

## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** (the “**Agreement**”) is dated as of the 10<sup>th</sup> day of July, 2015,

**AMONG:**

**KIDANI CAPITAL PARTNERS INC.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**Kidani**”)

AND:

**1040426 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040426**”)

AND:

**1040428 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040428**”)

AND:

**1040433 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040433**”)

AND:

**1040436 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040436**”)

AND:

**1040440 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040440**”)

AND:

**1040442 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia;

(“**1040442**”)

(collectively, “the **Parties**”).

### **RECITALS:**

- A. The Parties have entered into the Agreement wherein it is contemplated that Kidani will transfer its Assets (as such term is defined in this Agreement) to its wholly-owned subsidiaries, 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442;
- B. The Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia); and
- C. The Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement.

**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:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) “**1033120**” means 1033120 B.C. Ltd., a private company incorporated under the Act;
- (b) “**1033130**” means 1033130 B.C. Ltd., a private company incorporated under the Act;
- (c) “**1033143**” means 1033143 B.C. Ltd., a private company incorporated under the Act;
- (d) “**1040426**” means 1040426 B.C. Ltd., a private company incorporated under the Act;
- (e) “**1040426 Shareholder**” means a holder of 1040426 Shares;
- (f) “**1040426 Shares**” means the common shares without par value in the authorized share structure of 1040426, as constituted on the date of this Arrangement Agreement;
- (g) “**1040428**” means 1040428 B.C. Ltd., a private company incorporated under the Act;
- (h) “**1040428 Shareholder**” means a holder of 1040428 Shares;
- (i) “**1040428 Shares**” means the common shares without par value in the authorized share structure of 1040428, as constituted on the date of this Arrangement Agreement;
- (j) “**1040433**” means 1040433 B.C. Ltd., a private company incorporated under the Act;
- (k) “**1040433 Shareholder**” means a holder of 1040433 Shares;
- (l) “**1040433 Shares**” means the common shares without par value in the authorized share structure of 1040433, as constituted on the date of this Arrangement Agreement;
- (m) “**1040436**” means 1040436 B.C. Ltd., a private company incorporated under the Act;
- (n) “**1040436 Shareholder**” means a holder of 1040436 Shares;
- (o) “**1040436 Shares**” means the common shares without par value in the authorized share structure of 1040436, as constituted on the date of this Arrangement Agreement;
- (p) “**1040440**” means 1040440 B.C. Ltd., a private company incorporated under the Act;
- (q) “**1040440 Shareholder**” means a holder of 1040440 Shares;
- (r) “**1040440 Shares**” means the common shares without par value in the authorized share structure of 1040440, as constituted on the date of this Arrangement Agreement;
- (s) “**1040442**” means 1040442 B.C. Ltd., a private company incorporated under the Act;
- (t) “**1040442 Shareholder**” means a holder of 1040442 Shares;
- (u) “**1040442 Shares**” means the common shares without par value in the authorized share structure of 1040442, as constituted on the date of this Arrangement Agreement;
- (v) “**1040678**” means 1040678 B.C. Ltd., a private company incorporated under the Act;
- (w) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (x) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;

- (y) “**Arrangement**” means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (z) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (aa) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the Kidani Meeting;
- (bb) “**Assets**” means the assets of Kidani to be transferred to the Kidani Subsidiaries pursuant to the Arrangement, as more particularly described in Schedule B attached hereto and forming part of this Agreement;
- (cc) “**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c.57, as amended, including the regulations promulgated thereunder;
- (dd) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (ee) “**Cherry Consulting**” means Cherry Consulting Ltd., a private company incorporated under the Act;
- (ff) “**Company**” means Kidani Capital Partners Inc.;
- (gg) “**Computershare**” means Computershare Investor Services Inc., the registrar and transfer agent of the Company;
- (hh) “**Cornerstone**” means Cornerstone Capital Partners Inc., a private British Columbia company;
- (ii) “**Court**” means the Supreme Court of British Columbia;
- (jj) “**Dissenting Shareholder**” means a Kidani Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Kidani Shares in accordance with the Interim Order and the Plan of Arrangement;
- (kk) “**Dissenting Shares**” means the Kidani Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (ll) “**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with the Arrangement Agreement and the Final Order;
- (mm) “**Final Order**” means the final order of the Court approving the Arrangement;
- (nn) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee;
- (oo) “**Information Circular**” means the management information circular of Kidani to be sent by Kidani to the Kidani Shareholders in connection with the Kidani Meeting;
- (pp) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of Kidani, containing declarations and directions with respect to the Arrangement and the holding of the Kidani Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (qq) “**Kidani**” means Kidani Capital Partners Inc.;
- (rr) “**Kidani Board**” means the board of directors of Kidani;
- (ss) “**Kidani Class A Common Shares**” means the Kidani Shares following the re-designation described in Section 3.1(b)(i) of the Plan of Arrangement;
- (tt) “**Kidani Class A Preferred Shares**” means the Class A preferred shares without par value in the authorized share structure of the Company and issued pursuant to Section 3.1(b)(iii) of the Plan of Arrangement;
- (uu) “**Kidani Meeting**” means the special meeting of the Kidani Shareholders to be held on August 14, 2015, and any adjournment(s) or postponement(s) thereof;
- (vv) “**Kidani Shareholder**” means a holder of Kidani Shares;

- (ww) “**Kidani Shares**” means the Common Shares without par value in the authorized share structure of the Company;
- (xx) “**Kidani Subsidiaries**” means 1040426 B.C. Ltd., 1040428 B.C. Ltd., 1040433 B.C. Ltd., 1040436 B.C. Ltd., 1040440 B.C. Ltd. and 1040442 B.C. Ltd.;
- (yy) “**New Shares**” means the new class of common shares without par value which the Company will create, pursuant to Section 3.1(b)(ii) of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Kidani Shares;
- (zz) “**Notice of Meeting**” means the notice of special meeting of the Kidani Shareholders in respect of the Kidani Meeting;
- (aaa) “**Parties**” means Kidani, and the Kidani Subsidiaries and “**Party**” means any one of them;
- (bbb) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (ccc) “**Plan of Arrangement**” means the plan of arrangement substantially in the form set out in Schedule A to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 6 hereof;
- (ddd) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (eee) “**Share Distribution Record Date**” means the Record Date or such other day as agreed to by the Company, which date establishes the Kidani Shareholders who will be entitled to receive 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares, pursuant to the Plan of Arrangement; and
- (fff) “**Tax Act**” means the Income Tax *Act* (Canada), as may be amended, or replaced, from time to time.

## **1.2 Interpretation Not Affected by Headings, etc.**

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”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedules A to B hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## **1.4 Date for Any Action**

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.

## **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, 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.

## **1.6 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

## **1.7 Accounting Matters**

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

## **1.8 References to Legislation**

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

## **1.9 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, 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 principles of equity).

## **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A – Plan of Arrangement

Schedule B – Assets

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Plan of Arrangement**

The Parties will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Kidani Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, the Parties will forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the Kidani Shareholders, the Parties shall jointly submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, Kidani shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

### **2.2 Interim Order**

The Interim Order shall provide that:

- (a) the securities of Kidani for which holders shall be entitled to vote on the Arrangement Resolution shall be the Kidani Shares;
- (b) the Kidani Shareholders shall be entitled to vote on the Arrangement Resolution, with each Kidani Shareholder being entitled to one vote for each Kidani Share held by such holder;
- (c) the requisite majority for the approval of the Arrangement Resolution shall be two-thirds of the votes cast by the Kidani Shareholders present in person or by proxy at the Kidani Meeting.

### **2.3 Information Circular and Meetings**

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, Kidani shall:

- (a) prepare the Information Circular and cause such circular to be mailed to the Kidani Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and
- (b) convene the Kidani Meeting.

## **2.4 Effective Date**

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

## **ARTICLE 3 COVENANTS**

### **3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, the Parties will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

### **3.2 Covenants Regarding Execution of Documents**

- (a) The Parties will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

### **3.3 Giving Effect to the Arrangement**

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the Kidani Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The 1040426 Shareholder, 1040428 Shareholder, 1040433 Shareholder, 1040436 Shareholder, 1040440 Shareholder and 1040442 Shareholder shall approve the Arrangement by consent resolutions;
- (c) Upon obtaining the Interim Order, Kidani shall call the Kidani Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the Kidani Shareholders;
- (d) If the Kidani Shareholders approve the Arrangement, Kidani shall thereafter (subject to the exercise of any discretionary authority granted to Kidani's Board by the Kidani Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and
- (e) Upon receipt of the Final Order, Kidani shall, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 7

hereof, file the required material with the Registrar in accordance with the terms of the Plan of Arrangement.

#### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

##### **4.1 Representations and Warranties**

Each of the Parties hereby represents and warrants to the other that:

- (a) It is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) It has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) Neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) No dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

#### **ARTICLE 5 CONDITIONS PRECEDENT**

##### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the Kidani Shareholders at the Kidani Meeting in accordance with the Arrangement Provisions, the constating documents of Kidani, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the 1040426 Shareholder, 1040428 Shareholder, 1040433 Shareholder, 1040436 Shareholder, 1040440 Shareholder and 1040442 Shareholder to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and

- (g) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by any of the Parties, as the case may be, at its discretion.

## **5.2 Closing**

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of Lawson Lundell LLP at Suite 1600 – 925 West Georgia Street, Vancouver, BC, V6C 3L2, or such other location as agreed to by the Parties, at 10:00 a.m. (Vancouver time) on such date as they may mutually agree (the “**Closing Date**”), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

## **5.3 Merger of Conditions**

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

## **5.4 Merger of Representations and Warranties**

The representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

# **ARTICLE 6 AMENDMENT**

## **6.1 Amendment**

This Agreement may at any time and from time to time before or after the holding of the Kidani Meeting 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 a Kidani Shareholder without approval by the Kidani Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.



## **ARTICLE 7 TERMINATION**

### **7.1 Termination**

Subject to §7.2, this Agreement may at any time before or after the holding of the Kidani Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Kidani Board without further action on the part of the Kidani Shareholders, or by the respective board of directors of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 without further action on the part of the respective 1040426 Shareholder, 1040428 Shareholder, 1040433 Shareholder, 1040436 Shareholder, 1040440 Shareholder and 1040442 Shareholder and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the boards of directors of Kidani, 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

### **7.2 Cessation of Right**

The right of any of the Parties or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

## **ARTICLE 8 NOTICES**

### **8.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by electronic transmission, in each case to the attention of the senior officer at the following addresses or at such other address as shall be specified by a Party by like notice:

In the case of Kidani Capital Partners Inc.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Robert Riley, President and Director  
E-mail: [robriley@telus.net](mailto:robriley@telus.net)

In the case of 1040426 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

In the case of 1040428 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

In the case of 1040433 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

In the case of 1040436 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

In the case of 1040440 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

In the case of 1040442 B.C. Ltd.:

Suite 804 - 750 West Pender Street  
Vancouver, BC V6C 2T7

Attention: Christopher P. Cherry, President & Director  
E-mail: [chris@cherryconsulting.ca](mailto:chris@cherryconsulting.ca)

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day. Any notice delivered by facsimile transmission shall be deemed to be delivered on the date of transmission if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day.

## **ARTICLE 9 GENERAL**

### **9.1 Assignment and Enurement**

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

### **9.2 Disclosure**

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

### **9.3 Costs**

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

### **9.4 Severability**

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 in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) 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; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **9.5 Further Assurances**

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

### **9.6 Time of Essence**

Time shall be of the essence of this Agreement.

### **9.7 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 Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

### **9.8 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

### **9.9 Counterparts**

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. Execution of this Agreement electronically or manually, and the electronic delivery of this Agreement in counterparts shall constitute valid delivery of the same.

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

**KIDANI CAPITAL PARTNERS INC.**

Per: "Robert M. Riley"  
Authorized Signatory

**1040426 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

**1040428 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

**1040433 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

**1040436 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

**1040440 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

**1040442 B.C. LTD.**

Per: "Christopher P. Cherry"  
Authorized Signatory

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**SCHEDULE A  
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT  
UNDER DIVISION 5 OF PART 9 OF THE  
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)  
S.B.C. 2002, c. 57**

**ARTICLE 1.  
INTERPRETATION**

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

- (a) “**1033120**” means 1033120 B.C. Ltd., a private company incorporated under the Act;
- (b) “**1033130**” means 1033130 B.C. Ltd., a private company incorporated under the Act;
- (c) “**1033143**” means 1033143 B.C. Ltd., a private company incorporated under the Act;
- (d) “**1040426**” means 1040426 B.C. Ltd., a private company incorporated under the Act;
- (e) “**1040426 Shareholder**” means a holder of 1040426 Shares;
- (f) “**1040426 Shares**” means the common shares without par value in the authorized share structure of 1040426, as constituted on the date of the Arrangement Agreement;
- (g) “**1040428**” means 1040428 B.C. Ltd., a private company incorporated under the Act;
- (h) “**1040428 Shareholder**” means a holder of 1040428 Shares;
- (i) “**1040428 Shares**” means the common shares without par value in the authorized share structure of 1040428, as constituted on the date of the Arrangement Agreement;
- (j) “**1040433**” means 1040433 B.C. Ltd., a private company incorporated under the Act;
- (k) “**1040433 Shareholder**” means a holder of 1040433 Shares;
- (l) “**1040433 Shares**” means the common shares without par value in the authorized share structure of 1040433, as constituted on the date of the Arrangement Agreement;
- (m) “**1040436**” means 1040436 B.C. Ltd., a private company incorporated under the Act;
- (n) “**1040436 Shareholder**” means a holder of 1040436 Shares;
- (o) “**1040436 Shares**” means the common shares without par value in the authorized share structure of 1040436, as constituted on the date of the Arrangement Agreement;
- (p) “**1040440**” means 1040440 B.C. Ltd., a private company incorporated under the Act;
- (q) “**1040440 Shareholder**” means a holder of 1040440 Shares;
- (r) “**1040440 Shares**” means the common shares without par value in the authorized share structure of 1040440, as constituted on the date of the Arrangement Agreement;
- (s) “**1040442**” means 1040442 B.C. Ltd., a private company incorporated under the Act;
- (t) “**1040442 Shareholder**” means a holder of 1040442 Shares;
- (u) “**1040442 Shares**” means the common shares without par value in the authorized share structure of 1040442, as constituted on the date of the Arrangement Agreement;
- (v) “**1040678**” means 1040678 B.C. Ltd., a private company incorporated under the Act;

- (w) “**Agreement**” means the arrangement agreement (including the schedules thereto) dated the 10<sup>th</sup> day of July, 2015, among Kidani and the Kidani Subsidiaries as supplemented, modified or amended, and not to any particular article, section, schedule or other portion thereof;
- (x) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (y) “**Arrangement**” means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (z) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (aa) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the Kidani Meeting;
- (bb) “**Assets**” means the assets of Kidani to be transferred to the Kidani Subsidiaries pursuant to the Arrangement, as more particularly described in Schedule B attached to the Agreement;
- (cc) “**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c.57, as amended, including the regulations promulgated thereunder;
- (dd) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (ee) “**Cherry Consulting**” means Cherry Consulting Ltd., a private company incorporated under the Act;
- (ff) “**Company**” means Kidani Capital Partners Inc.;
- (gg) “**Computershare**” means Computershare Investor Services Inc., the registrar and transfer agent of the Company;
- (hh) “**Conversion Factor**” means the number arrived at by dividing the number of issued Kidani Shares as of the close of business on the Share Distribution Record Date by up to 396,600 or such other number as determined by the Kidani Board;
- (ii) “**Cornerstone**” means Cornerstone Capital Partners Inc., a private British Columbia company;
- (jj) “**Court**” means the Supreme Court of British Columbia;
- (kk) “**Dissenting Shareholder**” means a Kidani Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Kidani Shares in accordance with the Interim Order and the Plan of Arrangement;
- (ll) “**Dissenting Shares**” means the Kidani Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (mm) “**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with the Arrangement Agreement and Final Order;
- (nn) “**Final Order**” means the final order of the Court approving the Arrangement;
- (oo) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee;
- (pp) “**Information Circular**” means the management information circular of Kidani to be sent by Kidani to the Kidani Shareholders in connection with the Kidani Meeting;
- (qq) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of Kidani, containing declarations and directions with respect to the Arrangement and the holding of the Kidani Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (rr) “**Kidani**” means Kidani Capital Partners Inc.;

- (ss) “**Kidani Board**” means the board of directors of Kidani;
  - (tt) “**Kidani Class A Common Shares**” means the Kidani Shares following the re-designation described in Section 3.1(b)(i) of the Plan of Arrangement;
  - (uu) “**Kidani Class A Preferred Shares**” means the Class A preferred shares without par value in the authorized share structure of the Company and issued pursuant to Section 3.1(b)(iii) of the Plan of Arrangement;
  - (vv) “**Kidani Meeting**” means the special meeting of the Kidani Shareholders to be held on August 14, 2015, and any adjournment(s) or postponement(s) thereof;
  - (ww) “**Kidani Shareholder**” means a holder of Kidani Shares;
  - (xx) “**Kidani Shares**” means the Common Shares without par value in the authorized share structure of the Company;
  - (yy) “**Kidani Subsidiaries**” means 1040426 B.C. Ltd., 1040428 B.C. Ltd., 1040433 B.C. Ltd., 1040436 B.C. Ltd., 1040440 B.C. Ltd. and 1040442 B.C. Ltd.
  - (zz) “**New Shares**” means the new class of common shares without par value which the Company will create, pursuant to Section 3.1(b)(ii) of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Kidani Shares;
  - (aaa) “**Notice of Meeting**” means the notice of special meeting of the Kidani Shareholders in respect of the Kidani Meeting;
  - (bbb) “**Parties**” means Kidani and the Kidani Subsidiaries and “**Party**” means any one of them;
  - (ccc) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
  - (ddd) “**Plan of Arrangement**” means this plan of arrangement, as amended or supplemented from time to time in accordance with Article 6 hereof;
  - (eee) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
  - (fff) “**Share Distribution Record Date**” means the Record Date or such other day as agreed to by the Company, which date establishes the Kidani Shareholders who will be entitled to receive 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares, pursuant to the Plan of Arrangement; and
  - (ggg) “**Tax Act**” means the *Income Tax Act* (Canada), as may be amended, or replaced, from time to time.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

**ARTICLE 2.**  
**ARRANGEMENT AGREEMENT**

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the Kidani Shareholders.

**ARTICLE 3.**  
**ARRANGEMENT**

- 3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
- (a) Kidani will transfer the Assets to each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 in consideration for 396,600 common shares from each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 in accordance with Section 3.1(e) (the “**Distributed 1040426 Shares**”, the “**Distributed 1040428 Shares**”, the “**Distributed 1040433 Shares**” the “**Distributed 1040436 Shares**”, the “**Distributed 1040440 Shares**” and the “**Distributed 1040442 Shares**”), respectively, such Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares to be multiplied by the Conversion Factor so that Kidani shall receive from each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 in consideration for the Assets, the number of common shares equal to the issued and outstanding Kidani Shares as of the Share Distribution Record Date. Thereafter, Kidani will be added to the central securities registers of each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 in respect of such 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares and 1040440 Shares and 1040442 Shares;
- (b) The authorized share capital of Kidani will be altered by:
- (i) changing the identifying name of the Kidani Shares to Class A common shares without par value, being the Kidani Class A Common Shares;
- (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
- (iii) creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the Kidani Class A Preferred Shares;
- (c) Each issued Kidani Class A Common Share will be exchanged for one New Share and one Kidani Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Kidani Class A Common Shares will be removed from the central securities register of Kidani and will be added to the central securities register as the holders of the number of New Shares and Kidani Class A Preferred Shares that they have received on the exchange;
- (d) All of the issued Kidani Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of Kidani and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Kidani Class A Common Shares immediately prior to the Effective Date will be allocated between the New Shares and the Kidani Class A Preferred Shares so that the aggregate paid up capital of the Kidani Class A Preferred Shares is equal to the aggregate fair market value of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares as of the Effective Date, and each Kidani Class A Preferred Share so issued will be issued by Kidani at an issue price equal to the aggregate fair market value of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares as of the Effective Date, divided by the number of issued Kidani Class A Preferred Shares, such aggregate fair market value of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed



1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares to be determined as at the Effective Date by resolution of the board of directors of Kidani;

- (e) Kidani will redeem the issued Kidani Class A Preferred Shares for consideration consisting solely of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares such that each holder of Kidani Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares that is equal to the number of Kidani Class A Preferred Shares held by such holder multiplied by the Conversion Factor;
  - (f) The name of each holder of Kidani Class A Preferred Shares will be removed as such from the central securities register of Kidani, and all of the issued Kidani Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Kidani;
  - (g) The Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares transferred to the holders of the Kidani Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of Kidani Class A Preferred Shares and appropriate entries will be made in the central securities registers of each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442;
  - (h) The Kidani Class A Common Shares and the Kidani Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of Kidani will be changed by eliminating the Kidani Class A Common Shares and the Kidani Class A Preferred Shares therefrom; and
  - (i) The Notice of Articles and Articles of Kidani will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement.
- 3.2 Notwithstanding §3.1(e) and §3.1(i) no fractional 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares or 1040442 Shares shall be distributed to the Kidani Shareholders, as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Kidani in its absolute discretion.
- 3.3 The holders of the Kidani Class A Common Shares and the holders of New Shares and Kidani Class A Preferred Shares referred to in §3.1(c), and the holders of the Kidani Class A Preferred Shares referred to in §3.1(e), §3.1(f) and §3.1(g), shall mean in all cases those persons who are Kidani Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
- 3.4 In addition to the chronological order in which the transactions and events set out in §3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the Kidani Class A Preferred Shares set out in §3.1(e) shall occur and shall be deemed to on the Effective Date.
- 3.5 All New Shares, Kidani Class A Preferred Shares, 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
- 3.6 The Arrangement shall become final and conclusively binding on the Kidani Shareholders, 1040426 Shareholders, 1040428 Shareholders, 1040433 Shareholders, 1040436 Shareholders, 1040440 Shareholders and 1040442 Shareholders and the Parties on the Effective Date.
- 3.7 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1 including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

**ARTICLE 4.**  
**CERTIFICATES**

- 4.1 Recognizing that the Kidani Shares shall be re-designated as Kidani Class A Common Shares pursuant to §3.1(b)(i) and that the Kidani Class A Common Shares shall be exchanged partially for New Shares and Kidani Class A Preferred Shares pursuant to §3.1(c), Kidani shall not issue replacement share certificates representing the Kidani Class A Common Shares.
- 4.2 Recognizing that the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares shall be transferred to the Kidani Shareholders as consideration for the redemption of the Kidani Class A Preferred Shares pursuant to §3.1(e), each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 shall issue one share certificate representing all of the respective Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares registered in the name of Kidani, which share certificate shall be held by the Depository until the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares are transferred to the Kidani Shareholders and such certificate shall then be cancelled by the Depository. To facilitate the transfer of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares to the Kidani Shareholders as of the Share Distribution Record Date, Kidani shall execute and deliver to the Depository and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares to such Kidani Shareholders in accordance with the terms of this Plan of Arrangement and each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the Kidani Class A Preferred Shares issued to the Kidani Shareholders pursuant to §3.1(c) will be redeemed by Kidani as consideration for the distribution and transfer of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares under §3.1(e), Kidani shall issue one share certificate representing all of the Kidani Class A Preferred Shares issued pursuant to §3.1(c) and §3.1(e) in the name of the Depository, for the benefit of the Kidani Shareholders until such Kidani Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, each of 1040426, 1040428, 1040433, 1040436, 1040440 and 1040442 shall cause (through the Transfer Agent) to be issued to the registered holders of Kidani Shares as of the Share Distribution Record Date, share certificates representing the respective 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates (or DRS) to be mailed to such registered holders.
- 4.5 From and after the Effective Date, share certificates representing Kidani Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 Kidani Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares, and shall not carry any right to receive a portion of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares.

**ARTICLE 5.**  
**DISSENTING SHAREHOLDERS**

- 5.1 Notwithstanding §3.1 hereof, holders of Kidani Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 – 247 of the BCBCA (collectively, the “**Dissent Procedures**”).

- 5.2 Kidani Shareholders who duly exercise Dissent Rights with respect to their Kidani Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to Kidani for cancellation immediately before the Effective Date; or
  - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Kidani Shareholder and shall receive New Shares, 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares on the same basis as every other non-dissenting Kidani Shareholder, and in no case shall Kidani be required to recognize such person as holding Kidani Shares on or after the Effective Date.
- 5.3 If a Kidani Shareholder exercises the Dissent Right, Kidani shall on the Effective Date set aside and not distribute that portion of the Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares that is attributable to the Kidani Shares for which the Dissent Right has been exercised. If the dissenting Kidani Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Kidani shall distribute to such Kidani Shareholder his, her or its pro-rata portion of the respective Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares. If a Kidani Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid fair value for their Dissenting Shares, then Kidani shall retain the portion of Distributed 1040426 Shares, Distributed 1040428 Shares, Distributed 1040433 Shares, Distributed 1040436 Shares, Distributed 1040440 Shares and Distributed 1040442 Shares attributable to such Kidani Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of Kidani in its absolute discretion.

## **ARTICLE 6. AMENDMENTS**

- 6.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (a) set out in writing;
  - (b) filed with the Court and, if made following the Kidani Meeting, approved by the Court; and
  - (c) communicated to holders of Kidani Shares, 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Kidani at any time prior to the Kidani Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Kidani Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 6.3 Kidani, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Kidani Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of Kidani Shares, 1040426 Shares, 1040428 Shares, 1040433 Shares, 1040436 Shares, 1040440 Shares and 1040442 Shares as the case may be.

**ARTICLE 7.**  
**REFERENCE DATE**

7.1 This Plan of Arrangement is dated for reference the 10<sup>th</sup> day of July, 2015.

**SCHEDULE A  
TO THE PLAN OF ARRANGEMENT**

**SPECIAL RIGHTS AND RESTRICTIONS FOR CLASS A PREFERRED SHARES**

The Class A Preferred Shares as a class has or shall have attached to them the following special rights and restrictions:

**Definitions**

- (1) In these Special Rights and Restrictions,
  - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the Business Corporations Act (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
  - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of July 10, 2015 among Kidani Capital Partners Inc. (the “**Company**”), 1040426 B.C. Ltd., 1040428 B.C. Ltd., 1040433 B.C. Ltd., 1040436 B.C. Ltd., 1040440 B.C. Ltd. and 1040442 B.C. Ltd.,
  - (c) “**Old Common Shares**” means the common shares in the authorized share structure of the Company that have been re-designated as Class A Common Shares without par value pursuant to the Plan of Arrangement,
  - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
  - (e) “**New Shares**” means the Common Shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
  - (f) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with §3.1(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

**SCHEDULE B  
TO THE ARRANGEMENT AGREEMENT**

**ASSETS**

**KIDANI ASSETS TO BE TRANSFERRED TO 1040426 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and 1033120 B.C. Ltd. and \$1,000 cash.

**KIDANI ASSETS TO BE TRANSFERRED TO 1040428 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and 1033130 B.C. Ltd., and \$1,000 cash.

**KIDANI ASSETS TO BE TRANSFERRED TO 1040433 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and 1033143 B.C. Ltd., and \$1,000 cash.

**KIDANI ASSETS TO BE TRANSFERRED TO 1040436 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and Cornerstone Capital Partners Inc., and \$1,000 cash.

**KIDANI ASSETS TO BE TRANSFERRED TO 1040440 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and Cherry Consulting Ltd., and \$1,000 cash.

**KIDANI ASSETS TO BE TRANSFERRED TO 1040442 B.C. LTD.**

A Letter of Intent (and any amendments thereto) between Kidani Capital Partners Inc. and 1040678 B.C. Ltd., and \$1,000 cash.