belonging to 1267818 relating to the Business and its Assets.

“**Business**” means the business carried on by 1267818 as of the date of this Agreement.

“**Canadian Securities Laws**” has the meaning given in Section 4.1(f).

“**Closing**” has the meaning given in Section 2.2.

“**Consideration Shares**” means the Valorem Shares to be issued upon exchange of the 1267818 Shares pursuant to Section 4.1 of the Amalgamation Agreement.

“**Constating Documents**” means the corporate charter, articles of incorporation, articles of amendment, if any, (and any certificate thereof) or any similar constating document of a corporate entity.

“**Valorem**” means Valorem Resources Inc., a corporation existing under the BCBCA.

“**Valorem Shares**” means common shares in the capital of Valorem.

“**Effective Date**” has the meaning given in Section 1.1 of the Amalgamation Agreement.

“**Encumbrances**” includes, whether or not registered or recorded, any and all:

- (a) mortgages, assignments of rent, liens, licences, leases, charges, security interests, hypothecs, and pledges whether fixed or floating against property (whether real, personal, tangible or intangible), or conditional sales contracts or title retention agreements or equipment trusts or financing leases relating thereto, or any subordination to any right or claim of others in respect thereof;
- (b) claims, interests and estates against or in property (whether real, personal, tangible or intangible) including easements, rights-of-way, servitudes or other similar rights in property granted to or reserved or taken by any Person or any governmental body or authority;
- (c) any option or other right to acquire any interest in, any property; and
- (d) without limiting the generality of the foregoing, any other encumbrances of whatsoever nature and kind against any assets or property (whether real, personal, tangible or intangible).

“**Exchange**” means the Canadian Securities Exchange.

“**IFRS**” means International Financial Reporting Standards.

“**ITA**” means the *Income Tax Act* (Canada).

“**Material Adverse Effect**” means, as used in connection with events, contingencies, claims or other matters expressly relating to this Agreement, a matter which might adversely affect the condition (financial or otherwise), operations, business or prospects of any party hereto, and which a reasonably prudent investor would consider important in deciding whether to proceed with the transactions hereunder on the terms provided herein.

“**Newco**” means 1286492 B.C. Ltd., a corporation organized under the laws of the Province of British Columbia, and a wholly owned Subsidiary of Valorem.

“**Permitted Encumbrances**” means pledges, mortgages, royalty arrangements and escrow agreements resulting from the acquisition of any of the Assets.

“**Person**” means an individual, a corporation, a partnership, a trust, an unincorporated organization, or a government agency or instrument.

“**Place of Closing**” means Suite 810 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2

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

1.2 Exhibits and Schedules

- (a) The following exhibit is delivered concurrently with, and incorporated into, this Agreement:

Exhibit A Amalgamation Agreement

- (b) The following schedules are delivered concurrently with, and incorporated into, this Agreement:

Schedule 3.2(a) 1267818 Share Capital

Schedule 3.10(a) 1267818 Material Contracts

1.3 Interpretation

In this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof;
- (b) words importing the singular include the plural and vice versa and words importing one gender include all genders;
- (c) a reference to a designated article or section or to an exhibit is a reference to the designated article or section, or exhibit to this Agreement;
- (d) the words “herein”, “hereof”, “hereunder” and other similar words refer to this Agreement as a whole and not to any particular article, section or exhibit;
- (e) any accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with IFRS;
- (f) any reference to a statute includes all regulations made under that statute, and includes all amendments made to the statute and the regulations in force from time to time, and any statute or regulation that supplements or replaces that statute or regulation; and
- (g) any term defined within the text of this Agreement has the meaning given to that term in the text of the Agreement.

ARTICLE 2 - AMALGAMATION

2.1 Amalgamation

Subject to the terms and conditions hereof, the Amalgamation shall be effected in accordance with the Amalgamation Agreement, upon completion of all conditions precedent and upon confirmation of delivery of all documents required by Sections 8.2 and 8.3 of this Agreement.

2.2 Closing

On the Effective Date and no later than February 28, 2021, a closing (the “**Closing**”) shall be held at the Place of Closing, for the purpose of confirming the satisfaction or waiver, as the case may be, of the conditions set forth in Article 7, and to complete the 1267818 Acquisition.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES OF 1267818

Except as otherwise indicated, 1267818 represents and warrants to Valorem as at the date of this Agreement and as at the Effective Date, and acknowledges that Valorem is relying on these representations and warranties in entering into this Agreement and completing the transactions contemplated herein, as follows:

3.1 Corporate Status and Authority

- (a) Organization and Qualification: It is a corporation validly incorporated and existing in good standing under the laws of its jurisdiction of organization and has all requisite corporate power and authority to own or lease its properties and Assets and to carry on its business as now conducted. It is qualified to do business and is in good standing in every jurisdiction in which a failure to so qualify would have a Material Adverse Effect. True and complete copies of its Constatng Documents and by-laws, as applicable, as amended to date, have been furnished to Valorem.
- (b) Execution and Binding Obligation: This Agreement has and, upon execution and as at the Effective Date, the Amalgamation Agreement will have been validly executed and delivered by it and constitute legal, valid and binding obligations enforceable against it in accordance with their terms.
- (c) Amendments to Constatng Documents: It has not made any amendments to its Constatng Documents other than as set out in its minute books and as disclosed to Valorem.
- (d) Corporate Records: Its corporate records and minute books accurately reflect all material proceedings of its directors and shareholders and include copies of all existing by-laws, up-to-date and accurate shareholder and director registers, transfer registers and any other corporate registers required to be maintained by it, as applicable. All meetings of shareholders and directors were duly called and held and all resolutions, whether passed at meetings, or in writing, are valid and effective in all cases.
- (e) Non-Reporting: At the date hereof, it is not a “reporting issuer” in any jurisdiction.
- (f) Full Disclosure: This Agreement does not:
 - (i) contain any untrue statement of a material fact in respect of 1267818, the affairs, operations or condition of 1267818, its Assets or its Business, or

- (ii) omit any statement of a material fact necessary in order to make the statements in respect of 1267818, the affairs, operations or condition of 1267818, its Assets or its Business contained herein or therein not misleading in any material respect.

3.2 Share Capital

- (a) Share Capital: Its authorized and issued share capital is as set out in Schedule 3.2(a). All of the issued and outstanding shares in its capital have been validly issued and are outstanding as fully paid and non-assessable shares and have been offered, issued, sold and delivered in compliance with all applicable laws.
- (b) Right to Acquire Shares: Immediately before the Amalgamation, there will be no options, warrants, conversion privileges, calls or other rights, agreements, arrangements, commitments or obligations to issue, sell or acquire any of its securities or securities or obligations of any kind convertible into or exchangeable for any of its securities. In addition, at the Effective Date, it will not have any outstanding share appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments whose value is based upon the share price, book value, income or any other attribute.

3.3 Assets

- (a) Ownership: Except as would otherwise constitute a Material Adverse Effect, it has good and marketable title to all of its Assets free and clear of all Encumbrances, save and except for the Permitted Encumbrances.
- (b) Sufficiency of Assets: Its Business is the only business operation carried on by it and, except as would not have a Material Adverse Effect, its Assets include all rights and property reasonably necessary to the conduct of its Business after the Closing, substantially in the same manner as its Business was conducted prior to the Closing.
- (c) No Options, etc.: No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such, for the purchase, acquisition or gaining control from it of any material Assets other than in the ordinary course of business.
- (d) Shares: It does not own, directly or indirectly, any securities or equity interests in any corporation.

3.4 Business Operations

- (a) Bankruptcy: No actions have been taken or authorized by it or by any other Person to initiate proceedings for or in respect of its bankruptcy, insolvency, liquidation, dissolution or winding-up.

- (b) Compliance with Laws: Except as otherwise expressly disclosed herein, in all material respects, to the best of its knowledge and belief, it is operating and using its Assets and conducting its Business, and has operated and used its Assets and conducted its Business, in material compliance with all applicable laws and regulations of each jurisdiction in which its Assets are located or in which it conducts or has conducted its Business, as the case may be.
- (c) Adverse Event: It has not experienced any occurrence or event which has had, or would reasonably be expected to have, a Material Adverse Effect.
- (d) Conduct of Business in Ordinary Course: Since its date of incorporation, its Business has been carried on in the ordinary course. Without limiting the generality of the foregoing, it has not since such date:
 - (i) removed any auditor or director or terminated any officer or other senior employee;
 - (ii) written off as uncollectible any accounts receivable which individually or in the aggregate is material to it or in excess of \$50,000;
 - (iii) suffered any material loss;
 - (iv) suffered any material shortage or any cessation or interruption of inventory shipments, supplies or ordinary services;
 - (v) cancelled or waived any material claims or rights;
 - (vi) compromised or settled any pending or threatened litigation, proceeding or other governmental action relating to its Assets or its Business;
 - (vii) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing; or
 - (viii) made or agreed to make any change in any method of accounting or auditing practice.

3.5 Banking

- (a) Guarantees/Indemnities: It has not guaranteed or indemnified, or agreed to guarantee or indemnify, or agreed to any other like commitment, in respect of any debt, liability or other obligation of any Person.
- (b) Loans and Credit Facilities: 1267818 has not entered into, or otherwise arranged for, any loans, operating lines of credit or other credit facilities, has no outstanding bonds, debentures, mortgages, notes or other similar indebtedness, and is not obligated to create or issue any bonds, debentures, mortgages, notes or other similar indebtedness.

3.6 Insurance

1267818 does not maintain any insurance policies.

3.7 Tax Matters

- (a) Filings: It has duly filed all tax returns required to be filed on or before the date of this Agreement.
- (b) Payment: To its knowledge, it has correctly calculated all taxes and paid in full all such amounts (including but not limited to sales, capital, use and consumption taxes and taxes measured on income and all instalments of taxes) owing to all federal, provincial, state and municipal taxation authorities due and payable.
- (c) Extensions: There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time with respect to the filing of any return, election or designation by, or any payment of any amount by or governmental charge with respect to it or the issuance of any assessment or reassessment.
- (d) Adverse Proceedings: There are no actions, suits, proceedings, investigations or claims by any governmental authority pending or threatened against it relating to taxes, governmental charges or assessments.
- (e) Deductions/Remittances: It has withheld and remitted all amounts and paid all employer contributions required to be withheld or paid by it under applicable laws (including without limitation income tax amounts, workers' compensation payments, employment insurance premiums, benefit plan premiums and pension plan contributions) and has paid those amounts (including any penalties or interest due thereon to the appropriate authority on a timely basis and in the form required under the appropriate legislation).
- (f) Taxation Year End: Its taxation year end for income tax purposes is December 31st in each year.

3.8 Employee Matters

- (a) Union Contracts: There is no collective agreement with any trade union or employee association currently in force with it (whether or not the expiry date of that collective agreement has passed), it is not certified by any trade union, it has not voluntarily recognized any trade union or employee association as representative of all or any of its employees and, to its knowledge, there are no pending or anticipated applications for certification of any bargaining unit.
- (b) Benefit Plans: It does not now have, nor has ever had, any benefits plans for any of its employees.

- (c) Pension Plans: It does not now have, nor has ever had, a pension plan for any of its employees.
- (d) Labour Disputes: There are no pending or threatened work stoppages or labour disputes, charges of unfair labour practice or charges of violation of individual or collective rights or any pending or threatened complaints of violations under any employment related statute by any present or former employee.

3.9 Litigation and Claims

- (a) Adverse Proceedings: there are no material proceedings which are pending or, to its knowledge, threatened by, against, or relating to, itself, its Assets or its Business.
- (b) Trademark and Patent Infringement: To its knowledge, the conduct of the Business by it does not, and did not, infringe upon any patent, trademark or other proprietary right, domestic or foreign, of any Person.

3.10 Contracts and Commitments

- (a) 1267818 Material Contracts: Valorem has been provided with or granted access to complete and accurate copies of the contracts identified in Schedule 3.10(a), which contracts comprise all material contracts, warranties, agreements, leases, licenses, commitments, instruments or other dealings of a binding nature (whether written or otherwise) (collectively called “**1267818 Material Contracts**”) to which 1267818 is a party or has or may have obligations arising thereunder.
- (b) Good Standing: Except as disclosed herein, to its knowledge upon due inquiry, it is not in breach of or default under any of the terms of the 1267818 Material Contracts in any material respect and there is no breach of or default under any of the terms of such 1267818 Material Contracts by any other party thereto, and each of the 1267818 Material Contracts is in good standing in all material respects and in full force and effect without amendment thereto.

3.11 Effect of this Transaction

- (a) No Adverse Implications: The execution and delivery of this Agreement and the Amalgamation Agreement and the completion and performance of the transactions hereunder and thereunder by it will not:
 - (i) result in a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of or under:
 - (A) its Constatng Documents or any resolution of its directors or shareholders;

- (B) any applicable law, regulation, order, judgment or decree (subject to obtaining the authorizations, consents and approvals that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on 1267818;
 - (C) any agreement, arrangement or understanding to which it is a party or by which it or its Assets are bound or affected that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on 1267818; or
- (ii) result in the imposition of any Encumbrance upon any of its Assets that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on 1267818.
- (b) Approvals: There are no authorizations, approvals, consents, orders, orders in council, legislation, regulations, or any other action of any Person or governmental body or administrative agency that may be required by it in connection with the Assets and Business, or in connection with the execution, delivery or performance of this Agreement or the Amalgamation Agreement or the transactions contemplated herein or therein.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF VALOREM

4.1 Representations and Warranties of Valorem

Valorem represents and warrants to 1267818 as follows as at the date hereof and the Effective Date and acknowledges that 1267818 is relying on these representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

- (a) Incorporation and Authority: Valorem is validly existing as a corporation under the laws of the Province of British Columbia and has all requisite corporate power and authority to carry on its business as presently conducted and to perform its obligations pursuant to and in connection with this Agreement. Valorem is in good standing with respect to the filing of annual returns.
- (b) Authorization of this Agreement: This Agreement has been duly authorized, executed and delivered by Valorem and is a valid and binding obligation of Valorem enforceable against Valorem in accordance with its terms.
- (c) Bankruptcy: Valorem is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and will not become insolvent as a result of the Amalgamation or any of the transactions contemplated herein. No actions have been taken or authorized by any Person to initiate proceedings for or in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of Valorem.
- (d) No Adverse Implications: The execution and delivery of this Agreement by Valorem and the completion and performance of the transactions hereunder will not result in:

- (i) a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of or under,
 - (A) the Constatng Documents of Valorem or any resolution of its directors or shareholders,
 - (B) any applicable law, regulation, order, judgment or decree, or
 - (C) any agreement, arrangement or understanding to which Valorem is a party or by which Valorem or its assets are bound or affected that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Valorem, or
 - (D) the imposition of any Encumbrance upon any of the assets of Valorem that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Valorem.
- (e) No Material Changes: Other than as has been publicly disclosed at the date hereof, there has been no change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Valorem that would reasonably be expected to have a Material Adverse Effect on Valorem.
- (f) Reporting Issuer Status: Valorem is a reporting issuer in good standing under the securities laws of British Columbia, Alberta and Ontario, the rules, their respective regulations, prescribed forms, orders and rulings made thereunder and the policy statements and national instruments issued by the securities commissions or other applicable securities regulatory authorities thereunder (the “**Canadian Securities Laws**”).
- (g) Compliance with Canadian Securities Laws: The Consideration Shares, when issued, will be issued in compliance with all requirements of the Canadian Securities Laws and the Exchange as applicable. The Consideration Shares will not be subject to any resale restrictions in Canada other than those imposed by applicable Canadian Securities Laws and the Exchange as applicable. Other than as contemplated in this Agreement, no other consent, approval, authorization of any court or regulatory body in Canada is required for the consummation of the transactions contemplated by this Agreement.
- (h) Compliance with Other Laws: Valorem has conducted and is conducting its business in compliance in all material respects with all applicable laws, by-laws, rules and regulations of each jurisdiction in which its business is carried on and holds all licenses, approvals, authorizations, registrations, permits, consents or qualifications (whether governmental, regulatory or otherwise) required in order to enable its business to be carried on as now conducted and all such licenses, approvals, authorizations, registrations, permits, consents and qualifications are, to

the best of the knowledge of Valorem, valid and subsisting and in good standing, except where the absence of such licenses, registrations, permits, consents and qualifications would not result in a Material Adverse Effect to Valorem, and Valorem has not been advised of or received any notice of proceedings or other actions or steps being taken or threatened relating to the suspension, revocation or modification of any such license, approvals, authorizations, registration, permit, consent or qualifications which, if the subject of an unfavourable decision, ruling or finding, would have a Material Adverse Effect on the conduct of the business, operations, condition (financial or otherwise) or income of Valorem.

- (i) No Actions: No actions, suits, inquiries or proceedings are pending or, to the knowledge of Valorem, are contemplated or threatened to which Valorem is a party or to which the property of Valorem is subject that would result individually or in the aggregate in any Material Adverse Effect in the business operations, business, condition (financial or otherwise) of Valorem.
- (j) Fully Paid Shares: Upon completion of the transactions contemplated hereby, the Consideration Shares will have been duly and validly issued as fully paid and non-assessable Valorem Shares.
- (k) Liabilities: Valorem does not have any debts or liabilities that would have a Material Adverse Effect on the business, operations, or condition (financial or otherwise) of Valorem, except:
 - (i) liabilities reflected in or provided for in the most recent financial statements disclosed publicly;
 - (ii) other liabilities disclosed in this Agreement; and
 - (iii) liabilities incurred in the normal course of business from the date of the most recent financial statements publicly disclosed until the Effective Date.
- (l) Corporate Records: The corporate records and minute books of Valorem accurately reflect all material proceedings of its directors and shareholders and include copies of all existing by-laws, up-to-date and accurate shareholder and director registers, transfer registers and any other corporate registers required to be maintained by it. All meetings of shareholders and directors were duly called and held and all resolutions, whether passed at meetings, or in writing, are valid and effective in all cases.
- (m) Guarantees/Indemnities: Valorem has not guaranteed or indemnified, or agreed to guarantee or indemnify, or agreed to any other like commitment, in respect of any debt, liability or other obligation of any Person.
- (n) Tax Matters:
 - (i) Filings: It has duly filed all tax returns required to be filed on or before the date of this Agreement.

- (ii) Payment: To its knowledge, except as would not have a Material Adverse Effect on its business, operations or condition (financial or otherwise), Valorem has correctly calculated all taxes and paid in full, or otherwise accrued in the Valorem Financial Statements, all such amounts (including but not limited to sales, capital, use and consumption taxes and taxes measured on income and all instalments of taxes) owing to all federal, provincial, state and municipal taxation authorities due and payable.
- (iii) Extensions: There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time with respect to the filing of any return, election or designation by, or any payment of any amount by or governmental charge with respect to it or the issuance of any assessment or reassessment.
- (iv) Adverse Proceedings: Except as would not have a Material Adverse Effect on the business, operations or condition (financial or otherwise) of Valorem, there are no actions, suits, proceedings, investigations or claims by any governmental authority pending or threatened against it relating to taxes, governmental charges or assessments.
- (v) Deductions/Remittances: It has withheld and remitted all amounts and paid all employer contributions required to be withheld or paid by it under applicable laws (including without limitation income tax amounts, workers' compensation payments, employment insurance premiums, benefit plan premiums and pension plan contributions) and has paid those amounts (including any penalties or interest due thereon to the appropriate authority on a timely basis and in the form required under the appropriate legislation).
- (o) Full Disclosure: This Agreement does not:
 - (i) contain any untrue statement of a material fact in respect of Valorem, the affairs, operations or condition of Valorem, its assets or its business, or
 - (ii) omit any statement of a material fact necessary in order to make the statements in respect of Valorem, the affairs, operations or condition of Valorem, its assets or its business contained herein or therein not misleading in any material respect.

Valorem is in compliance with its timely and continuous disclosure obligations under applicable securities laws.

- (p) No Knowledge of Adverse Facts. There is no fact known to Valorem which materially and adversely affects the affairs, operations or condition of Valorem, its assets and its business which has not been set forth in this Agreement or in any ancillary agreement.
- (q) Approvals. All consents, approvals, permits, authorizations or filings as may be required to be made or obtained by Valorem under applicable Canadian Securities

Laws necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will be made or obtained prior to the Effective Date.

- (r) Newco. To the best of Valorem's knowledge:
 - (i) Newco was validly incorporated and is existing in good standing under the laws of its jurisdiction of organization and has all requisite corporate power and authority to own or lease its properties and assets and to carry on its business as now conducted. It is qualified to do business and is in good standing in every jurisdiction in which a failure to so qualify would have a Material Adverse Effect. True and complete copies of its Constatng Documents and by-laws, as applicable, have been furnished to 1267818.
 - (ii) Newco has no liabilities, contingent or otherwise, except as may be agreed to in writing by 1267818 prior to the Effective Date.
 - (iii) All of the issued shares of Newco are held by Valorem and no other person has any interest in or right to acquire any shares of Newco.
 - (iv) This Agreement has been duly authorized, executed and delivered by Newco and is a valid and binding obligation of Newco enforceable against it in accordance with its terms.

- (s) No Newco Adverse Implications. To the best of Valorem's knowledge, the execution and delivery of this Agreement by Newco and the completion and performance of the transactions hereunder will not result in:
 - (i) a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of or under,
 - (A) the Constatng Documents of Newco or any resolution of its directors or shareholders,
 - (B) any applicable law, regulation, order, judgment or decree, or
 - (C) any agreement, arrangement or understanding to which Newco is a party or by which it or its assets is bound or affected that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Newco, or
 - (D) the imposition of any Encumbrance upon any of the assets of Newco that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Newco.

ARTICLE 5 - COVENANTS OF 1267818

1267818 covenants and agrees with Valorem as follows:

5.1 Compliance with Conditions

1267818 shall take all such reasonable actions as are within its power to control, and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure timely compliance with all of the conditions set forth in Sections 7.1 and 7.2 in order to complete this transaction.

5.2 Conduct of 1267818

Between the date hereof and the Effective Date:

- (a) Conduct Business in the Ordinary Course: Except as contemplated hereby, 1267818 shall conduct its Business and shall cause its Subsidiaries, if any, to conduct their Business in the ordinary and normal course of business consistent with past practice.
- (b) Preserve Goodwill: 1267818 shall preserve intact the Assets and Business and promote and preserve the goodwill of others having business relations with it.
- (c) Certain Actions Prohibited. Other than as required to give effect to the transactions contemplated by this Agreement, 1267818 shall not, without the prior written consent of Valorem, which shall not be unreasonably withheld, directly or indirectly do or agree to do, or cause any of its Subsidiaries, if any, to do or agree to do, any of the following:
 - (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or permit a Subsidiary to issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, any 1267818 Shares, or any options, warrants, conversion privileges or rights of any kind to acquire any shares of 1267818;
 - (ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other persons) or as required in the ordinary and regular course of business, sell, lease, encumber or otherwise dispose of, or permit any of its Subsidiaries, if any, to sell, lease, encumber or otherwise dispose of, any material property or assets;
 - (iii) amend or propose to amend any of its Constatting Documents except as necessary to permit the completion of the 1267818 Acquisition;
 - (iv) reduce its stated capital, or split, combine or reclassify any of the 1267818 Shares or declare, set aside or pay any dividend or other distribution payable

in cash, securities, property or otherwise with respect to the 1267818 Shares;

- (v) redeem, purchase or offer to purchase, or permit any 1267818 Subsidiaries, if any, to redeem, purchase or offer to purchase, any 1267818 Shares and any options or obligations or rights under existing contracts, agreements and commitments;
- (vi) other than as contemplated hereby, adopt resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;
- (vii) (A) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, in each case in or for a material amount, (B) authorize, recommend or propose any release or relinquishment of any material contractual right, (C) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (D) enter into or terminate any hedges, swaps or other similar financial instruments or transactions, or (E) enter into any agreements with its directors or officers or their respective affiliates;
- (viii) incur any new material contingent liabilities other than: (A) ordinary course expenditures, (B) expenditures required by law; (C) expenditures made in connection with transactions contemplated in this Agreement, and (D) capital expenditures required to prevent the occurrence of a Material Adverse Effect;
- (ix) create any new obligations or liabilities or modify or in any manner amend any existing obligations and liabilities to pay any amount, including loan amounts, to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements, and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and obligations or liabilities or arising in the ordinary and normal course of business;
- (x) 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 if it is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (xi) take actions that could reasonably be expected to be prejudicial to Valorem's interest in the Business, Assets or property of 1267818 and its Subsidiaries, if any, following the closing of the Amalgamation;
 - (xii) take any action, or refrain from taking any action, or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by 1267818 in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Date if then made, or which would or could have a Material Adverse Effect on 1267818; and
 - (xiii) settle or compromise any material claim brought by any present, former or purported holder of any securities of 1267818 in connection with the transactions contemplated by this Agreement prior to the Effective Date.
- (d) Certain Actions: 1267818 shall:
- (i) promptly notify Valorem of: (A) any Material Adverse Effect or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect in respect of the Business, or Assets or in the conduct of the Business of 1267818; (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 1267818 of any covenant or agreement contained in this Agreement; and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of 1267818 contained in this Agreement, if made on the date of such event or the Effective Date, to be untrue or inaccurate in any material respect;
 - (ii) make, or cooperate as necessary in the making of, all 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;
 - (iii) use commercially reasonable efforts to conduct its affairs and to cause its Subsidiaries, if any, to conduct their affairs so that all of the representations and warranties of 1267818 contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date; and
 - (iv) continue to make available and cause to be made available to Valorem and the agents and advisors thereto all documents, agreement and corporate records as may be necessary to enable Valorem to effect a thorough examination of 1267818 and its Business, Assets, properties, and financial status thereof, and shall cooperate with Valorem in securing access for Valorem to any documents, agreements, corporate records or minute books

not in the possession or under the control of 1267818. Subject to applicable laws, upon reasonable notice, until the Effective Date, 1267818 shall afford officers, employees, counsel, accountants and other authorized representatives and advisors of Valorem reasonable access, during normal business hours, to the properties, operations, books, contracts and records, as well as to the management personnel of 1267818 and the 1267818 Subsidiaries, if any, and during such period, 1267818 shall and shall cause its Subsidiaries, if any, to furnish promptly to Valorem all information concerning the Business, Assets, properties and personnel of 1267818 and its Subsidiaries, if any, as Valorem may reasonably request.

5.3 Notice of Untrue Representation or Warranty

1267818 shall promptly notify Valorem in writing upon any representation or warranty made by it contained in this Agreement becoming untrue during the period between the date hereof and the Effective Date. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by 1267818 with respect to such developments.

ARTICLE 6 - COVENANTS OF VALOREM

Valorem covenants and agrees with 1267818 as follows:

6.1 Consents

Valorem shall use commercially reasonable efforts to obtain all necessary approvals and all approvals considered necessary or advisable, on terms acceptable to Valorem acting reasonably, in respect of the transactions and other matters contemplated in this Agreement, including the approval of any applicable regulatory bodies to the transactions contemplated hereby.

6.2 Conduct of Valorem

Between the date hereof and the Effective Date:

- (a) Conduct Business in the Ordinary Course: Except as contemplated hereby, Valorem shall conduct its activities in the ordinary and normal course of business, consistent with past practice.
- (b) Preserve Goodwill: Valorem shall preserve intact its assets and business and promote and preserve the goodwill of employees and others having business relations with Valorem.
- (c) Certain Actions Prohibited. Other than as required to give effect to the transactions contemplated by this Agreement or by the Amalgamation Agreement, Valorem shall not, without the prior written consent of 1267818, which shall not be unreasonably withheld, directly or indirectly do or agree to do, or cause any Valorem Subsidiary to do or agree to do, any of the following:

- (i) other than as contemplated hereunder, issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or permit a Subsidiary to issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, any common shares in the capital of Valorem, or any options, warrants, conversion privileges or rights of any kind to acquire any common shares of Valorem or any Valorem Subsidiary;
- (ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other persons) or as required in the ordinary and regular course of business, sell, lease, encumber or otherwise dispose of, or permit any Valorem Subsidiary to sell, lease, encumber or otherwise dispose of, any material property or assets;
- (iii) reduce its stated capital, or split, combine or reclassify any of the common shares in the capital of Valorem or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to such common shares;
- (iv) redeem, purchase or offer to purchase, or permit any Valorem Subsidiary to redeem, purchase or offer to purchase, any common shares in the capital of Valorem and any options or obligations or rights under existing contracts, agreements and commitments;
- (v) other than as contemplated hereby, adopt resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;
- (vi) make, or permit any Valorem Subsidiary to make, any material: (A) acquisition of a corporation, partnership or division of any corporation or other entity or material interest therein; or (B) investment;
- (vii) (A) satisfy or settle any claims or disputes, except such as have been included in Valorem's financial statements and (B) relinquish any contractual rights that are, individually or in the aggregate in an amount in excess of \$50,000; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments other than in the ordinary and regular course of business and not for speculative purposes;
- (viii) (A) acquire any material assets; (B) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, in each case in or for a material amount; (C) authorize, recommend or propose any release or relinquishment of any

material contractual right; (D) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (E) enter into or terminate any hedges, swaps or other similar financial instruments or transactions; or (F) enter into any agreements with its directors or officers or their respective affiliates;

- (ix) enter into, or cause any Subsidiary to enter into, material new commitments of a capital expenditure nature or incur any new material contingent liabilities other than: (A) ordinary course expenditures; (B) expenditures required by law; (C) expenditures made in connection with transactions contemplated in this Agreement; and (D) capital expenditures required to prevent the occurrence of a Material Adverse Effect;
- (x) create any new obligations or liabilities or modify or in any manner amend any existing obligations and liabilities to pay any amount, including loan amounts, to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements, and directors' fees in the ordinary course, in each case in amounts consistent with historic practices and obligations or liabilities or arising in the ordinary and normal course of business;
- (xi) 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 if it is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (xii) take actions that could reasonably be expected to be prejudicial to 1267818's interest in the affairs or property of Valorem and its Subsidiary following the closing of the Amalgamation;
- (xiii) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary, increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Valorem or any Valorem Subsidiary;
- (xiv) take any action, or refrain from taking any action, or permit any action to be take or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by

Valorem in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Date if then made, or which would or could have a Material Adverse Effect on Valorem;

- (xv) settle or compromise any material claim brought by any present, former or purported holder of any securities of Valorem in connection with the transactions contemplated by this Agreement prior to the Effective Date; and
- (xvi) enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which Valorem or any Valorem Subsidiary is a party or by which any of them is bound, except insofar as may be necessary to permit or provide for the completion of the Amalgamation.

(d) Certain Actions: Valorem shall:

- (i) promptly notify 1267818 of: (A) any Material Adverse Effect or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect in respect of its business or assets or in the conduct of the Business of Valorem; (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 Valorem of any covenant or agreement contained in this Agreement; and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Valorem contained in this Agreement, if made on the date of such event or the Effective Date, to be untrue or inaccurate in any material respect;
- (ii) make, or cooperate as necessary in the making of, all 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;
- (iii) use its commercially reasonable efforts to conduct its affairs and to cause any Valorem Subsidiary to conduct their affairs so that all of the representations and warranties of Valorem contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date; and
- (iv) continue to make available and cause to be made available to 1267818 and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable 1267818 to effect a thorough examination of Valorem and any Valorem Subsidiary and its business, assets, properties, and financial status thereof, and shall cooperate with 1267818 in securing access for 1267818 to any documents, agreements, corporate records or minute books not in the possession or

under the control of Valorem. Subject to applicable laws, upon reasonable notice, until the Effective Date, Valorem shall afford officers, employees, counsel, accountants and other authorized representatives and advisors of 1267818 reasonable access, during normal business hours, to the properties, operations, books, contracts and records, as well as to the management personnel of Valorem and any Valorem Subsidiary and during such period, Valorem shall and shall cause each Valorem Subsidiary to, furnish promptly to 1267818 all information concerning its business, assets, properties and personnel of Valorem and each Valorem Subsidiary as 1267818 may reasonably request.

6.3 Execution of Section 85(1) Election Forms

Valorem shall review and execute any properly completed Section 85 elections provided to it by any 1267818 shareholder in connection with the contemplated exchange of 1267818 Shares for Valorem Shares prior to completion of the Amalgamation, provided such election is received from any such 1267818 shareholder by Valorem within 160 days of completion of such exchange. Valorem agrees that numeric amounts contained within any such elections shall be solely determined by the submitting 1267818 shareholder. The completed election forms will be returned to the 1267818 shareholder for filing with the Canada Revenue Agency. For greater certainty, Valorem will not be required to prepare, substantively review or file these elections on behalf of any of the 1267818 shareholders.

6.4 Actions to Satisfy Closing Conditions and to Close Transaction

Valorem shall take all such reasonable actions as are within its power to control, and Valorem shall use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure timely compliance with all of the conditions set forth in Sections 7.1 and 7.2 and to close this transaction.

6.5 Reporting Issuer Status

Valorem is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and its common shares are listed on the Exchange.

6.6 Notice of Untrue Representation or Warranty

Valorem shall promptly notify 1267818 in writing upon any representation or warranty made by it contained in this Agreement becoming untrue during the period between the date hereof and the Effective Date. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by Valorem with respect to such developments.

6.7 Issuance and Listing of Valorem Securities pursuant to 1267818 Transactions

Valorem shall take all corporate action necessary to reserve for issuance a sufficient number of Valorem Shares to permit the issuance of the Consideration Shares on the Amalgamation and, before or upon the Amalgamation, shall so issue such Consideration Shares.

ARTICLE 7 - CONDITIONS OF CLOSING

7.1 Mutual Conditions of Closing

The Closing is subject to the following mutual conditions to be complied with by the applicable party prior to the Effective Date or waived by mutual consent:

- (a) all necessary regulatory approvals, including the conditional approval of the Exchange, as applicable, with respect to the Amalgamation, shall have been obtained, including any approvals in connection with the issuance and distribution of the securities of Valorem to be issued pursuant to the Amalgamation;
- (b) the Amalgamation shall have been approved by 1267818 shareholders in accordance with applicable law;
- (c) there shall not exist any prohibition at law against the completion of the Amalgamation;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the Amalgamation; and
- (e) none of the consents, orders and approvals, including regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of Valorem or 1267818, acting reasonably.

The foregoing conditions are for the mutual benefit of the parties hereto and may be waived by mutual consent of the parties in writing at any time. If any such conditions have not been complied with or waived on or before the Effective Date and by no later than September 15, 2018, any party may terminate this Agreement, by written notice to the others, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding party.

7.2 Conditions of Closing in Favour of Valorem

The Closing is subject to the following conditions in favour of Valorem to be complied with by the applicable party prior to the Effective Date or waived by Valorem:

- (a) the representations and warranties provided by 1267818 hereunder shall be true and correct in all material respects as at the Effective Date and Valorem shall have received a certificate from a senior officer of 1267818 confirming the truth and correctness of the representations and warranties of 1267818;
- (b) each of the acts, covenants and undertakings of 1267818 to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed;

- (c) no Material Adverse Effect in the Business, assets, affairs, financial condition or operations of 1267818 shall have occurred between the date hereof and the Effective Date;
- (d) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere) against 1267818 (whether or not purportedly on behalf of 1267818) that would, if successful, have a Material Adverse Effect on 1267818, in the sole discretion of Valorem, acting reasonably;
- (e) 1267818's board of directors shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by 1267818, to permit the consummation of the Amalgamation;
- (f) all consents and approvals under any agreements to which 1267818 may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated hereunder shall have been obtained or received; and
- (g) the satisfactory completion by Valorem, in its sole discretion, of all of its due diligence investigations of 1267818, including all requisite or desirable business and legal investigations thereof.

The foregoing conditions are for the benefit of Valorem and may be waived, in whole or in part, by Valorem in writing at any time. If any of such conditions have not been complied with or waived by Valorem on or before the Effective Date, Valorem may terminate this Agreement by written notice to 1267818.

7.3 Conditions of Closing in Favour of 1267818

The Closing is subject to the following conditions in favour of Valorem to be complied with by the applicable party prior to the Effective Date or waived by 1267818:

- (a) the representations and warranties provided by Valorem hereunder shall be true and correct in all material respects as at the Effective Date and 1267818 shall have received a certificate from a senior officer of Valorem confirming the truth and correctness of the representations and warranties of Valorem;
- (b) each of the acts and undertakings of Valorem to be performed on or before the Effective Date pursuant to the terms of the Amalgamation Agreement shall have been duly performed by Valorem;
- (c) no Material Adverse Effect in the business, assets, affairs, financial condition or operations of Valorem shall have occurred between the date hereof and the Effective Date;
- (d) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation,

any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere against Valorem (whether or not purportedly on behalf of Valorem) that would, if successful, have a Material Adverse Effect on Valorem, in the sole discretion of 1267818, acting reasonably; and

- (e) the board of directors of Valorem shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by 1267818 to permit the consummation of the Amalgamation.

The foregoing conditions are for the benefit of 1267818 and may be waived, in whole or in part, by 1267818 in writing at any time. If any of such conditions have not been complied with or waived by 1267818 on or before the Effective Date, 1267818 may terminate this Agreement by written notice to Valorem.

ARTICLE 8 - CLOSING AND POST-CLOSING ARRANGEMENTS

8.1 Closing

The Closing shall take place on the Effective Date at the Place of Closing.

8.2 Delivery of Documents by 1267818

At or prior to the Closing, 1267818 shall execute and deliver or caused to be executed and delivered to Valorem:

- (a) Certified Resolutions: A certified copy of the resolution of the directors of 1267818 approving the entering into of this Agreement and the Amalgamation Agreement, and authorizing the Amalgamation and all related transactions.
- (b) Shareholders Resolution: A certified copy of the special shareholders' resolution of 1267818 approving the entering into of the Amalgamation Agreement.
- (c) Other. 1267818 shall provide such other documents and instruments, including opinions of legal counsel to 1267818, if applicable, in a form reasonably acceptable to legal counsel to Valorem, as Valorem may reasonably request.

8.3 Delivery of Documents by Valorem

At or prior to the Closing, Valorem shall execute and deliver or shall cause to be executed and delivered to 1267818 or as otherwise provided below:

- (a) Certified Resolutions: A certified copy of the resolutions of the directors of Valorem and Newco authorizing the Amalgamation and the transactions contemplated thereby and pursuant thereto.

- (b) Certified Special Shareholders Resolution: A certified copy of the special shareholders' resolution of Newco approving the Amalgamation Agreement and the transactions contemplated thereby.
- (c) Treasury Direction: Copies of treasury and other directions to National Securities Administrators Ltd. to issue Valorem Shares to 1267818 shareholders.
- (d) Consideration Shares. The Consideration Shares, delivered to the 1267818 Shareholders.
- (e) Other: Valorem shall provide such other documents and instruments, including opinions of legal counsel to Valorem, if applicable, in a form reasonably acceptable to legal counsel to 1267818, as 1267818 may reasonably request.

ARTICLE 9 - GENERAL MATTERS

9.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the courts of British Columbia shall have exclusive jurisdiction over every dispute hereunder. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of British Columbia.

9.2 Entire Agreement

This Agreement, along with its schedules and exhibits, constitutes the entire agreement between the parties pertaining to the subject matter hereof and there are no oral statements, warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein.

9.3 Amendment

No amendment or waiver of this Agreement shall be binding unless executed in writing by the party or parties to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

9.4 Successors and Assigns

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

9.5 Assignment

None of the parties hereto may assign its interest in this Agreement without the written consent of the other party hereto.

9.6 Public Notices

Except as specifically provided herein prior to the Closing, no press release or other announcement concerning this transaction shall be made by any party hereto without the prior approval of 1267818 and Valorem, such approval not to be unreasonably withheld, unless such disclosure shall be required to meet timely disclosure obligations of any party under applicable securities laws and stock exchange rules in circumstances where prior consultation with the other parties is not practicable.

9.7 Confidential Information

The parties hereto covenant to hold in strict confidence all information obtained in connection with the transactions which are the subject matter of this Agreement. If the transactions which are the subject matter of this Agreement are not completed, this covenant shall continue in full force and effect. Notwithstanding the Closing, Valorem covenants to maintain as confidential all confidential information respecting 1267818 in Valorem's possession prior to Closing and the parties hereto severally covenant to maintain as confidential all information obtained in connection with the transactions which are the subject matter of this Agreement including, in the case of 1267818, all information concerning Valorem, other than information provided to 1267818's or Valorem's personal advisers for the purpose of filing personal tax returns and other similar matters and other than as may be required to be disclosed by law and other than information that becomes generally available to the public other than as a result of a disclosure by Valorem or 1267818 or their representatives.

9.8 Expenses

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring the expense. Notwithstanding the foregoing, in the event the transactions contemplated hereby do not close solely as a result of a material breach of a provision hereof by either 1267818 or Valorem, the party responsible for such breach shall bear all reasonable costs incurred by the opposing party in connection with the transactions contemplated hereby.

9.9 Notice

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be validly given if delivered personally, by courier, by fax or by e-mail, as follows:

(a) if to Valorem:

789 West Pender Street, Suite 810
Vancouver, British Columbia V6C 1H2

Attention: Tony Louie

E-mail: [REDACTED]

(b) if to 1267818:

789 West Pender Street, Suite 810
Vancouver, British Columbia V6C 1H2

Attention: Eugene Beukman

E-mail: [REDACTED]

Any notice delivered personally or by courier will be deemed to have been given and received at the time of delivery. Any notice delivered by facsimile or e-mail, if sent during normal business hours, will be deemed to have been given at the time it was sent and otherwise, on the next day on which the recipient is open for business. Any party may give written notice of a change of address in the manner set out in this Section 9.9, in which event, notices shall thereafter be given to that party as provided in the notice of change of address.

9.10 Further Assurances

Each of the parties hereto agrees promptly to do, make, execute, deliver or cause to be done, made, executed or delivered at his or its own expense all further acts, documents and things as any of the other parties hereto may reasonably require for the purpose of giving effect to this Agreement whether before or after the Closing.

9.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document. A signed facsimile or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

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

VALOREM RESOURCES INC.

Per:



Authorized Signatory

1267818 B.C. LTD.

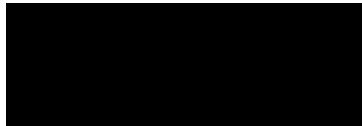
Per:



Authorized Signatory

1286492 B.C. LTD.

Per:



Authorized Signatory

Exhibit A

Amalgamation Agreement

(See Attached)

AMALGAMATION AGREEMENT

THIS AGREEMENT, the form of which was approved by the shareholders of 1286492 B.C. Ltd. and 1267818 B.C. Ltd. is executed as of this 29th day of January, 2021.

AMONG:

1286492 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter referred to as “**Newco**”)

OF THE FIRST PART;

- and -

1267818 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia

(hereinafter referred to as “**1267818**”)

OF THE SECOND PART;

- and -

VALOREM RESOURCES INC., a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**Valorem**”)

OF THE THIRD PART;

WHEREAS Newco and 1267818 wish to amalgamate and continue as one corporation to be known as Amalco, in accordance with the terms and conditions hereof;

AND WHEREAS Newco is a wholly-owned subsidiary of Valorem;

AND WHEREAS Valorem and 1267818 have entered into the Acquisition Agreement (as defined below) which contemplates such amalgamation;

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

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained and other lawful and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement (including the recitals hereto) and each Schedule hereto:

“**1267818 Share**” means a common share in the capital of 1267818.

“**1267818 Shareholder**” means a registered holder of 1267818 Shares immediately prior to the filing of this Agreement and the documents or certificates evidencing all corporate actions required under the BCBCA for the approval of the Amalgamation.

“**Acquisition Agreement**” means the agreement effective January 29, 2021 between Valorem and 1267818 governing the terms and conditions of the Transaction (as hereinafter defined).

“**Agreement**” means this amalgamation agreement.

“**Amalco**” means the corporation resulting from the Amalgamation.

“**Amalco Share**” means a common share in the capital of Amalco.

“**Amalgamation**” means the amalgamation of Newco and 1267818 on the terms and conditions set forth in this Agreement.

“**Amalgamation Application**” means, collectively: (i) a completed Form 13 – Amalgamation Application, (ii) an affidavit of an officer or director of each of 1267818 and Newco required under section 277(1) of the BCBCA; (iii) a copy of this Agreement or directors’ resolutions approving the Amalgamation; and (iv) the applicable filing fee.

“**Amalgamating Corporations**” means Newco and 1267818.

“**Articles of Amalgamation**” means the articles of amalgamation of Amalco substantially in the form set out in Schedule A hereto.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder;

“**Business Day**” means a day other than a Saturday, Sunday or a civic or statutory holiday in the Province of British Columbia.

“**Valorem Shares**” means the common shares in the capital of Valorem.

“**Effective Date**” means the date when this Agreement together with the documents or certificates evidencing all corporate actions required under the BCBCA for the approval of the Amalgamation are filed with the British Columbia Registrar of Companies

“**Exchange**” means the Canadian Securities Exchange.

“**Material Adverse Effect**” means, as used in connection with events, contingencies, claims or other matters expressly relating to this Agreement, a matter which might adversely affect the

condition (financial or otherwise), operations, business or prospects of any party hereto, and which a reasonably prudent investor would consider important in deciding whether to proceed with the transactions hereunder on the terms provided herein.

“**Newco**” means 1286492 B.C. Ltd., a corporation organized under the laws of the Province of British Columbia, and a wholly-owned subsidiary of Valorem.

“**Transaction**” means the three-cornered amalgamation, whereby 1267818 will amalgamate with Newco, pursuant to which the 1267818 Shareholders and the current Valorem Shareholders shall own all of the issued and outstanding securities of Amalco.

ARTICLE 2 AMALGAMATION

2.1 Amalgamation

The Amalgamating Corporations hereby agree to amalgamate and continue as one corporation under a name to be determined by the board of directors of Valorem and pursuant to the provisions of the BCBCA upon the terms and conditions hereinafter set out.

To this end, this Agreement must be submitted to the shareholders of each of the Amalgamating Corporations, for their approval, as required by the BCBCA. Once the approval of the shareholders has been obtained, the directors and officers of each of the Amalgamating Corporations will be authorized by means of this Agreement to execute all necessary actions in order to carry out this Agreement.

ARTICLE 3 EFFECT OF AMALGAMATION

3.1 Effect of Amalgamation

On the Effective Date, subject to the BCBCA:

- (a) the amalgamation of the Amalgamating Corporations and their continuance as one corporation, Amalco, under the terms and conditions prescribed in this Agreement shall be effective;
- (b) the property of each of the Amalgamating Corporations shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of the Amalgamating Corporations;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Corporations shall be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco;

- (f) any conviction against, or ruling, order or judgment in favour of or against, either of the Amalgamating Corporations may be enforced by or against Amalco; and
- (g) the corporate charter of Amalco shall be as set forth in Schedule "A" to this Agreement.

ARTICLE 4 TREATMENT OF ISSUED CAPITAL

4.1 Treatment of Issued Share Capital of the Amalgamating Corporations

On the Effective Date:

- (a) immediately prior to the transaction set out in paragraph 3.1(a) becoming effective, the issued and outstanding 1267818 Shares shall be exchanged for 30,000,000 Valorem Shares and therefore:
 - (i) each holder of 1267818 Shares will receive 2,500,000 Valorem Shares for each of such holder's 1267818 Shares;
 - (ii) Valorem will become the sole shareholder of Amalco; and
- (b) upon the transaction in paragraph 3.1(a) becoming effective, each issued and outstanding 1267818 Share and each issued and outstanding Newco Share shall be cancelled and replaced by the issuance of one (1) Amalco Share, and Valorem will become the sole shareholder of Amalco.

ARTICLE 5 FRACTIONAL SHARES UPON CONVERSION

5.1 Fractional Shares Upon Conversion

Notwithstanding anything to the contrary contained in this Agreement, no 1267818 Shareholder shall be entitled to, and Valorem will not issue, fractions of any securities in Valorem.

ARTICLE 6 CERTIFICATES

6.1 Certificates

On the Effective Date, certificates evidencing 1267818 Shares shall cease to represent any claim upon or interest in 1267818 or Newco, respectively, other than the right of the holder to receive the consideration provided for in this Agreement.

**ARTICLE 7
COVENANTS OF 1267818**

7.1 Covenants of 1267818

1267818 covenants and agrees with Newco and Valorem that it will:

- (a) use its commercially reasonable best efforts to obtain the approval by the holders of 1267818 Shares of the Amalgamation, this Agreement and the Transaction in accordance with the BCBCA;
- (b) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Sections 12.1 and 13.1 of this Agreement that are applicable in respect of 1267818 to be complied with; and
- (c) subject to the approval of the shareholders of each of 1267818 and Newco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, including that of the Exchange for the Transaction, if required, thereafter jointly with Newco file with the British Columbia Registrar of Companies the Amalgamation Application, Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

**ARTICLE 8
COVENANTS OF VALOREM**

8.1 Covenants of Valorem

Valorem covenants and agrees with 1267818 that it will:

- (a) sign a resolution as sole shareholder of Newco in favour of the approval of the Amalgamation, this Agreement and the Transaction in accordance with the BCBCA;
- (b) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Sections 12.1 and 14.1 of this Agreement that are applicable in respect of Valorem to be complied with; and
- (c) subject to the approval of the holders of 1267818 Shares being obtained for the completion of the Amalgamation and obtaining all applicable regulatory approvals including that of the Exchange, if required, for the Transaction, take all corporate action necessary to reserve for issuance a sufficient number of Valorem Shares to permit the issuance of Valorem Shares on the Amalgamation.

**ARTICLE 9
COVENANTS OF NEWCO**

9.1 Covenants of Newco

Newco covenants and agrees with 1267818 and Valorem that it will not, from the date of execution hereof to the Effective Date, except with the prior written consent of 1267818 and Valorem, conduct any business or do any other thing that could prevent Newco from performing any of its obligations hereunder.

**ARTICLE 10
FURTHER COVENANTS OF NEWCO**

10.1 Further Covenants of Newco

Newco further covenants and agrees with 1267818 that it will:

- (a) use its commercially reasonable best efforts to cause each of the conditions precedent set forth in Sections 12.1 and 14.1 that are applicable in respect of Newco to be complied with; and
- (b) subject to the approval of the shareholders of each of 1267818 and Newco being obtained for the completion of the Amalgamation and subject to all applicable regulatory approvals being obtained, thereafter jointly with 1267818 file with the British Columbia Registrar of Companies the Amalgamation Application, the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

**ARTICLE 11
REPRESENTATIONS AND WARRANTIES**

11.1 Representation and Warranty of Valorem

Valorem represents and warrants to and in favour of 1267818 and Newco, and acknowledges that 1267818 and Newco are relying upon such representation and warranty, that Valorem is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Valorem in accordance with its terms. This is in addition to and inclusive of the representations and warranties of Valorem as stated in the Acquisition Agreement.

11.2 Representation and Warranty of 1267818

1267818 represents and warrants to and in favour of Valorem and Newco, and acknowledges that Valorem and Newco are relying upon such representation and warranty, that 1267818 is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against 1267818 in accordance with its terms. This is in addition to and inclusive of the representations and warranties of 1267818 as stated in the Acquisition Agreement.

11.3 Representation and Warranty of Newco

Newco represents and warrants to and in favour of 1267818 and Valorem, and acknowledges that 1267818 and Valorem are relying upon such representation and warranty, that Newco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Newco in accordance with its terms. This is in addition to and inclusive of the representations and warranties of Newco as stated in Acquisition Agreement.

ARTICLE 12 GENERAL CONDITIONS PRECEDENT

12.1 General Conditions Precedent

The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction of the following conditions, which, except for Section 12.1(a) below, may be waived by the consent of each of the parties without prejudice to their rights to rely on any of the other conditions in this Section 12.1:

- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, being approved by: (i) the board of directors of Valorem; (ii) the board of directors of Newco; (iii) the board of directors of 1267818; (iv) the sole shareholder of Newco; and (v) the holders of 1267818 Shares, in accordance with the BCBCA;
- (b) all the conditions required to complete the Transaction hereunder being met or waived;
- (c) all conditions set out in the Acquisition Agreement with respect to the Transaction having been met or waived;
- (d) all necessary regulatory approvals having been obtained, including any approvals in connection with the issuance and distribution of the securities of Valorem to be issued pursuant to the Amalgamation;
- (e) none of the consents, orders and approvals, including regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of Valorem or 1267818, acting reasonably; and
- (f) there shall not exist any prohibition at law, order or decree restraining or enjoining the consummation of the Amalgamation.

ARTICLE 13
CONDITIONS TO THE OBLIGATIONS OF VALOREM AND NEWCO

13.1 Conditions to the Obligations of Valorem and Newco

The obligations of Valorem and Newco to consummate the transactions contemplated hereby, are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of Valorem set forth in the Acquisition Agreement governing the terms and conditions of the Transaction and of the following conditions, which, except for Section 13.1(b) below, may be waived by the consent of Valorem and/or Newco without prejudice to their rights to rely on any other such conditions:

- (a) each of the acts of 1267818 to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and no event shall have occurred that could have a Material Adverse Effect on 1267818, taken as a whole, from and after the date hereof;
- (b) the 1267818 board of directors and shareholders shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by 1267818 to permit the consummation of the Amalgamation;
- (c) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere) against 1267818 (whether or not purportedly on behalf of 1267818) that would, if successful, have a Material Adverse Effect on 1267818, in the sole discretion of Valorem, acting reasonably; and
- (d) Valorem and Newco shall have received a certificate from a senior officer of 1267818 confirming that the conditions set forth in this Section 13.1 and the conditions set forth in Section 12.1 that are applicable in respect of 1267818 have been satisfied.

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

ARTICLE 14
CONDITIONS TO OBLIGATIONS OF 1267818

14.1 Conditions to Obligations of 1267818

The obligations of 1267818 to consummate the transactions contemplated hereby and in particular the Amalgamation are subject to the satisfaction, on or before the Effective Date, of the conditions for the benefit of 1267818 set forth in the Acquisition Agreement governing the terms and conditions of the Transaction and of the following conditions, which, except for Section 14.1(b)

below, may be waived by 1267818 without prejudice to its rights to rely on any other such conditions:

- (a) each of the acts of Valorem and Newco to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by them and no event shall have occurred that could have a Material Adverse Effect on Valorem or Newco, taken as a whole, from and after the date hereof;
- (b) the board of directors and shareholders of each of Valorem and Newco shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Valorem and Newco to permit the consummation of the Amalgamation;
- (c) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere against Valorem (whether or not purportedly on behalf of Valorem) that would, if successful, have a Material Adverse Effect on Valorem, in the sole discretion of 1267818, acting reasonably; and
- (d) 1267818 shall have received a certificate from a senior officer of each of Valorem and Newco confirming that the conditions set forth in Section 12.1 that are applicable to Valorem and Newco and the conditions set forth in this Section 14.1 have been satisfied.

The conditions described above are for the exclusive benefit of 1267818 and may be asserted by 1267818 regardless of the circumstances or may be waived by 1267818 in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which 1267818 may have.

ARTICLE 15 AMENDMENT

15.1 Amendment

This Agreement may be amended prior to its approval by the shareholders of the Amalgamating Corporations, by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

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

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

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by 1267818 Shareholders upon the Amalgamation, if any, without approval by the 1267818 Shareholders, given in the same manner as required for the approval of the Amalgamation.

ARTICLE 16 TERMINATION

16.1 Termination

This Agreement may be terminated prior to its approval by the shareholders of the Amalgamating Corporations, by mutual agreement of the respective boards of directors of the parties hereto, without further action on the part of the shareholders of 1267818 or Newco. This Agreement shall also terminate without further notice or agreement if:

- (a) the Amalgamation is not approved by the holders of 1267818 Shares entitled to vote in accordance with the BCBCA;
- (b) any of the conditions set out in Sections 12.1, 13.1 or 14.1 are not satisfied or, if capable of being waived, are not waived by the relevant party, as applicable, prior to the Effective Date; or
- (c) the Acquisition Agreement is terminated prior to the Effective Date.

ARTICLE 17 BINDING EFFECT AND COUNTERPARTS

17.1 Binding Effect

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

17.2 Counterparts

This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

**ARTICLE 18
ASSIGNMENT**

18.1 Assignment

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

**ARTICLE 19
FURTHER ASSURANCES**

19.1 Further Assurances

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further acts and things as may reasonably be necessary or desirable to carry out the intent of this Agreement.

**ARTICLE 20
NOTICE**

20.1 Notice

Any notice which a party may desire to give or serve upon another party shall be in writing and may be delivered, mailed by prepaid registered mail, return receipt requested or sent by facsimile or electronic transmission to the following addresses:

- (a) if to Valorem or Newco:

789 West Pender Street, Suite 810
Vancouver, British Columbia V6C 1H2

Attention: Tony Louie
E-mail: [REDACTED]

- (b) if to 1267818:

789 West Pender Street, Suite 810
Vancouver, British Columbia V6C 1H2

Attention: Eugene Beukman
E-mail: [REDACTED]

or to such other address as the party to or upon whom notice is to be given or served has communicated to the other parties by notice given or served in the manner provided for in this section. In the case of delivery or electronic transmission, notice shall be deemed to be given, if prior to 5:00 pm local time at place of receipt, on the date of delivery or transmission or, if after 5:00 pm local time at the place of receipt, on the next following business day, and in the case of mailing, notice shall be deemed to be given on the third (3rd) Business Day after such mailing.

**ARTICLE 21
TIME OF ESSENCE**

21.1 Time of Essence

Time shall be of the essence of this Agreement.

**ARTICLE 22
GOVERNING LAW**

22.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the courts of British Columbia shall have exclusive jurisdiction over every dispute hereunder. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of British Columbia.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the date first written above.

1286492 B.C. LTD.

Per:



Name: Tony Louie
Title: Director

1267818 B.C. LTD.

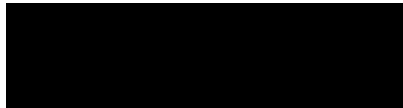
Per:



Name: Eugene Beukman
Title: Director

VALOREM RESOURCES INC.

Per:



Name: Tony Louie
Title: Director

Schedule A

See attached corporate charter of Amalco.

1286492 B.C. LTD.
(the “Company”)

(Amalgamated)

The Company has as its articles the following articles.

Full name and signature of director	Date of signing
<i>“Tony Louie”</i>	<u>February 12, 2021</u>
Tony Louie	

Incorporation Number: BC1288862

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “Business Corporations Act” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “legal personal representative” means the personal or other legal representative of a shareholder;
- (4) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register; and
- (5) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act and Interpretation Act Definitions Applicable*

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*. The directors may, by resolution, provide that; (a) the shares of any or all of the classes and series of the Company’s shares must be uncertificated shares; or (b) any specified shares must be uncertificated shares. Within reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice in accordance with the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate

and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of

competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

The Company may, at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register

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

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent that maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all

the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased Shares

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

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

8. BORROWING POWERS

8.1 Power to Borrow and Issue Debt Obligations

The Company, if authorized by the directors, may:

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

8.2 Features of Debt Obligations

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case determined by the directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (d) if the Company is authorized to issue shares of a class of shares with par value:
 - A. decrease the par value of those shares; or
 - B. if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (f) alter the identifying name of any of its shares; or
- (2) by ordinary resolution otherwise alter its shares or authorized share structure.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above, if any of the shares of the class or series of shares have been issued.

9.3 Change of Name

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and

- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Place of Meetings of Shareholders

General meetings of shareholders may be held at a location outside of British Columbia to be determined and approved by a directors' resolution.

10.5 Meetings by Telephone or Other Electronic Means

A meeting of the Company's shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

10.6 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.7 Record Date for Notice

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

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

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

10.8 Record Date for Voting

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

10.9 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.10 Notice of Special Business at Meetings of Shareholders

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

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document:
 - (a) will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
 - (b) may be available by request from the Company or may be accessible electronically or on a website, as determined by the directors.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting.

11.4 Other Persons May Attend

The directors, the president (if any), the corporate secretary (if any), the assistant corporate secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.5 Requirement of Quorum

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

11.6 Lack of Quorum

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

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

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.8 Chair

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

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any, the corporate secretary, if any, or any director of the Company.

11.9 Selection of Alternate Chair

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

11.10 Adjournments

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

11.11 Notice of Adjourned Meeting

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

11.12 Decisions by Show of Hands or Poll

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

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

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

11.15 Casting Vote

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

11.16 Manner of Taking Poll

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

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

11.17 Demand for Poll on Adjournment

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

11.18 Chair Must Resolve Dispute

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

11.19 Casting of Votes

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

11.20 Demand for Poll

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

11.21 Demand for Poll Not to Prevent Continuance of Meeting

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

11.22 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 Proxy Holder Need Not Be Shareholder

- (1) A person who is not a shareholder may be appointed as a proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

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

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

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

[Name of Company]
(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder – printed]

12.13 Revocation of Proxy

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

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

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

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (2) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(1)(a) or 13.1(2)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

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

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

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a

company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

14.12 Advance Notice of Nominations of Directors

- (1) Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (a) by or at the direction of the board of directors, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or
 - (c) by any shareholder of the Company (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.2 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.2.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the head office of the Company.
- (3) To be timely, a Nominating Shareholder’s notice must be received by the Corporate Secretary of the Company:
 - (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be received not later than the close of business on the 10th day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder’s notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

- (4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (E) confirmation that the person meets the qualifications of directors set out in the *Business Corporations Act*; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.2; provided, however, that nothing in this Article 14.2 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this Policy:
- (a) “**Applicable Securities Laws**” means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

- (b) **“public announcement”** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (7) Notwithstanding any other provision of this Article 14.2, notice given to the Corporate Secretary of the Company pursuant to this Article 14.2 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.2.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

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

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such

remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company,

and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

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

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

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a

manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

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

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

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

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

19.4 Powers of Board

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

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

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

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

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;

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

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

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

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Surplus

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

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

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

- (5) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

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

24.5 Notice to Trustees

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

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

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

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the corporate secretary, treasurer, secretary-treasurer, an assistant corporate secretary, an assistant treasurer or an assistant corporate secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

Schedule 3.2(a)

1267818 B.C. Ltd. Share Capital

Name of Party	Number of Shares	Class of Shares	Date of Issuance
Eugene Beukman	3	Common	September 29, 2020
Protea Global Funds Inc.	3	Common	September 29, 2020
Horace Capital Corp.	2	Common	September 29, 2020
ShaCorp Consulting Inc.	2	Common	September 29, 2020
Kwanokeng Holdings Ltd.	2	Common	September 29, 2020

Schedule 3.10(a)

1267818 Material Contracts

1. Share Purchase Agreement between MegumaGold Corp. and 1267818 dated January 13, 2021.

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "**Agreement**"), dated as of January 13, 2021, is entered into between MegumaGold Corp., a company incorporated in the Province of British Columbia ("**Vendor**") and 1267818 B.C. Ltd., a company incorporated in the Province of British Columbia ("**Purchaser**").

Recitals

WHEREAS:

- A. Vendor owns all the issued and outstanding shares (the "**Shares**") in the capital of 1161097 B.C. Ltd., a company incorporated in the Province of British Columbia (the "**Corporation**").
- B. Corporation is the registered and beneficial owner of a 100% interest in and to certain mineral claims set out at Schedule "A" (known as the "**Cariboo Gold Property**"), located in the Cariboo District, British Columbia.
- C. Vendor is indebted to the sole shareholder of Purchaser, an aggregate of \$100,000 (the "**Debt**").
- D. Vendor wishes to sell to Purchaser, and Purchaser wishes to purchase from Vendor, the Shares, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I Purchase and sale

Section 1.01 Purchase and Sale. Subject to the terms and conditions set forth herein, Vendor shall sell to Purchaser, and Purchaser shall purchase from Vendor, the Shares, free and clear of any, and all, pledges, liens, security interests, adverse claims or other encumbrances (each, an "**Encumbrance**").

Section 1.02 Purchase Price. The aggregate purchase price for the Shares shall be \$100,000 (the "**Closing Amount**") (the "**Purchase Price**"). The payment of the Purchase Price shall be satisfied by Purchaser upon the delivery of the acknowledgment of the cancellation of the Debt, the form of which is attached hereto at Schedule "B" (the "**Debt Cancellation**").

Section 1.03 Transactions to be Effected at the Closing

- (a) At the closing, Purchaser shall deliver to Vendor:
 - (i) the Debt Cancellation; and
 - (ii) all other agreements, documents, instruments or certificates required to be delivered by Purchaser under this Agreement.

- (b) At the closing, Vendor shall deliver to Purchaser:
 - (i) share certificates representing the Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank;
 - (ii) resignations of all directors and officers of the Corporation; and
 - (iii) all other agreements, documents, instruments or certificates required to be delivered by Purchaser under this Agreement.

Section 1.04 Closing. The purchase and sale of the Shares contemplated by this Agreement (the "**Closing**") shall take place simultaneously with the execution of this Agreement on the date of this Agreement (the "**Closing Date**") at a closing at the offices of Vendor. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

ARTICLE II

Representations and Warranties of Vendor

Vendor represents and warrants to Purchaser that the statements contained in this ARTICLE II are true and correct as of the date hereof. For purposes of this ARTICLE II, "Vendor's Knowledge, "Knowledge of Vendor" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of the Vendor, after due inquiry.

Section 2.01 Corporate Status; Authorization; Enforceability. Each of Corporation and Vendor is a corporation incorporated and existing under the laws of the Province of British Columbia and has not been discontinued or dissolved under such laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Vendor has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder and to consummate the transactions contemplated hereby. The Corporation has the corporate power and capacity to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Corporation is duly licensed or registered to carry on business and has submitted all notices or returns of corporate information and other filings required by law to be submitted by it to any governmental authority in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or registration necessary. The execution, delivery and performance by Vendor of this Agreement and the documents to be delivered hereunder and the consummation by Vendor of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Vendor. This Agreement has been duly executed and delivered by Vendor, and (assuming due authorization, execution and delivery by Purchaser), this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Vendor enforceable against Vendor in accordance with their respective terms.

Section 2.02 Capitalization

- (a) The authorized capital of the Corporation consists of an unlimited number of common shares, of which one (1) Shares are issued and outstanding and constitute the Shares. All the Shares have been duly authorized and are validly issued, fully paid and non-assessable, and Vendor is the registered and beneficial owner of the Shares, free and clear of all Encumbrances. Upon consummation of the transactions contemplated by this Agreement, Purchaser shall own all the Shares, free and clear of all Encumbrances.
- (b) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares in the capital of the Corporation or obligating Vendor or the Corporation to issue or sell any shares of, or any other interest in, the Corporation. There are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares. The Corporation does not own or have any interest in any shares or have securities, or another ownership interest, in any other person or entity.

Section 2.03 No Conflicts; Consents. The execution, delivery and performance by Vendor of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not:

- (a) violate or conflict with the articles of incorporation, by-laws or unanimous shareholder agreement of Vendor or the Corporation;
- (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Vendor or the Corporation;
- (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which the Corporation is a party; or
- (d) result in the creation or imposition of any Encumbrance on any properties or assets of the Corporation.

No consent, approval, waiver or authorization is required to be obtained by Vendor or the Corporation from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Vendor of this Agreement and the consummation of the transactions contemplated hereby.

Section 2.04 Undisclosed Liabilities. The Corporation has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise (collectively, the "Liabilities").

Section 2.05 Absence of Certain Changes, Events and Conditions. There has not been, with respect to the Corporation, any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Corporation;
- (b) amendment of the articles, by-laws, unanimous shareholder agreement or other constating documents of the Corporation;
- (c) declaration or payment of any dividends or distributions on or in respect of any shares in the Corporation or redemption, retraction, purchase or acquisition of its shares;
- (d) material change in any method of accounting or accounting practice of the Corporation;
- (e) entry into any contract, including without limitation, employment or consulting contracts;
- (f) incurrence, assumption or guarantee of any indebtedness for borrowed money;
- (g) transfer, assignment, sale or other disposition of the Cariboo Gold Property;
- (h) any capital investment in, or any loan to, any other person or entity;
- (i) any capital expenditures;
- (j) imposition of any Encumbrance upon any of the Corporation's properties, shares or assets, tangible or intangible;
- (k) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its shareholders or current or former directors, officers and employees;
- (l) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings in which the Corporation would acquire the status of a bankrupt or insolvent person;
- (m) purchase, lease or other acquisition of the right to own, use or lease any property or assets;

- (n) action by the Corporation to make, change or rescind any tax election, amend any tax return or take any position on any tax return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the tax liability or reducing any tax asset or attribute of the Corporation; or
- (o) any contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 2.06 Status and Title to Assets

- (a) The Corporation's sole asset consists of the Cariboo Gold Property.
- (b) The Corporation has good title to the Cariboo Gold Property, which is held by the Corporation, free and clear of Encumbrances.
- (c) The mineral claims comprised in the Cariboo Gold Property have been duly and validly registered under the laws of British Columbia in which the Cariboo Gold Property is situated, and are in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions on the date hereof.
- (d) Vendor holds all permits, licenses, consents and authorities issued by any governmental or government authority, which are necessary in connection with the ownership of the Cariboo Gold Property.
- (e) All fees, taxes, assessments, rentals, levies or other payments required to be made relating to the Cariboo Gold Property have been made.
- (f) Other than this Agreement, there are no outstanding agreements or options to acquire or purchase the Cariboo Gold Property or any portion thereof or any interest therein.
- (g) There is no adverse claim or challenge against or to the ownership of or title to any part of the Cariboo Gold Property, and no party has any right, title, claim or other interest in the Cariboo Gold Property.
- (h) All property rights or interests of the Corporation in the Cariboo Gold Property are legally and beneficially owned or held by the Corporation, are in good standing, are valid and enforceable, are free and clear of any liens, charges or encumbrances.
- (i) There are no actions, claims, investigations, suits, proceedings or inquiries (judicial or otherwise) pending or, to the best of its knowledge, threatened against or relating to the Corporation or the Cariboo Gold Property before or by any governmental or regulator agency or board, which may, in any way, have a materially adverse effect on the Vendor's or the Corporation's ability to perform its obligations hereunder.

- (j) The Cariboo Gold Property does not, to the best of Vendor's knowledge, contain any hazardous or toxic material, pollution or other adverse environmental conditions that may give rise to any environmental liability under any applicable environmental laws, and Vendor has not received, nor is it aware of any pending or threatened, notice of non-compliance with any environmental laws, regulations, rules or by-laws.
- (k) Vendor has not received from any governmental or regulatory agency or board, any notice of or communication relating to any actual or alleged environmental claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Cariboo Gold Property or any operations carried out on the Cariboo Gold Property.
- (l) Vendor has provided to Purchaser all data, maps, interpretive data, samples and other materials relevant to the Cariboo Gold Property for evaluation and in the possession or control of Vendor, and on the Closing Date (as defined below), will deliver to Purchaser.

Section 2.07 Legal Proceedings; Governmental Orders

- (a) There is no claim, action, suit, proceeding or governmental investigation (each, an "**Action**") of any nature pending or, to Vendor's Knowledge, threatened against or by:
 - (i) the Corporation affecting any of its properties or assets (or by or against Vendor and relating to the Corporation); or
 - (ii) the Corporation or Vendor that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

- (b) There are no outstanding governmental orders and no unsatisfied judgments, penalties or awards against or affecting the Corporation or any of its properties or assets.

Section 2.08 Compliance with Laws; Permits

- (a) The Corporation has complied, and is now complying, with all federal, provincial, territorial and local laws applicable to it or its business, properties or assets.
- (b) Other than previously disclosed to Purchaser, no permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights from governmental authorities are required by the Corporation to conduct its business.

Section 2.09 Environmental Matters

- (a) The Corporation is currently and has been in compliance with all environmental laws.
- (b) There has been no release, spillage, leaking, emitting, discharging, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate of any hazardous product, waste, toxic substance, contaminant, pollutant or deleterious substance in contravention of environmental law with respect to the Cariboo Gold Property or any real property formerly owned, operated, controlled or leased by the Corporation.

Section 2.10 Employment Matters. The Corporation does not have any employees as of the date hereof or at any time during its existence.

Section 2.11 Taxes.

- (a) The Corporation has duly and timely filed all its tax returns with all appropriate taxing authorities. Each such tax return was true, correct and complete in all respects. All taxes due and payable by the Corporation for periods (or portions thereof) ending on or before the Closing Date (whether or not shown due on any tax returns and whether or not assessed or reassessed by the appropriate taxing authority) have been paid.
- (b) The Corporation has duly and timely withheld or collected the proper amount of taxes that are required by law to be withheld or collected (including taxes and other amounts required to be withheld by it in respect of any person, including any officer or director and any person not resident in Canada for purposes of the *Income Tax Act* (Canada) and have duly and timely remitted to the appropriate taxing authority such taxes and other amounts required to be remitted by the Corporation.
- (c) The Corporation has not received any notice from any taxing authority that it is taking steps to assess any additional taxes against the Corporation for any period for which tax returns have been filed and there are no actual or pending audit investigations or other actions of or against the Corporation by any taxing authority relating to taxes. No taxing authority has given notice of any intention to assert any deficiency or claim for additional taxes against the Corporation.
- (d) True copies of all tax returns prepared and filed by the Corporation during the past years, together with any notices of assessment of the Corporation during the past years, have been made available to Purchaser on or before the date of this Agreement.
- (e) The Corporation is not a party to, or bound by, any tax indemnity, tax sharing or tax allocation agreement.

- (f) No tax rulings have been requested or issued by any taxation authority with respect to the Corporation.
- (g) The Corporation will not be required to include any item of income in, or exclude any item or deduction from, taxable income for any taxation year or portion thereof ending after the Closing Date as a result of use of an improper method of accounting, for a taxation year ending before the Closing Date.
- (h) Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

Section 2.12 Books and Records. The minute books, securities registers, shareholders' ledgers, register of transfers and share certificate books of the Corporation, all of which have been made available to Purchaser, are complete and correct and have been maintained in accordance with sound business practices. The minute books of the Corporation contain accurate and complete records of all meetings, and resolutions in writing of, the shareholders, the board of directors and any committees of the board of directors of the Corporation, and no meeting, or resolution in writing, of any such shareholders, board of directors or committee has been held for which minutes or resolutions in writing have not been prepared and are not contained in such minute books.

ARTICLE III Representations and Warranties of Purchaser

Purchaser represents and warrants to Vendor that the statements contained in this Article III are true and correct as of the date hereof. For purposes of this Article ARTICLE III, "Purchaser's Knowledge", "Knowledge of Purchaser" or any similar phrase shall mean the actual or constructive knowledge of any director or officer of Purchaser, after due inquiry.

Section 3.01 Corporate Status; Authorization; Enforceability. Purchaser is a corporation incorporated and existing under the laws of the Province of British Columbia and has not been discontinued or dissolved under such laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Purchaser has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Purchaser of this Agreement and the documents to be delivered hereunder and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by Vendor) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms.

Section 3.02 No Conflicts; Consents. The execution, delivery and performance by Purchaser of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not violate or conflict with:

- (a) the articles of incorporation, by-laws, unanimous shareholder agreements or other organizational documents of Purchaser; or
- (b) any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Purchaser.

No consent, approval, waiver or authorization is required to be obtained by Purchaser from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.03 Legal Proceedings. There is no action of any nature pending or, to Purchaser's Knowledge, threatened against or by Purchaser that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

ARTICLE IV Covenants

Section 4.01 Confidentiality. From and after the Closing, Vendor shall hold, and shall use its reasonable best efforts to cause its directors and officers to hold, in confidence any, and all, information, whether written or oral, concerning the Corporation, except to the extent that Vendor can show that such information is:

- (a) generally available to and known by the public through no fault of Vendor or its directors or officers; or
- (b) lawfully acquired by Vendor from and after the Closing from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

Section 4.02 Books and Records

- (a) To facilitate the resolution of any claims made against or incurred by Vendor before the Closing, or for any other reasonable purpose, for a period of two (2) years after the Closing, Purchaser shall:
 - (i) retain the books and records (including personnel files) of the Corporation relating to periods before the Closing in a manner reasonably consistent with the prior practices of the Corporation; and
 - (ii) upon reasonable notice, afford representatives of Vendor reasonable access (including the right to make, at Vendor's expense, photocopies), during normal business hours, to such books and records.

- (b) To facilitate the resolution of any claims made by or against or incurred by Corporation after the Closing, or for any other reasonable purpose, for a period of two (2) years after the Closing, Vendor shall:
 - (i) retain the books and records (including personnel files) of Vendor which relate to the Corporation and its operations for periods before the Closing; and
 - (ii) upon reasonable notice, afford representatives of Purchaser or the Corporation reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to such books and records.
- (c) Neither Purchaser nor Vendor shall be obligated to provide the other party with access to any books or records (including personnel files) under this Section 4.02 where such access would violate any law.

Section 4.03 Public Announcements. Unless otherwise required by applicable law or stock exchange requirements, neither party shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed).

Section 4.04 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

ARTICLE V Indemnification

Section 5.01 Survival. All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 5.02 Indemnification by Vendor. Vendor shall defend, indemnify and hold harmless Purchaser, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of Vendor contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfillment of any covenant, agreement or obligation to be performed by Vendor under this Agreement or any document to be delivered hereunder.

Section 5.03 Indemnification by Purchaser. Purchaser shall defend, indemnify and hold harmless Vendor, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser under this Agreement or any document to be delivered hereunder.

Section 5.04 Tax Treatment of Indemnification Payments. All indemnification payments made by Vendor under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by law.

Section 5.05 Effect of Investigation. Purchaser's right to indemnification or other remedy based on the representations, warranties, covenants and agreements of Vendor set out herein will not be affected by any investigation conducted by Purchaser, or any knowledge acquired by Purchaser at any time, with respect to the accuracy of, or compliance with, any such representation, warranty, covenant or agreement.

Section 5.06 Cumulative Remedies. The rights and remedies provided in this Article ARTICLE V are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VI Miscellaneous

Section 6.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 6.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given:

- (a) when delivered by hand (with written confirmation of receipt);
- (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);
- (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or
- (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6.02):

If to Vendor: 1550 Bedford Highway, Suite 802
Bedford, NS B4A 1E6

Email: [REDACTED]
Attention: Chief Executive Officer

If to Purchaser: c/o
Suite 810 – 789 West Pender Street
Vancouver, BC V6C 1H2

Email: [REDACTED]
Attention: President

Section 6.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 6.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 6.05 Entire Agreement. This Agreement and documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 6.06 Successors and Assigns. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 6.07 No Third-Party Beneficiaries. Except as provided in ARTICLE V, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 6.08 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 6.09 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Section 6.10 Forum Selection. Any action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the Province of British Columbia, and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of such courts in any such action or proceeding.

Section 6.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 6.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

MEGUMAGOLD CORP.

By 

Name: Regan Isenor

Title: Chief Executive Officer

1267818 B.C. LTD.

By 

Name: Eugene Beukman

Title: President

SCHEDULE "A"
CARIBOO GOLD PROPERTY -
MINERAL CLAIMS

Claim No.	Claim Name	Jurisdiction	Ha	Owner
1060296	CARIBOO GOLD I	BC	291.71	1161097 B.C. Ltd. - 100%
1060297	CARIBOO GOLD II	BC	1925.65	1161097 B.C. Ltd. - 100%
1060298	CARIBOO GOLD III	BC	1949.1	1161097 B.C. Ltd. - 100%
1060377	CARIBOO GOLD IV	BC	350.25	1161097 B.C. Ltd. - 100%
1060341	LAC LA HACHE GOLD I	BC	179.07	1161097 B.C. Ltd. - 100%
1060344	PINTO GOLD I	BC	83.76	1161097 B.C. Ltd. - 100%

SCHEDULE "B"
CANCELLATION OF OUTSTANDING DEBT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, Eugene Beukman, does hereby cancel and acknowledge satisfaction of that certain loan (the "**Debt**") in the aggregate amount of One Hundred Thousand Dollars (CA \$100,000) owed by MegumaGold Corp. ("**MegumaGold**") to the undersigned, and further, does hereby release, acquit and forever discharge MegumaGold and its successors, agents, officers and directors from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, which the undersigned may now or hereafter have on account of, or in any way arising out, or being connect with the said Debt.

WITNESS MY SIGNATURE, this the 13th day of January 2021.

Signed: _____

Eugene Beukman