

AMALGAMATION AGREEMENT

AMONG:

SCORP ENERGY LTD.

AND:

682147 N.B. LTD.

AND:

STOMPY BOT PRODUCTIONS, INC.

DATED: MAY 5th, 2015

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AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is dated as of the 5th day of May, 2015.

AMONG:

SCORP ENERGY LTD., a corporation existing under the laws of the Province of British Columbia

(“**Scorp**”)

AND:

682147 N.B. LTD., a corporation existing under the laws of the Province of New Brunswick

(“**MergerSub**”)

AND:

STOMPY BOT PRODUCTIONS, INC., a corporation existing under the laws of the Province of New Brunswick

(“**Target**”)

WHEREAS:

(A) It is intended that Target and MergerSub, a wholly-owned subsidiary of Scorp, will amalgamate and form one corporation under the provisions of the NBBCA (as herein defined; the “**Amalgamation**”); and

(B) Upon the Amalgamation taking effect, securityholders of Target will receive securities of Scorp in the proportion and to the extent set out herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

PART 1
INTERPRETATION

Definitions

1.1 In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**” means this amalgamation agreement (including the schedules and exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;
- (b) “**Amalco**” means the corporation continuing from the Amalgamation;
- (c) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (d) “**Amalgamation**” means the amalgamation of MergerSub and Target under the provisions of the NBBCA on the terms and conditions set forth in this Agreement;
- (e) “**Amalgamation Application**” means the amalgamation application as contemplated by the NBBCA and in substantially the form as agreed to by the Parties;
- (f) “**Amalgamation Resolution**” means the special resolution in respect of the Amalgamation to be considered by the Target Shareholders;
- (g) “**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (h) “**Applicable Laws**”, in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or persons or its or their business, undertaking, property or securities;
- (i) “**Articles**” means the Articles of Amalco in respect of the Amalgamation and in substantially the form as agreed upon by the Parties;

- (j) “**Assets**” means all of the property (whether real or personal, tangible or intangible), rights, interests, entitlements and undertaking of Target, including without limitation:
- (1) the Books and Records;
 - (2) all related Permits and approvals from Governmental Authorities;
 - (3) all other assets recorded or reflected on the Target Balance Sheet;
 - (4) all Material Contracts of, or arising from, the Business to which Target is a party, under which Target may have any rights or by which Target or the Business may be bound, and all bids, quotations and proposals therefore; and
 - (5) all related information relating to the Business, Target or the Assets in any form;
- (k) “**Books and Records**” means all technical, financial, accounting, business, tax and employee information, records and files, in any form whatsoever (including written, printed or electronic form) of Target, including the Target Balance Sheet, regulatory filings and returns, books of account and related original source documentation, corporate records of Target, actuarial, tax and accounting information, geological and metallurgical data, reports, files, lists, drawings, plans, logs, briefs, computer program documentation, employee data and records, deeds, certificates, contracts, surveys, title and legal opinions, records of payment, asset documentation, written employment manuals and employment policies;
- (l) “**Business**” means the business and activities carried on by Target, including the ownership of the Assets and the business of independent video game digital media publishing;
- (m) “**Business Day**” means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia, are not generally open for business;
- (n) “**Certificate of Amalgamation**” means the certificate of amalgamation issued by the Registrar in respect of the Amalgamation;
- (o) “**Circular**” means the management information circular of Web Watcher Systems Ltd. dated December 27, 2014, approving, among other things, the spinoff transaction resulting in Scorp becoming a reporting issuer in accordance with the Securities Act;
- (p) “**Claims**” has the meaning set forth under §6.1;

- (q) “**Consolidation**” means the consolidation of the Scorp Shares on the basis of one (1) “new” Scorp Post-Consolidation Share for every three (3) “old” Scorp Shares, as approved by the board of directors of Scorp;
- (r) “**Constituting Documents**” means as to each of the Parties, its certificate of incorporation, notice of articles and articles as in effect as of the date of this Agreement;
- (s) “**Corporate Records**” means the corporate records of Target including the Constituting Documents, share registers, registers of directors, list of bank accounts and signing authorities and minutes of shareholders’ and directors’ meetings;
- (t) “**Dissenting Shareholder**” means a registered holder of Target Shares who validly exercises the right of dissent available to such holder under Section 131 of the NBBCA in respect of the special resolution approving the Amalgamation;
- (u) “**Dissenting Target Shares**” means the Target Shares held by Dissenting Shareholders;
- (v) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (w) “**Effective Time**” means the effective time of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (x) “**Encumbrances**” means any encumbrance of any kind whatever and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim or encumbrance of any kind or character whatsoever or howsoever arising, and any right or privilege capable of becoming any of the foregoing;
- (y) “**Exchange**” means the Canadian Securities Exchange;
- (z) “**Exchange Ratio**” means one (1) Scorp Post-Consolidation Share or Scorp Replacement Option, as the case may be, to be issued for every 2.1323 Target Shares or Target Options, as applicable, held as of the Effective Date;
- (aa) “**Governmental Authority**” means any federal, state, provincial and municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;
- (bb) “**IFRS**” means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;

- (cc) “**Listing Statement**” means the listing statement to be filed by Scorp in respect of the Listing Transaction;
- (dd) “**Listing Transaction**” means the proposed listing of Target on the Exchange;
- (ee) “**LOI**” means the letter of intent dated November 18, 2014, between Web Watcher Systems Ltd. and the Target;
- (ff) “**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Party prior to the date of this Agreement; (ii) any action or inaction taken by such Person to which the other Person had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this Agreement; or (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions in the United States, Canada or worldwide;
- (gg) “**Material Change**” and “**Material Fact**” has the meanings ascribed thereto under the Applicable Canadian Securities Laws;
- (hh) “**Material Contract**” means those contracts, agreements, understandings or arrangements entered into by Target which have individual payment obligations on the part of Target that exceed \$50,000, or are for a term extending one year after the Effective Time or have been entered into out of the ordinary course of business;
- (ii) “**MergerSub**” means 682147 N.B. Ltd., a wholly-owned subsidiary of Scorp;
- (jj) “**MergerSub Shares**” means common shares in the capital of MergerSub;
- (kk) “**Name Change**” means the change of the name of Scorp to “Stompy Bot Productions, Inc.” or such other name as may be acceptable to Scorp and the applicable regulatory authorities, to be approved by the board of directors of Scorp;
- (ll) “**NBCCA**” means the *Business Corporations Act* (New Brunswick), as amended, including the regulations promulgated thereunder;
- (mm) “**Outside Date**” means June 30, 2015;
- (nn) “**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them;

- (oo) **“Permit”** means any and all permits, licences, agreements, concessions, approvals, certificates, consents, certificates of approval, rights, privileges or franchises, registrations (including any required export/import approvals) and exemptions of any nature and other authorizations, conferred or otherwise granted by any Governmental Authority and used in the conduct of the Business as currently being conducted or related to any Asset;
- (pp) **“Persons”** means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any government;
- (qq) **“Public Record”** means all information filed by Scorp with any securities commission or similar regulatory authority which are available through the SEDAR website as of the date hereof;
- (rr) **“Registrar”** means the Registry, Registrar of Companies or a Deputy Registrar of Companies for the Province of New Brunswick duly appointed under the NBBCA;
- (ss) **“Scorp”** means Scorp Energy Ltd.;
- (tt) **“Scorp Financing”** means the private placement of special warrants of Scorp in an amount of up to \$420,000 at a price of \$0.035 per special warrant (the **“Special Warrants”**), whereby each Special Warrant will be automatically exercised for one (1) Scorp Post-Consolidation Shares following or concurrent with the completion or waiver of all of the conditions precedent to the Amalgamation and completion of the transaction contemplated herein;
- (uu) **“Scorp Options”** means stock options to acquire Scorp Shares;
- (vv) **“Scorp Post-Consolidation Shares”** means the common shares in the capital of Scorp, as constituted immediately following the Consolidation;
- (ww) **“Scorp Replacement Options”** means the stock options of Scorp to be issued in exchange for the Target Options, if any, in connection with the Amalgamation, each entitling the holder to acquire Scorp Post-Consolidation Shares pursuant to the Exchange Ratio and otherwise bearing the same terms and conditions as the Target Options so exchanged;
- (xx) **“Scorp Resolution”** means the resolution of the board of directors of Scorp to approve the Consolidation, the Name Change and any further matters if required by the Exchange;
- (yy) **“Scorp Shares”** means the common shares in the capital of Scorp;
- (zz) **“Scorp Shareholder”** means a registered holder of Scorp Shares at the applicable time;

- (aaa) “**Scorp Warrants**” means common share purchase warrants to acquire Scorp Shares;
- (bbb) “**Securities Act**” means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;
- (ccc) “**subsidiary**” has the meaning ascribed thereto in the Securities Act;
- (ddd) “**Target**” means Stompy Bot Productions, Inc.;
- (eee) “**Target Balance Sheet**” means the balance sheet of Target as at December 31, 2014;
- (fff) “**Target Optionholders**” means the holders of Target Options;
- (ggg) “**Target Options**” means unexercised stock options to acquire Target Shares;
- (hhh) “**Target Shareholders**” means the holders of Target Shares;
- (iii) “**Target Shares**” means common shares in the capital of Target;
- (jjj) “**Target Warrants**” means unexercised warrants to acquire Target Shares;
- (kkk) “**Transfer Agent**” means Computershare Investor Services Inc., the transfer agent for the Scorp Shares; and
- (lll) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereto”, “herein” and “hereunder” and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
- (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (c) the word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;

- (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place;
- (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
- (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;
- (g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;
- (h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);
- (i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry; and
- (j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

PART 2

THE AMALGAMATION

Agreement to Amalgamate

2.1 Scorp, MergerSub and Target agree that MergerSub and Target shall amalgamate pursuant to the provisions of the NBBCA as of the Effective Date and continue as one corporation on the terms and conditions set out in this Agreement.

Effect of Amalgamation

2.2 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

- (a) Target and MergerSub are amalgamated and continue as one corporation;
- (b) each of Target and MergerSub cease to exist as entities separate from Amalco;
- (c) the property of each of MergerSub and Target shall continue to be the property of Amalco;
- (d) Amalco shall continue to be liable for the obligations of each of MergerSub and Target; and
- (e) the Articles as agreed to by the Parties shall be the articles of Amalco.

Name

2.3 The name of Amalco shall be “Stompy Bot Productions, Inc.”, or such other name as determined by the Target.

Registered Office

2.4 The registered office of Amalco shall be 44 Chipman Hill, Suite 1000, Saint John, New Brunswick, E2L 2A9.

Authorized Capital and Restrictions on Share Transfers

2.5 The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, which shall have the rights, privileges, restrictions and conditions set out in the Articles. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles.

Fiscal Year

2.6 The fiscal year end of Amalco shall be December 31 of each calendar year.

Business

2.7 There shall be no restriction on the business which Amalco is authorized to carry on. The board of directors of Amalco may from time to time, in such amounts and on such terms as it deems expedient:

- (a) borrow money on the credit of Amalco;
- (b) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of Amalco; and

(c) charge, mortgage, hypothecate or pledge all or any of the currently owned or subsequently acquired real or personal, movable or immovable, property of Amalco, including book debts, rights, powers, franchises and undertaking, to secure any debt obligations or any money borrowed, or other debt or liability of Amalco.

2.8 The board of directors of Amalco may from time to time delegate to such one or more of the directors and officers of Amalco as may be designated by the board of directors all or any of the powers conferred on the board of directors above to such extent and in such manner as the board of directors shall determine at the time of each such delegation.

Initial Directors

2.9 The first directors of Amalco shall be the persons whose name and address appear below:

<u>Name</u>	<u>Address</u>
Vince McMullin	299 Nerepis Road, Grand Bay-Westfield, New Brunswick, E5K 2Z9
John Nguyen	121 Water Street, Apartment 104, Cornwall, Ontario, K6J 5T8
Michael John Soloman	8830 Headley Drive, Sterling Heights, MI, 49314, USA
James Martin Taylor	180 Laurel Glen Road, Soquel, California, 95073, USA
Marc Buchmann	10472 Islington Avenue, Unit 204, Kleinburg, Ontario, L0J 1C0

Such directors shall hold office until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

Initial Officers

2.10 The first officers of Amalco shall be the persons whose name and position appear below:

<u>Name</u>	<u>Position</u>
James Martin Taylor	President
John Nguyen	Vice-President

Exchange of MergerSub Shares and Target Shares

2.11 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

- (a) Scorp will issue, and each Target Shareholder will receive, one (1) Scorp Post-Consolidation Share in exchange for every 2.1323 Target Shares held by such holder (the “**Exchange Ratio**”) and such Target Shares will be cancelled;
- (b) if applicable, Scorp will issue, and each Target Optionholder will receive Scorp Replacement Options in exchange for Target Options pursuant to the Exchange Ratio, and shall represent a right to acquire Scorp Post-Consolidation Shares on the same terms and conditions and at their economic equivalent;
- (c) no fractional Scorp Post-Consolidation Shares or Scorp Replacement Options will be issued. In the event that a Target Shareholder would otherwise be entitled to a fractional Scorp Post-Consolidation Share or Scorp Replacement Option hereunder, the number of Scorp Post-Consolidation Shares or Scorp Replacement Option issued to such Target Shareholder shall be rounded down to the nearest whole Scorp Post-Consolidation Share or Scorp Replacement Option. In calculating such fractional interests, all Target Shares registered in the name of or beneficially held by such Target Shareholder or their nominee shall be aggregated;
- (d) the MergerSub Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each one MergerSub Share;
- (e) Amalco shall issue to Scorp one Amalco Share for each Scorp Post-Consolidation Share issued by Scorp under §2.11(a); and
- (f) Scorp Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by §2.11(a). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under Section 131 of the NBBCA or forfeits its right to make a claim under Section 131 of the NBBCA or if its rights as a shareholder of Scorp are otherwise reinstated, such Dissenting Shareholder’s Dissenting Target Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by §2.11(a).

Stated Capital

2.12 Upon completion of the Amalgamation, the stated capital of the Amalco Shares will be equal to the stated capital of the Target Shares plus the stated capital of the MergerSub Shares.

Share Certificates and Convertible Securities

2.13 On the Effective Date the Target Shareholders (other than Dissenting Shareholders who are ultimately entitled to be paid fair value for their Dissenting Target Shares) shall be deemed to be the registered holders of the Scorp Post-Consolidation Shares to which they are entitled hereunder. With respect to any Target Shareholder which has previously taken delivery of certificates representing such holder’s Target Shares, such holder shall be required to deliver and surrender to the Transfer Agent such certificates representing all such Target Shares which have been exchanged for Scorp Post-Consolidation Shares in accordance with §2.11(a)

hereof, and such other documentation as may be required by the Transfer Agent, following which the Transfer Agent shall, as soon as practicable, issue to such Target Shareholder certificates representing the number of Scorp Post-Consolidation Shares to which such holder is entitled. With respect to any Target Shareholder which has not previously taken delivery of certificates representing such holder's Target Shares, the Transfer Agent shall, as soon as practicable, issue to such Target Shareholder certificates representing the number of Scorp Post-Consolidation Shares to which such holder is entitled without any further action on the part of such Target Shareholder;

2.14 Scorp, as the registered holder of the MergerSub Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificates representing such MergerSub Shares to Amalco, Scorp shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in 2.11(a) hereof.

2.15 Share certificates evidencing Target Shares shall cease to represent any claim upon or interest in Target or Amalco other than the right of the registered holder to receive pursuant to the terms hereof and the Amalgamation, Scorp Post-Consolidation Shares in accordance with §2.11(a) hereof.

2.16 The Parties acknowledge that as at the Effective Time, the Target Warrants and Target Options, if any, outstanding at the Effective Time will be adjusted in accordance with their terms, such that the Target Warrants and the Target Options will cease to represent a right to acquire Target Shares and provide the right to acquire Scorp Post-Consolidation Shares, all in accordance with the adjustment provisions provided in the certificates representing the Target Warrants and Target Options. Holders of such Target Warrants and Target Options will have the option to exchange the certificates representing their Target Warrants or Target Options for certificates representing the Replacement Scorp Warrants and Replacement Scorp Options issued in the name of Scorp.

Completion of the Amalgamation and Effective Date

2.17 Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, Target and MergerSub shall immediately deliver to the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Effective Time.

Scorp Guarantee

2.18 Scorp hereby unconditionally and irrevocably guarantees the due and punctual performance by MergerSub of each and every covenant and obligation of MergerSub arising under the Amalgamation. Scorp hereby agrees that Target shall not have to proceed first against MergerSub before exercising its rights under this guarantee against Scorp.

PART 3
COVENANTS

Mutual Covenants

3.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of the Parties shall:

- (a) carry on its business in the usual, regular and ordinary course of business consistent with its past practice;
- (b) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as contemplated by this Agreement;
- (c) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Amalgamation, including using reasonable commercial efforts:
 - (i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
 - (ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;
 - (iii) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and
 - (iv) to reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;
- (d) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;

- (e) use reasonable commercial efforts to obtain and maintain the third party approvals applicable to them and provide the same to the other Parties on or prior to the Effective Date;
- (f) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which, in the opinion of Target or Scorp acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby. Without limiting the foregoing, except as provided in this Agreement, none of the Parties shall (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders or (ii) issue any of its shares or other securities convertible into shares or enter into any commitment or agreement (other than on the exercise of convertible securities), except that Target may conduct equity financings from time to time;
- (g) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;
- (h) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to this §3.1(h);
- (i) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and
- (j) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is required as a result of the duties of directors and officers of the applicable Party in compliance with Applicable Laws.

Additional Covenants of Scorp and MergerSub

3.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of Scorp and MergerSub covenant and agree that:

- (a) Scorp and MergerSub shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in §7.1 and §7.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Scorp or MergerSub, as the case may be;
- (b) Scorp shall, as the sole shareholder of MergerSub, approve by special resolution the Amalgamation, together with such matters as are required to effect the Amalgamation;
- (c) Scorp shall use its reasonable commercial efforts to cause, as of the Effective Time, the Scorp board of directors to consist of:

<u>Name</u>	<u>Address</u>
Vince McMullin	6 Skaling Court, Unit 6, Saint John, New Brunswick, E2K 4G8, Canada
Michael John Soloman	8830 Headley Drive, Sterling Heights, Michigan, 49314, USA
Martin James Taylor	180 Laurel Glen Road, Soquel, California, 95073, USA
John Nguyen	121 Water Street, Apt 104, Cornwall, Ontario, K6J 5T8, Canada
Marc Buchmann	10472 Islington Avenue, Unit #204, Kleinburg, Ontario, L0J 1C0, Canada

- (d) Scorp shall, on the Effective Date, provide to the Transfer Agent an irrevocable direction authorizing and directing the Transfer Agent to issue the Scorp Post-Consolidation Shares issuable under the Amalgamation to holders of the Target Shares and shall irrevocably direct the Transfer Agent to distribute the Scorp Post-Consolidation Shares to the holders of the Target Shares in accordance with the terms of the Amalgamation; and
- (e) subject to obtaining of all applicable regulatory approvals, including the conditional approval of the Exchange, issue that number of Scorp Post-Consolidation Shares and Scorp Replacement Options as required by §2.11 above, respectively.

Additional Covenants of Target

3.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, Target covenants and agrees that:

- (a) Target will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in §7.1 and §7.2 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Target;
- (b) Target shall use reasonable commercial efforts to seek approval of the Amalgamation Resolution, together with the approval of such matters as are required to effect the Amalgamation; and
- (c) convene and hold the meeting of its shareholders as soon as reasonably practicable to obtain the consent of its shareholders with respect to the Amalgamation.

PART 4 **REPRESENTATIONS AND WARRANTIES**

Representations and Warranties of Scorp and MergerSub

4.1 Scorp and MergerSub represent and warrant to Target as follows, and acknowledge that Target is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) each of Scorp and MergerSub has good and sufficient right, corporate power and authority to enter into this Agreement and carry out its intentions hereunder, including without limitation, to (i) issue and deliver of the Scorp Post-Consolidation Shares in connection with the Amalgamation; (ii) create, issue and deliver the Scorp Replacement Options; and (iii) sell, issue and deliver the Scorp Post-Consolidation Shares underlying the Scorp Replacement Options pursuant to §2.11 above;
- (b) this Agreement has been duly authorized, executed and delivered by Scorp and MergerSub and constitutes a valid and binding obligation of Scorp and MergerSub enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of Scorp or MergerSub is necessary to authorize this Agreement and the transactions contemplated hereby;

- (c) the issue and delivery of the Scorp Post-Consolidation Shares and creation, issue and delivery of the Scorp Replacement Options and the issue, sale and delivery of the Scorp Post-Consolidation Shares underlying the Scorp Replacement Options pursuant to §2.11 above, each upon due exercise thereof in accordance with the terms thereof and all pursuant to the Amalgamation, will all have been authorized by all necessary corporate action on the part of Scorp as of the Effective Date;
- (d) on the Effective Date, (i) the Scorp Post-Consolidation Shares to be issued to the Target Shareholders will be duly and validly issued and outstanding as fully paid and non-assessable; (ii) the Scorp Replacement Options will be duly and validly created and issued; and (iii) the Scorp Post-Consolidation Shares underlying the Scorp Replacement Options will be authorized or reserved for issuance upon exercise of the Scorp Replacement Options, and, upon such exercise and payment of the applicable exercise price, will be duly and validly issued as fully paid and non-assessable Scorp Post-Consolidation Shares;
- (e) there is no requirement to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority, or to obtain any consent, approval or authorization of any other party or person, as a condition to the lawful completion of the transactions contemplated by this Agreement, including specifically the Amalgamation, except for the filing of the Articles giving effect to the Amalgamation, Name Change and Consolidation and other filings, notifications and authorizations required under applicable corporate laws and the rules and policies of the Exchange;
- (f) each of Scorp and MergerSub is duly incorporated under the *Business Corporation Act* (British Columbia) and the NBBCA, respectively, is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (g) On the Effective Date Scorp will be, a “reporting issuer” in British Columbia;
- (h) Scorp is authorized to issue an unlimited number of common shares, of which 14,403,698 common shares are outstanding as at the date hereof, and it does not have outstanding any Scorp Options or Scorp Warrants as of the date hereof;
- (i) MergerSub is authorized to issue an unlimited number of common shares, of which one common share is outstanding as at the date hereof, which is held by Scorp;
- (j) other than the securities referred to in §4.1(h) and §4.1(i), there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Scorp or MergerSub (as that term is defined in the Securities Act);
- (k) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Scorp or MergerSub at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever, nor are there, to their knowledge, any pending or threatened;

(l) neither the execution and delivery of this Agreement, the consummation of the Amalgamation, the issue and delivery of the Scorp Post-Consolidation Shares in connection with the Amalgamation; (iv) the creation, issue and delivery of the Scorp Replacement Options; nor (v) the issue, sale and delivery of the Scorp Post-Consolidation Shares upon due exercise of the Scorp Replacement Options pursuant will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the material contracts and the Constatng Documents of Scorp, director or shareholder minutes of Scorp, any agreement or instrument to which Scorp is a party or by which Scorp is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Scorp;

(m) Scorp has, as the sole shareholder of MergerSub, approved the Amalgamation, together with such matters as are required to effect the Amalgamation, and since the date of its incorporation, MergerSub has not conducted any active business (other than any business required in connection with the Amalgamation), and has no material assets and no liabilities;

(n) the financial statements, annual and interim MD&A, and press releases of Scorp filed with the Securities Commission in British Columbia on or during the twelve months preceding the date hereof are in all material respects accurate and up to date and omit no facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

(o) neither Scorp nor MergerSub has incurred any debts or liabilities, absolute, contingent or otherwise except in the ordinary course of business and neither Scorp nor MergerSub has granted any general security over its assets;

(p) the information in the Listing Statement relating to Scorp and MergerSub will be true, correct and complete in all material respects and not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;

(q) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any arrears, penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by Scorp and MergerSub have been paid, collected or withheld and remitted, as applicable. All tax returns, declarations, remittances and filings required to be filed by Scorp and MergerSub have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom that would make any of them misleading. No examination of any tax return of Scorp or MergerSub is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by Scorp or MergerSub. There are no agreements, waivers or other arrangements with any

taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to Scorp or MergerSub;

(r) Scorp is up to date and current with all filings required by the Securities Commission of British Columbia;

(s) as of the date hereof, neither Scorp nor MergerSub has any debts or obligations other than those disclosed in its accounts or for professional fees accrued but not yet invoiced and has granted no general security over its assets or security in any particular asset;

(t) as at the date hereof, there are no reasonable grounds for believing that any creditor of Scorp or MergerSub will be prejudiced by the Amalgamation;

(u) as at the date hereof, Scorp has no subsidiaries, except for MergerSub;

(v) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Scorp or MergerSub or any instruments binding on it or its assets:

(i) which would preclude it from entering into this Agreement;

(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Scorp or MergerSub;

(iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Scorp or MergerSub is a party or to purchase any of Scorp's, MergerSub's or Amalco's assets; or

(iv) which would impose restrictions on the ability of Amalco:

(A) to carry on any business which it might choose to carry on within any geographical area;

(B) to acquire property or dispose of its property and assets as an entirety;

(C) to pay dividends, redeem shares or make other distributions to its shareholders;

(D) to borrow money or to mortgage and pledge its property as security therefore; or

(E) to change its corporate status, and

(w) except with respect to the Scorp Financing and certain fees to be paid to Richardson GMP Limited as further detailed in the LOI in connection therewith, no

agent, broker, investment banker or other firm or person is or will be entitled to claim against Scorp or MergerSub for any broker's or finder's fee or other commission or similar fee incurred by either of them in connection with any of, or the consummation of any of, the transactions contemplated hereby or the Amalgamation;

(x) On the Effective Date Computershare Investor Services Inc. will be duly appointed as the registrar and transfer agent for the Scorp Shares; and

(y) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Target in seeking full information as to Scorp and MergerSub and their assets, liabilities and business.

Representations and Warranties of Target

4.2 Target represents and warrants to Scorp and MergerSub as follows, and acknowledges that Scorp and MergerSub are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;

(b) it is duly incorporated under the NBBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;

(c) it is authorized to issue an unlimited number of common shares, of which 65,310,891 common shares are outstanding as at the date hereof, and it does not have any Target Warrants, and not more than 16,350,000 Target Options outstanding as at the date hereof;

(d) other than the securities referred to in §4.2(c) and as otherwise provided in this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Target (as that term is defined in the Securities Act) and, other than as provided in the Option Agreement, Target has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Target of any Target Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Target Shares;

(e) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Target at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to its knowledge, any pending or threatened;

(f) this Agreement is a binding agreement on Target, enforceable against it in accordance with its terms and conditions;

(g) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constating Documents of Target, director or shareholder minutes of Target, any agreement or instrument to which Target is a party or by which Target is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Target;

(h) except as disclosed in the Target Balance Sheet, Target has not incurred any debts or liabilities, absolute, contingent or otherwise except in the ordinary course of business and has not granted any general security over its assets;

(i) it does not have any outstanding taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of tax;

(j) Target has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. Target has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns. Complete and correct copies of all such returns and other documents filed in respect of the last three fiscal years ending prior to the date hereof have been provided to Scorp prior to the date hereof;

(k) except as disclosed herein, as of the date hereof, Target does not have any debts and obligations other than those disclosed in its accounts or for professional fees accrued but not yet invoiced and Target has not granted any general security over its assets or security in any particular asset;

(l) the Corporate Records are complete and accurate in all material respects and except as disclosed to Scorp and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Target. Without limiting the generality of the foregoing, in respect of the Corporate Records for Target: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

(m) no proceedings have been taken, are pending or authorized by Target or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Target;

(n) as at the date hereof there are no reasonable grounds for believing that any creditor of Target will be prejudiced by the Amalgamation;

(o) as at the date hereof, Target has no subsidiaries;

(p) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Target or any instruments binding on it or its assets:

(i) which would preclude Target from entering into this Agreement;

(ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Target;

(iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Target is a party or to purchase any of Target's or Amalco's assets; or

(iv) which would impose restrictions on the ability of Amalco:

(A) to carry on any business which it might choose to carry on within any geographical area;

(B) to acquire property or dispose of its property and assets as an entirety;

(C) to pay any dividends, redeem shares or make other distributions to its shareholders;

(D) to borrow money or to mortgage and pledge its property as security therefor; or

(E) to change its corporate status; and

(q) Target has performed all of the material obligations required to be performed by it, and is entitled to all benefits under, and is not in default in respect of, the Material Contracts;

(r) to its knowledge there is no shareholders' agreement, partnership agreement, voting trust, voting agreement, pooling agreement, proxy or other arrangement relating to the voting or other rights attached to any of the Target Shares;

(s) except as disclosed in writing to Scorp:

(i) Target has good and marketable legal and beneficial title to all of the Assets, free and clear of any Encumbrances;

- (ii) the Assets owned and leased by Target constitute all of the property and Assets used or held for use in connection with the Business;
- (iii) there is no agreement, option or other right or privilege outstanding in favour of any Person for the purchase from Target of the Business or any part thereof or of any of the Assets;
- (t) Target is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, are not material;
- (u) neither Target nor any of its subsidiaries is in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Target or any of its subsidiaries, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and either Target or its subsidiaries, as applicable, is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Neither Target nor its subsidiaries has received any notice of a default by Target or its subsidiaries, as applicable, or a dispute between Target or its subsidiaries and any other party in respect of any Material Contract. Complete and correct copies of each of the Material Contracts have been provided or made available to Scorp prior to the date hereof;
- (v) neither Target nor any of its subsidiaries has any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Target of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in or provided for in the financial statements of Target or incurred in the ordinary course of business following the date of such financial statements;
- (w) except for Scorp's right under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for (A) the purchase or acquisition of any of the Target Shares or any of the shares of any of its subsidiaries or, to its knowledge, the purchase or acquisition of any of the shares of Target, or (B) the purchase, subscription, allotment or issuance of any unissued shares or other securities in the capital of Target or any of its subsidiaries or, to its knowledge, any unissued shares or other securities in the capital of Target. No Person has any written or oral agreement, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition from Target or any of its subsidiaries or, to its knowledge, of any Assets;
- (x) neither Target nor any of its subsidiaries is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person;

(y) complete and correct copies (including all amendments) of all Material Contracts and other documents referred to in this Agreement or required to be disclosed hereby have been delivered or made available to Scorp; and

(z) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Scorp or MergerSub in seeking full information as to Target and its assets, liabilities and business.

Survival of Representation and Warranties

4.3 The representations and warranties herein shall survive the performance of the Parties respective obligations hereunder and the termination of this Agreement but shall expire one year after the Effective Date.

PART 5 **AGREEMENTS**

Listing Statement

5.1 As promptly as practical following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), Scorp shall provide to Target the necessary information in respect of Scorp to ensure that the Listing Statement provides information in compliance in all material respects with Exchange policies on the date of filing thereof.

Preparation of Filings

5.2 (a) Scorp and Target shall cooperate in the taking of all such action as may be required under the NBBCA, Applicable Canadian Securities Laws, and other Applicable Laws in connection with the transactions contemplated by this Agreement and the Amalgamation, including structuring the Amalgamation as a plan of arrangement in accordance with the U.S. Securities Act, if necessary.

(b) Each of Scorp and Target shall promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement and the provisions of this §5.2.

Name Change

5.3 On or prior to the Effective Date, Scorp shall change its name to “Stompy Bot Productions, Inc.” or such other name as may be determined by Target, as may be accepted by the Registrar.

PART 6
INDEMNIFICATION

Mutual Indemnifications for Breaches of Warranty

6.1 Subject to §6.2, Target hereby covenants and agrees with each of Scorp and MergerSub, and their respective directors, officers, employees, agents, advisors and representatives, and each of Scorp and MergerSub hereby covenants and agrees with Target, and its respective directors, officers, employees, agents, advisors and representatives (the Parties covenanting and agreeing to indemnify another person under this section are hereinafter individually referred to as the “**Indemnifying Party**” and the persons being indemnified by a Party are hereinafter individually referred to as the “**Indemnified Party**”), to indemnify and save harmless the Indemnified Party from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties (collectively “**Claims**”) which may be suffered or incurred by the Indemnified Party as a result of, or arising out of:

- (a) any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party under this Agreement, or
- (b) any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement,

except that the Indemnifying Party shall not be liable in any such case to the extent that any such Claims arise out of or are based upon the negligence of an Indemnified Party or the non-compliance by an Indemnified Party with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement.

Limitation on Mutual Indemnification

6.2 The indemnification obligations of each of the Parties pursuant to §6.1 shall be subject to the following:

- (a) the Claim shall have been made in writing in accordance with §6.3 within one year of the Effective Date; and
- (b) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate claims sustained by that Indemnified Party exceeds a value of \$5,000, in which case, the Indemnifying Party shall be obligated to the Indemnified Party for all claims.

Procedure for Indemnification

6.3 The following provisions shall apply to any Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

- (a) upon receipt from a third party by the Indemnified Party of notice of a Claim or the Indemnified Party becoming aware of any Claims in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying

Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;

- (b) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than 30 days after receipt of the notice described in §6.3(a) above to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;
- (c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation;
- (d) the final determination of any such Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claims against the Indemnifying Party hereunder; and
- (e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in §6.3(b) above, the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear reasonably advisable, and such settlement or any other final determination of the Claims shall be binding upon the Indemnifying Party.

PART 7 **CONDITIONS PRECEDENT**

Mutual Conditions Precedent

7.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the

satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the Amalgamation Resolution shall have been passed by Target Shareholders holding in the aggregate, at least 66 2/3% of the voting rights attaching to all issued and outstanding Target Shares, all in accordance with the applicable provisions of the NBBCA;
- (b) the Amalgamation Application and Articles to be filed with the Registrar in accordance with the Amalgamation shall be in form and substance satisfactory to each of the Parties, acting reasonably;
- (c) the Amalgamation shall have become effective on or prior to the Outside Date;
- (d) all other consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the transactions provided for in this Agreement and the Amalgamation shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;
- (e) this Agreement shall not have been terminated under Part 9;
- (f) the availability of prospectus exemptions for the Amalgamation under Applicable Canadian Securities Laws and the availability of registration exemptions for the Amalgamation under applicable securities laws of the United States in respect of Scorp Post-Consolidation Shares to be issued in the United States; and
- (g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation.

The foregoing conditions are for the mutual benefit of Scorp and MergerSub on the one hand and Target on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

Additional Conditions to Obligations of Scorp

7.2 The obligations of Scorp and MergerSub to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Target shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Date pursuant to the terms of this Agreement and that, except as affected by the transactions contemplated by this Agreement, the representations

and warranties of Target made in this Agreement shall be true and correct in all material respects as at the Effective Date;

- (b) Target shall have furnished Scorp with:
 - (i) certified copies of the resolutions duly passed by the board of directors of Target approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of the shareholders of Target approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby;
 - (iii) certified copies of Target's Constatting Documents;
 - (iv) a certificate of good standing of Target and its material subsidiaries dated within one day of the Effective Date;
 - (v) duly executed accredited investor certificates for any shareholders of Target resident in the United States, if required under applicable securities laws;
 - (vi) if requested by Scorp, a legal opinion, as is customarily provided in transactions similar to the Amalgamation, from legal counsel for Target dated the Effective Date and in a form satisfactory to Scorp and its counsel, acting reasonably; and
 - (vii) a certificate of Target addressed to Scorp and dated the Effective Date, signed on behalf of Target by a senior officer of Target, confirming that the conditions in §7.2(a), (c) and (d) have been satisfied; and
 - (viii) such other closing documents as may be requested by Scorp, acting reasonably;
- (c) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Target before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Target, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Target or would materially impede the ability of the Parties to complete the Amalgamation; and
- (d) there shall not have occurred any Material Adverse Change of Target.

The conditions in this §7.2 are for the exclusive benefit of Scorp and may be asserted by Scorp regardless of the circumstances or may be waived by Scorp in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Scorp may have.

Additional Conditions to Obligations of Target

7.3 The obligations of Target to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Scorp and MergerSub shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Date pursuant to the terms of this Agreement and that, except as affected by the transactions contemplated by this Agreement, the representations and warranties of Scorp and MergerSub made in this Agreement shall be true and correct in all material respects as at the Effective Date;
- (b) the shares of Scorp to be issued to the Target Shareholders shall be issued as fully paid and non-assessable common shares in the capital of Scorp, free and clear of any and all Encumbrances;
- (c) each of the Name Change and Consolidation shall be approved by the requisite approval by the board of directors of Scorp, and all applicable regulatory approvals shall have been received in connection therewith, all in accordance with the applicable provisions of the Exchange;
- (d) Scorp shall have furnished Target with;
 - (i) certified copies of the resolutions duly passed by the boards of directors of Scorp and MergerSub approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of Scorp, as the sole shareholder of MergerSub, approving this Agreement and the consummation of the transactions contemplated hereby;
 - (iii) certified copies of the resolutions of shareholders of Scorp, approving the Plan of Arrangement (as defined in the Circular) and the consummation of the transactions contemplated hereby;
 - (iv) certified copies of Scorp and MergerSub's Constatng Documents;
 - (v) certificates of good standing of Scorp and MergerSub dated within one day of the Effective Date;
 - (vi) if requested by Target, a legal opinion, as is customarily provided in transactions similar to the Amalgamation, from legal counsel for Scorp

dated the Effective Date and in a form satisfactory to Target and its counsel, acting reasonably;

- (vii) a certificate of Scorp addressed to Target and dated the Effective Date, signed on behalf of Scorp by a senior officer of Scorp, confirming that the conditions in §7.3(a), (e) and (f) have been satisfied; and
 - (viii) such other closing documents as may be requested by Target, acting reasonably;
- (e) there shall not have occurred any Material Adverse Change of Scorp or MergerSub;
 - (f) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Scorp before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied, which in the sole judgment of Target, acting reasonably, in either case has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Scorp or would materially impede the ability of the Parties to complete the Amalgamation; and
 - (g) at the time of the closing of the Amalgamation, Scorp shall have completed the Scorp Financing;
 - (h) at the time of the closing of the Amalgamation, each of the current directors and officers of Scorp and MergerSub as at the date hereof, shall have provided a resignation and release in form and substance satisfactory to Target, acting reasonably.

The conditions in this §7.3 are for the exclusive benefit of Target and may be asserted by Target regardless of the circumstances or may be waived by Target in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Target may have.

Notice and Effect of Failure to Comply with Conditions

7.4 Each of Scorp and Target shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

Satisfaction of Conditions

7.5 The conditions set out in this Part 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the NBBCA to give effect to the Amalgamation.

PART 8 **AMENDMENT**

Amendment

8.1 This Agreement may at any time and from time to time be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (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 herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by Target Shareholders without approval by the affected Target Shareholders given in the same manner as required for the approval of the Amalgamation.

PART 9 **TERMINATION**

Termination

9.1 This Agreement may be terminated at any time in each of the following circumstances:

- (a) at any time prior to the Effective Date, by either Scorp (on behalf of itself and MergerSub) or Target in the event that either such party, in its sole discretion, is not satisfied with the results of its due diligence investigations;
- (b) at any time prior to the issuance of the certificate of Amalgamation by the Registrar, by mutual agreement of the respective boards of directors of the Parties hereto, without further action on the part of the shareholders of Scorp, MergerSub or Target, and an agreement to terminate is executed and delivered by all the Parties; or

- (c) the failure to satisfy a particular condition precedent as provided in Part 7.

9.2 If this Agreement is terminated in accordance with the foregoing provisions of this section, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Parties hereunder except for each Party's obligations under §10.7 and §10.8 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this §9.2 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

PART 10 **GENERAL**

Notices

10.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by facsimile or other electronic transmission:

- (a) in the case of Scorp or MergerSub, to:

Scorp Energy Ltd.
1010-1030 West Georgia Street
Vancouver, British Columbia, V6E 2Y3

Attention: Donald Gordon
Fax: (778) 329-9626
Email: mgdbooks@gmail.com

with a copy to:

Hugh Rogers
Address: _____

Fax: (604) 608-5634
Email: hughrogersinc@gmail.com

- (b) in the case of Target, to:

Stompy Bot Productions, Inc.
1216 Sand Cove Road
Saint John, New Brunswick E2M-5V8
Canada

Attention: Vince McMullin
Email: vincem@mektekdev.com

with a copy to:

Irwin Lowy LLP
365 Bay Street, Suite 400
Toronto, Ontario, M5H 2V1
Attention: Chris Irwin
Fax: (416) 361-2519
Email: cirwin@irwinlowy.com

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

Binding Effect

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

Assignment

10.3 Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

Entire Agreement

10.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

Public Communications

10.5 Each of Scorp and Target agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

No Shop

10.6 Each of the Parties will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) directly or indirectly to, solicit, discuss, encourage or accept any offer for the purchase of such party or the business or the assets of such party, whether as a primary or backup offer, or take any other action with the intention or reasonable foreseeable effect of leading to any commitment or agreement to sell such party or business or the assets of such party (an “**alternative transaction**”). In addition, each of the Parties will conduct its respective operations according to its ordinary and usual course of business consistent with past practices and will not enter into any material transactions or incur any material liabilities (including without limitation, issuing or agreeing to issue any securities other than as expressly contemplated in this Agreement) without obtaining the consent of the other party hereto, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, nothing herein will restrict the parties hereto from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate laws.

Each Party represents and warrants to the other that it is not currently in any discussions or negotiations with any other person with respect to any alternative transaction. Each Party will promptly notify the other Parties of any alternative transaction of which any director, senior officer or agent of the Party is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to the Party. Such notice will include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.

Costs

10.7 All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Amalgamation is completed, subject to the Target paying Scorp \$15,000 upon completion of the Plan of Arrangement.

Confidentiality

10.8 The Parties acknowledge that each will and has provided to the other information that is non-public, confidential, and proprietary in nature. Each of the Parties (and their respective directors, officers, affiliates, representatives, agents and employees) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the purposes of consummating the Amalgamation and the other transactions contemplated by this Agreement. The foregoing will not apply to information that:

- (a) becomes generally available to the public absent any breach of the foregoing;
- (b) was available on a non-confidential basis to a Party prior to its disclosure; or

(c) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential.

10.9 The Parties agree that the obligations set forth in §10.8 will not prevent either Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable law.

10.10 Each of the Parties agrees that immediately upon termination of this Agreement, each Party will return to the other all confidential information.

Severability

10.11 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Further Assurances

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

Time of Essence

10.13 Time shall be of the essence of this Agreement.

Applicable Law and Enforcement

10.14 This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of New Brunswick and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of New Brunswick.

Waiver

10.15 Any Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the other Parties, (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or

waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

Counterparts

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

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

SCORP ENERGY LTD.

Per: “Donald Gordon” (Signed)
Authorized Signatory

682147 N.B. LTD.

Per: “James Taylor” (Signed)
Authorized Signatory

STOMPY BOT PRODUCTIONS, INC.

Per: “James Taylor” (Signed)
Authorized Signatory