



CAPTIVA VERDE

**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR
SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
OCTOBER 29, 2021**

September 28, 2021

No securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

CAPTIVA VERDE WELLNESS CORP.

c/o Suite 1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7
Canada

September 28, 2021

Dear Shareholders:

You are invited to attend the special meeting (the “**Meeting**”) of the holders of common shares of Captiva Verde Wellness Corp. (the “**Company**” or “**Captiva**”). The Meeting will be held at the offices of McMillan LLP located at Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7 commencing at 10:00 a.m. (Pacific Standard Time) on October 29, 2021 by in person/teleconference.

The purpose of the Meeting is to seek your authorization and approval for a statutory procedure known as a plan of arrangement (the “**Arrangement**”). Pursuant to the Arrangement, there will be a distribution to the Captiva Shareholders of shares of common shares in the capital of 1324954 B.C Ltd. (“**Spinco**”), currently a wholly-owned subsidiary of the Company, all as more fully set forth in the accompanying management information circular (the “**Circular**”) of the Company.

The purpose of the Arrangement is to restructure the Company by creating one company, Spinco, which will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario upon completion of the Arrangement. The Company believes this will be beneficial to the shareholders of the Company, as it is intended that Spinco will enter into a definitive agreement to acquire a business upon completion of the Arrangement.

In this regard, the Company has entered into a letter of intent (the “**LOI**”) with Crypto One Inc., a private company, incorporated under the *Business Corporations Act* of Ontario (“**Crypto**”) whereby, subject to completion of the Arrangement, the LOI will be assigned by the Company to Spinco and Spinco will negotiate a definitive acquisition agreement with Crypto for the acquisition by Spinco of the crypto-mining assets of Crypto (the “**Proposed Acquisition**”).

The terms and conditions of such a definitive agreement have not been finalized and it is anticipated that the Proposed Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence. The Proposed Acquisition will not proceed unless the Arrangement is completed.

As a result of the Arrangement, holders of common shares of the Company will end up holding common shares in each of the Company and Spinco, and Spinco will hold the LOI transferred to it by the Company. Subsequent to the closing of the Arrangement and closing of the Proposed Acquisition, it is intended that the shareholders of Captiva will hold approximately 8.7% of the issued and outstanding Spinco Shares and the shareholders of Crypto will hold approximately 91.3% of the issued and outstanding Spinco Shares.

Further information regarding the Proposed Acquisition is provided in more detail in the Circular which accompanies this letter.

As described above, on the Effective Date of the Arrangement, which is expected to be in late October 2021, your common shares of the Company will be exchanged for the same number of new common shares of the Company and, through a series of steps, 1 common share of Spinco for each 10 common shares of the Company held, subject to certain adjustment provisions.

There is no assurance that a public market will continue in the new common shares of the Company or that there will be a public market for the common shares of Spinco, after the Arrangement. Further there is no assurance that definitive acquisition agreements with respect to the Proposed Acquisition will be entered into as contemplated or at all. This is explained in more detail in Circular which accompanies this letter.

The Board of the Company unanimously believes that the Arrangement is in the best interests of the Company and its shareholders, and unanimously recommends that you vote in favour of the resolutions relating to this transaction. Without the prescribed approval of the holders of common shares of the Company, which is approval by two-thirds of the votes cast at the Meeting, the proposed Arrangement cannot take place. It should be noted that the Arrangement also requires the approval of the Supreme Court of British Columbia.

Details of the Arrangement and its effects are contained in the Circular accompanying this letter, and reference should be made to that document for complete information.

It is important that your shares be represented at the Meeting. Whether or not you are able to attend in person, your representation will be assured if you complete, sign and date the enclosed proxy form and return it in the envelope provided, or vote via telephone or internet (online) as specified in the proxy form.

Yours sincerely,

(signed) "Jeffrey J. Ciachurski"

Jeffrey J. Ciachurski
Chief Executive Officer and Director

TABLE OF CONTENTS

	Page
INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS	1
INFORMATION CONTAINED IN THIS CIRCULAR.....	1
GLOSSARY OF TERMS	2
SUMMARY OF INFORMATION CIRCULAR	5
THE MEETING.....	5
THE ARRANGEMENT.....	5
RECOMMENDATION AND APPROVAL OF THE BOARD OF DIRECTORS	6
REASONS FOR THE ARRANGEMENT	6
CONDUCT OF MEETING AND SHAREHOLDER APPROVAL	7
COURT APPROVAL.....	7
INCOME TAX CONSIDERATIONS.....	7
RIGHT TO DISSENT	7
INVESTMENT CONSIDERATIONS.....	7
FAILURE TO COMPLETE ARRANGEMENT	8
INFORMATION CONCERNING THE COMPANY AND SPINCO AFTER THE ARRANGEMENT	8
RISK FACTORS.....	8
GENERAL INFORMATION FOR MEETING	8
SOLICITATION OF PROXIES	8
CURRENCY	8
RECORD DATE.....	9
APPOINTMENT OF PROXY HOLDERS.....	9
VOTING BY PROXY HOLDER	9
REGISTERED SHAREHOLDERS.....	9
BENEFICIAL SHAREHOLDERS.....	10
NOTICE TO SHAREHOLDERS IN THE UNITED STATES	10
REVOCATION OF PROXIES.....	11
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	11
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	11
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	11
OUTSTANDING CAPTIVA SHARES	11
PRINCIPAL HOLDERS OF CAPTIVA SHARES	11
VOTES NECESSARY TO PASS RESOLUTIONS	11
ADDITIONAL INFORMATION.....	11
OTHER MATTERS.....	12
DIRECTOR'S APPROVAL	12
THE ARRANGEMENT.....	12
GENERAL.....	12
REASONS FOR THE ARRANGEMENT	12
RECOMMENDATION OF DIRECTORS	13
FAIRNESS OF THE ARRANGEMENT	13
DETAILS OF THE ARRANGEMENT.....	13
AUTHORITY OF THE BOARD.....	15
CONDITIONS TO THE ARRANGEMENT	15
SHAREHOLDER APPROVAL	15
CAPTIVA SHAREHOLDER APPROVAL	15

COURT APPROVAL OF THE ARRANGEMENT	15
PROPOSED TIMETABLE FOR ARRANGEMENT	16
EXEMPTION FROM CANADIAN PROSPECTUS REQUIREMENTS AND RESALE RESTRICTIONS.....	16
APPLICATION OF UNITED STATES SECURITIES LAWS	17
U.S. RESALE RESTRICTIONS – SECURITIES ISSUED TO CAPTIVA SHAREHOLDERS	17
ADDITIONAL INFORMATION FOR U.S. SECURITY HOLDERS	17
EXPENSES OF ARRANGEMENT	18
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	18
HOLDERS RESIDENT IN CANADA	19
<i>EXCHANGE OF CAPTIVA SHARES FOR NEW SHARES AND CAPTIVA CLASS A PREFERRED SHARES</i>	19
<i>REDEMPTION OF CAPTIVA CLASS A PREFERRED SHARES</i>	19
<i>TAXATION OF CAPITAL GAINS AND LOSSES</i>	20
<i>TAXATION OF DIVIDENDS</i>	20
<i>DISSENTING RESIDENT HOLDERS</i>	21
<i>ELIGIBILITY FOR INVESTMENT</i>	21
HOLDERS NOT RESIDENT IN CANADA	22
<i>CAPITAL GAINS AND CAPITAL LOSSES ON SHARE EXCHANGES AND SUBSEQUENT DISPOSITIONS OF SHARES</i>	22
<i>DEEMED DIVIDENDS ON THE REDEMPTION OF CAPTIVA CLASS A PREFERRED SHARES</i>	23
<i>TAXATION OF DIVIDENDS</i>	23
<i>DISSENTING NON-RESIDENT HOLDERS</i>	23
RIGHTS OF DISSENT	23
DISSENTERS’ RIGHTS.....	23
RISK FACTORS	24
THE COMPANY AFTER THE ARRANGEMENT	24
NAME, ADDRESS AND INCORPORATION.....	24
BUSINESS OF THE COMPANY.....	24
RECENT DEVELOPMENTS.....	24
DIVIDEND POLICY	25
DIRECTORS AND OFFICERS	25
MATERIAL CONTRACTS.....	25
AUDITORS AND REGISTRAR AND TRANSFER AGENT.....	25
LEGAL PROCEEDINGS	25
INFORMATION CONCERNING SPINCO	25
NAME, ADDRESS AND INCORPORATION.....	25
DESCRIPTION OF BUSINESS OF SPINCO	25
SHARE CAPITAL.....	26
OPTIONS TO PURCHASE SHARES	27
DIVIDENDS	27
PRIOR SALES	27
REGISTRAR AND TRANSFER AGENT.....	27
LEGAL PROCEEDINGS	27
MATERIAL CONTRACTS.....	27
RISK FACTORS.....	27
TRANSFER AGENT AND REGISTRAR	32
LEGAL PROCEEDINGS	33
ADDITIONAL INFORMATION	33
OTHER MATTERS	33

CAPTIVA VERDE WELLNESS CORP.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an in person/telephone conference call special meeting of the shareholders of Captiva Verde Wellness Corp. (the “**Company**”) will be held at the offices of McMillan LLP located at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7 commencing at 10:00 a.m. (Pacific Standard Time) on October 29, 2021 (the “**Meeting**”).

Due to ongoing concerns related to the current coronavirus pandemic (“COVID-19”), and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees and other stakeholders, shareholders are encouraged not to attend the Meeting in person. The Company is offering Shareholders the option to listen and participate (but not vote) at the Meeting in real time by conference call as follows:

Dial by your location

Canada Toll Free: 1-855-244-8677
Canada Toll: 1-416-915-6530
US Toll Free: 1-855-282-6330
US Toll: 1-415-655-0002

Attendee Access Code: **95402795**

The Meeting is to be held for the following purposes:

1. Pursuant to an order (the “**Interim Order**”) dated September 23, 2021, of the Supreme Court of British Columbia to consider and, if thought fit, pass a resolution (the “**Arrangement Resolution**”) to approve an arrangement (the “**Arrangement**”) under section 288 of the Business Corporations Act (British Columbia) involving the Company and Spinco, the full text of which resolution is set out in Schedule “A” to, and all as more particularly described in, the Circular; and
2. To consider other matters, including without limitation such amendments or variations to any of the foregoing resolutions, as may properly come before the Meeting or any adjournment thereof.

The texts of the Arrangement Resolution and the agreement in respect of the Arrangement are set forth in Schedule “A” and Schedule “B”, respectively, to the Circular.

AND TAKE NOTICE that Captiva Shareholders who validly dissent from the Arrangement will be entitled to be paid the fair value of their Captiva Shares subject to strict compliance with the provisions of the Interim Order (as set forth herein), the Plan of Arrangement and sections 237 to 247 of the Act. The dissent rights are described in Schedule “D” of the Circular. Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the Act may result in the loss of any right of dissent.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only Captiva Shareholders of record at the close of business on September 22, 2021, will be entitled to receive notice of and vote at the Meeting.

We are continuously monitoring the current coronavirus pandemic. In light of rapidly evolving news and guidelines related to COVID-19, we ask that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>) and any applicable additional provincial and local health department instructions. You should not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days prior to the Meeting. In order to minimize group sizes and respect social distancing regulations, all Shareholders are urged to vote on the matters before the Meeting by proxy, which proxy can be submitted electronically or by mail as described in the accompanying Circular.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; (v) denying access to persons that do not have evidence of full vaccination or a negative COVID-19 rapid test result completed within 24 hours immediately prior to the Meeting, and (vi) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR. We strongly recommend you check the Company's SEDAR profile prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

***** PERSONS THAT DO NOT HAVE EVIDENCE OF FULL VACCINATION OR A NEGATIVE COVID-19 RAPID TEST RESULT COMPLETED WITHIN 24 HOURS IMMEDIATELY PRIOR TO THE MEETING WILL NOT BE GRANTED ACCESS TO ATTEND THE MEETING IN PERSON*****

Your vote is important regardless of the number of common shares of the Company you own. Shareholders who are unable to attend the Meeting in person are asked to sign, date and return the enclosed form of proxy relating to the common shares of the Company held by them in the envelope provided for that purpose or vote via telephone or internet (online) as specified in the proxy form.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered shareholder.

Shareholders who intend to attend the meeting via telephone conference must submit votes by Proxy ahead of the proxy deadline of 10:00 a.m. (Pacific Time) on Wednesday, October 27, 2021. Attendance by telephone conference allows Shareholders to listen to, but not to vote at, the Meeting.

*****DUE TO THE COVID 19 VIRUS, WE ARE REQUESTING THAT ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON*****

Dated at Vancouver, British Columbia, this 28th day of September, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Jeffrey J. Ciachurski"

Jeffrey J. Ciachurski
Chief Executive Officer and Director

CAPTIVA VERDE WELLNESS CORP.

c/o Suite 1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7
Canada

This Circular is furnished in connection with the solicitation of proxies by management of Captiva Verde Wellness Corp. for use at the special meeting of shareholders of the Company to be held on October 29, 2021.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement, Captiva Shareholders should be aware that there are various risks, including those described in the Section entitled “Risk Factors” in this Circular. Captiva Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes “forward- looking statements” or “information” (collectively “**statements**”). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, the proposed acquisitions will not be completed as contemplated or at all, limited operating history, negative cash flow, no market for securities, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under “Risk Factors”. Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Circular are made as of the date of this Circular. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at September 22, 2021 unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Captiva Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Captiva Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Schedule “B” and the Plan of Arrangement is attached as Schedule “A” to the Arrangement Agreement.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

“**Act or BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**Arrangement**” means the arrangement under the Arrangement Provisions pursuant to which the Company proposes to reorganize its business and assets, and which is set out in detail in the Plan of Arrangement;

“**Arrangement Agreement**” means the amended and restated agreement dated effective September 21, 2021 between the Company and Spinco, a copy of which is attached as Schedule “B” to this Circular, and any amendment(s) or variation(s) thereto;

“**Arrangement Provisions**” means Part 9, Division 5 of the Act;

“**Arrangement Resolution**” means the special resolution to be considered by the Captiva Shareholders to approve the Arrangement, the full text of which is set out in Schedule “A” to this Circular;

“**Beneficial Shareholder**” means a Captiva Shareholder who is not a Registered Shareholder;

“**Board**” means the board of directors of the Company;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

“**Captiva**” or the “**Company**”) means Captiva Verde Wellness Corp., a reporting issuer in British Columbia, Alberta and Ontario;

“**Captiva Class A Shares**” means the renamed and re-designated Captiva Shares described in Section 3.1(b)(i) of the Plan of Arrangement;

“**Captiva Class A Preferred Shares**” means the class “A” preferred shares without par value which will be created and issued pursuant to Section 3.1 of the Plan of Arrangement;

“**Captiva Shareholder**” means a holder of Captiva Shares;

“**Captiva Shares**” means the common shares without par value in the authorized share structure of the Company, as constituted on the date of the Arrangement Agreement;

“**Circular**” means this management information circular;

“**Company**” or “**Captiva**” means Captiva Verde Wellness Corp., a reporting issuer in British Columbia, Alberta and Ontario;

“**Computershare**” means Computershare Trust Company of Canada;

“**Court**” means the Supreme Court of British Columbia;

“**Crypto**” means Crypto One Inc., a private company incorporated under the *Business Corporations Act* (Ontario);

“**Crypto Assets**” means the crypto-mining assets of Crypto to be transferred to Spinco, as described under “*Information Concerning Spinco – The Crypto Assets*”;

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange;

“**Dissenting Shareholder**” means a Captiva 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 Captiva Shares in accordance with the Interim Order and the Plan of Arrangement;

“**Dissenting Shares**” means the Captiva Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

“**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with the Arrangement;

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

“**Final Order**” means the final order of the Court approving the Arrangement;

“**Interim Order**” means the interim order of the Court pursuant to the Act in respect of the Arrangement dated September 23, 2021, a copy of which is attached to this Circular as Schedule “C”;

“**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

“**LOI**” means the letter of intent entered into between the Company and Crypto with respect to the Proposed Acquisition;

“**Meeting**” means the special meeting of the Captiva Shareholders to be held on October 29, 2021, and any adjournment(s) or postponement(s) thereof;

“**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 Captiva Shares;

“**Notice of Meeting**” means the notice of special meeting of the Captiva Shareholders in respect of the Meeting;

“**Plan of Arrangement**” means the plan of arrangement attached as Schedule “A” to the Arrangement Agreement, which Arrangement Agreement is attached as Schedule “B” to this Circular, and any amendment(s) or variation(s) thereto;

“**Proposed Acquisition**” means the proposed acquisition by Spinco of the Crypto Assets, subject to completion of the Arrangement;

“**Proxy**” means the form of proxy accompanying this Circular;

“**Record Date**” means September 22, 2021, as the date for determination of person entitled to receive notice of and to vote at the Meeting;

“**Registered Shareholder**” means a registered holder of Captiva Shares as recorded in the shareholder register of the Company maintained by Computershare;

“**Registrar**” means the Registrar of Companies under the Act;

“**Spinco**” means 1324954 B.C. Ltd., a private company incorporated under the Act and a wholly-owned subsidiary of Captiva;

“**Spinco Shareholder**” means a holder of Spinco Shares;

“**Spinco Shares**” means the common shares without par value in the authorized share structure of Spinco, as constituted on the date of the Arrangement Agreement;

“**SEC**” means the United States Securities and Exchange Commission;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, available on the Internet at <http://www.sedar.com>;

“**Share Distribution Record Date**” means the Record Date or such other day as agreed to by the Company, which date establishes the Captiva Shareholders who will be entitled to receive Spinco Shares pursuant to the Plan of Arrangement;

“**Tax Act**” means the Income Tax Act (Canada), as may be amended, or replaced, from time to time;

“**USDA**” means U.S. Department of Agriculture;

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as may be amended, or replaced, from time to time; and

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as may be amended, or replaced, from time to time.

SUMMARY OF INFORMATION CIRCULAR

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, the Arrangement Agreement and Plan of Arrangement attached as Schedule “B” to this Circular. Capitalized terms used in this summary and elsewhere in this Circular and not otherwise defined are defined in the “Glossary of Terms” which precedes this summary.

References in this Circular are to Canadian dollars unless otherwise indicated.

The Meeting

The Meeting will be held at the offices of McMillan LLP located at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7, commencing at 10:00 a.m. (Pacific Standard Time) on October 29, 2021.

At the Meeting, Captiva Shareholders will be asked to consider, and if deemed advisable, approve the Arrangement Resolution authorizing the Arrangement, and to consider such other matters as may properly come before the Meeting.

By passing the Arrangement Resolution, the Captiva Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Captiva Shareholders.

The Arrangement

Captiva is a public company listed on the CSE. It owns 100% of the 36,000 square feet of processing facilities and 200 acres of organic farmland in New Brunswick and has a brand-new pharmaceutical lab in Mexico. Captiva Verde is also interested in large-scale sustainable housing in California and owns other consumer assets. Captiva Verde owns all of these assets debt free and was listed on the CSE in October 2018.

The purpose of the Arrangement is to restructure the Company by creating one company, Spinco, which will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario upon completion of the Arrangement. The Company believes this will be beneficial to the shareholders of the Company, as it is intended that Spinco will enter into a definitive agreement to acquire the Crypto Assets following completion of the Arrangement. Management also believes that by creating this new company and providing Captiva Shareholders with interests in this company, shareholder value will be enhanced.

In this regard, Captiva entered into the LOI whereby, subject to completion of the Arrangement, Spinco will negotiate with Crypto for the Proposed Acquisition. The Proposed Acquisition is subject to completion of the Arrangement. Should the Arrangement be completed, the Proposed Acquisition would be subject to the execution by Spinco of a definitive agreement. The terms and conditions of such a definitive agreement has not been finalized and it is anticipated that the Proposed Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

By resolution dated effective September 21, 2021, the Board approved the Arrangement and authorized the making of an application to the Court for the calling of the Meeting.

The Company believes that the Arrangement offers a number of benefits to shareholders, a few of which are set out below:

- a. By creating a subsidiary, Spinco, which will acquire the Company’s LOI and become a separate reporting entity, the Company will be better able to pursue different specific operating strategies directly on its own and indirectly through its holdings in the former subsidiary without being subject to the financial constraints of competing interests.
- b. Spinco provides the Company’s shareholders with the opportunity to participate in a new corporate vehicle.

- c. After the separation, Spinco will also have the flexibility to implement its own unique growth strategies, allowing Spinco to refine and refocus its business strategy and plans.
- d. Additionally, because the resulting business will be focused in its respective industry, being crypto-mining, Spinco will be more readily understood by public investors, allowing Spinco to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.

Pursuant to the Arrangement, Captiva will assign the LOI to Spinco in exchange for approximately 14,349,107 Spinco Shares, which shares will be distributed to the Captiva Shareholders who hold Captiva Shares on the share Distribution Record Date. Captiva may participate in a private placement of Spinco after closing of the Arrangement and prior to any initial public offering or private placement completed in connection with a stock exchange listing.

Each Captiva Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold the identical number of New Shares in the capital of the Company and its pro-rata share of the Spinco Shares to be distributed under the Arrangement for each currently held Captiva Share. The New Shares will be identical in every respect to the present Captiva Shares. See “*The Arrangement – Details of the Arrangement*”.

The Spinco Shares will not be listed on any stock exchange and Spinco is not expected to pursue a stock exchange listing unless it acquires the Crypto Assets and the business of Spinco is sufficiently advanced to warrant a stock exchange listing.

Recommendation and Approval of the Board of Directors

The directors of the Company have concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the Captiva Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Captiva Shareholders and the Court for approval. The Board recommends that Captiva Shareholders vote FOR the approval of the Arrangement. See “*The Arrangement – Recommendation of Directors*”.

The Arrangement must be approved by two-thirds of the votes cast at the Meeting by Captiva Shareholders and by the Court which, the Company is advised, will consider, among other things, the fairness of the Arrangement to Captiva Shareholders.

There is the availability of rights of dissent to registered Shareholders with respect to the Arrangement.

Reasons for the Arrangement

The decision to proceed with the Arrangement was based on the following primary determinations:

1. Spinco provides the Company’s shareholders with the opportunity to participate in a new corporate vehicle.
2. After the completion of the Arrangement, Spinco will also have the flexibility to implement its own unique growth strategies, allowing Spinco to refine and refocus its business strategy and plans.
3. Because the resulting business will be focused in its respective industry, being renewable energy driven crypto-mining, Spinco will be more readily understood by public investors, allowing Spinco to be in a better position to raise capital and align management and employee
4. Spinco will have direct access to public and private capital markets and will be able to issue debt and equity to fund development of the Crypto Assets and to finance the acquisition and development of any other projects that Spinco may acquire on a priority basis; and
5. As a separate company, Spinco will be able to establish equity-based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

Conduct of Meeting and Shareholder Approval

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66 and 2/3rds of the eligible votes cast with respect to the Arrangement Resolution by Captiva Shareholders present in person or by proxy at the Meeting. See “The Arrangement” and “Shareholder Approval”.

Court Approval

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holdings of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

The Notice of Hearing of Petition for the Final Order is attached to the Interim Order (the Interim Order is attached to this Circular as Schedule “C”). In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the Captiva Shareholders. The Court will also be advised that based on the Court’s approval of the Arrangement, the Company and Spinco will rely on an exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act for the issuance of the New Shares and Spinco Shares to any United States based Captiva Shareholders. Assuming approval of the Arrangement by the Captiva Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after November 1, 2021, at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any Captiva Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. See “*The Arrangement – Court Approval of the Arrangement*”.

Income Tax Considerations

Certain Canadian federal income tax considerations for Captiva Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary herein entitled “Certain Canadian Federal Income Tax Considerations”. **No discussion of other tax considerations, including United States Federal income tax considerations, is provided.**

All Captiva Shareholders should carefully review the tax considerations applicable to them under the Arrangement in all applicable jurisdictions, and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Right to Dissent

Captiva Shareholders will have the right to dissent from the Plan of Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the Act. Any Captiva Shareholder who dissents will be entitled to be paid in cash the fair value for their Captiva Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its Captiva Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company’s registered and records office, Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7, at least two (2) days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and section 237 to 247 of the Act. See “*Right to Dissent*”.

Investment Considerations

Investments in development stage companies such as the Company and Spinco are highly speculative and subject to numerous and substantial risks which should be considered in relation to the Arrangement. There is no assurance that a public market will continue in the New Common Shares or that there will be a public market for the Spinco Shares, after the Effective Date. See “Information Concerning the Company – Risk Factors”, “Information Concerning Spinco – Risk Factors”.

Failure to Complete Arrangement

WHETHER OR NOT THE ARRANGEMENT RESOLUTION IS PASSED BY CAPTIVA SHAREHOLDERS, IF THE COURT DOES NOT APPROVE THE ARRANGEMENT OR THE ARRANGEMENT DOES NOT PROCEED FOR SOME OTHER REASON, THE COMPANY WILL LIKELY NOT BE ABLE TO CARRY ON BUSINESS AS IT IS CURRENTLY CARRYING ON.

See “Information Concerning the Company – Risk Factors”, “Information Concerning Spinco – Risk Factors”.

Information Concerning the Company and Spinco After the Arrangement

See “Information Concerning the Company – Risk Factors”, “Information Concerning Spinco – Risk Factors”.

Each Captiva Shareholder will continue to be a shareholder of the Company with each currently held Captiva Share representing one New Share in the capital of the Company, and each Captiva Shareholder on the Share Distribution Record Date will receive its pro-rata share of the approximately 14,349,107 Spinco Shares to be distributed to such Captiva Shareholders under the Arrangement.

Following completion of the Arrangement, Spinco will be a company reporting in the jurisdictions of British Columbia, Alberta and Ontario, the shareholders of which will be the holders of Captiva Shares on the Share Distribution Record Date. Spinco will be assigned all of Captiva’s interest in the LOI and will seek to enter into an agreement with Crypto to acquire the Crypto Assets.

Risk Factors

In considering whether to vote for the approval of the Arrangement, Captiva Shareholders should be aware that there are various risks, including those described in this Circular. Captiva Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

GENERAL INFORMATION FOR MEETING

***** PERSONS THAT DO NOT HAVE EVIDENCE OF FULL VACCINATION OR A NEGATIVE COVID-19 RAPID TEST RESULT COMPLETED WITHIN 24 HOURS IMMEDIATELY PRIOR TO THE MEETING WILL NOT BE GRANTED ACCESS TO ATTEND THE MEETING IN PERSON*****

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by the management of Captiva Verde Wellness Corp. (“**Captiva**” or the “**Company**”) for use at the special meeting of the shareholders of the Company to be held at the offices of McMillan LLP located at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7, at 10:00 a.m. (Pacific Standard Time) on October 29, 2021 (the “**Meeting**”), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone, by directors, officers, and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those Intermediaries and the Company may reimburse the Intermediaries for their fees and disbursements in that regard.

Currency

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

Record Date

The Board has fixed September 22, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of and to vote at the Meeting. Only Captiva Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Captiva Shares voted at the Meeting.

Appointment of Proxy holders

The individual(s) named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxy holder

The persons named in the Proxy will vote or withhold from voting the Captiva Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Captiva Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- a. each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- b. any amendment to or variation of any matter identified therein; and
- c. any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A Registered Shareholder may submit a proxy using one of the following methods:

- a. complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Trust Company of Canada, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or hand delivery to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- b. use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder’s account number and the proxy access number; or
- c. log on to Computershare’s website at www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder’s account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company’s board of directors at its discretion without notice.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Captiva Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Captiva Shares) or as set out in the following disclosure.

If Captiva Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those Captiva Shares will not be registered in the shareholder's name on the records of the Company. Such Captiva Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Captiva Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as a nominee for many Canadian brokerage firms), and in the United States, under the name Cede & Co. as a nominee for The Depository Trust Company (which acts as a depository for many US brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Captiva Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders of the Company. However, its purpose is limited to instructing the intermediary on how to vote your Captiva Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form ("**VIF**") in lieu of the proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Captiva Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Captiva Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Captiva Shares to be represented at the Meeting and the appointment of any shareholder's representative.

Notice to Shareholders in the United States

The Company's common shares are not registered under Section 12 of the U.S. Exchange Act, and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Residents of the United States should be aware that applicable Canadian proxy solicitation rules differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

Any information concerning the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. In particular, financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company was continued under the BCBCA, as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it using one of the following methods:

- a. execute a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the registered office of the Company at 1055 West Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- b. attend the Meeting in person and vote the Registered Shareholder's Captiva Shares.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the incorporation of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than as may be otherwise set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the incorporation of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Outstanding Captiva Shares

The Company is authorized to issue an unlimited number of Captiva Shares. As at September 22, 2021 there were 143,491,067 Captiva Shares issued and outstanding, each carrying the right to one vote. Persons who are Registered Shareholders at the close of business on September 22, 2021 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Captiva Share held. The Company has only one class of shares.

Principal Holders of Captiva Shares

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions and an affirmative vote of 66 and 2/3rds of the votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as special resolutions.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DIRECTOR'S APPROVAL

The contents of this Circular and the sending thereof to the Captiva Shareholders have been approved by the Board.

THE ARRANGEMENT

General

The Arrangement has been proposed to efficiently facilitate the assignment of the Company's right to acquire the Crypto Assets pursuant to the LOI to its subsidiary. Pursuant to the Arrangement, Captiva will assign to Spinco the LOI, including the right to acquire the Crypto Assets to Spinco, in exchange for approximately 14,349,107 Spinco Shares, which shares will be distributed to the Captiva Shareholders who hold Captiva Shares on the share Distribution Record Date.

Following the Arrangement, each Captiva Shareholder will, immediately after the Effective Date, hold one New Share for each Captiva Share held immediately prior to the Arrangement, which will be identical in every respect to the present Captiva Shares, and each Captiva Shareholder on the Share Distribution Record Date will receive its pro-rata share of the Captiva Class A Preferred Shares, will receive its pro-rata share of the approximately 14,349,107 Spinco Shares that are acquired by the Company in exchange for the assignment to Spinco of the LOI.

Upon completion of the Arrangement and the assignment of the LOI by the Company to Spinco, Spinco will negotiate a definitive acquisition agreement with Crypto for the acquisition by Spinco of the Crypto Assets. Pursuant to the terms of the LOI, it is intended that Spinco will issue 150,000,000 Spinco Shares to the shareholders of Crypto on a pro-rata basis in exchange for the Crypto Assets. The terms and conditions of such a definitive agreement have not been finalized, but it is anticipated that the Proposed Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence. The Proposed Acquisition will not proceed unless the Arrangement is completed.

Subsequent to the closing of the Arrangement and closing of the Proposed Acquisition, it is intended that the Captiva Shareholders will hold approximately 8.7% of the issued and outstanding Spinco Shares and the shareholders of Crypto will hold approximately 91.3% of the issued and outstanding Spinco Shares.

The Spinco Shares will not be listed on any stock exchange and Spinco is not expected to pursue a stock exchange listing unless it acquires the Crypto Assets and the business of Spinco is sufficiently advanced to warrant a stock exchange listing.

Reasons for the Arrangement

The Board has determined that the Company should concentrate its efforts on its primary business activities. To this end, the Board approved a reorganization of the Company pursuant to the Arrangement as described in this Circular.

The Board is of the view that the Arrangement will benefit the Company and the Captiva Shareholders. This conclusion is based on the following primary determinations:

The decision to proceed with the Arrangement was based on the following primary determinations:

1. Spinco provides the Company's shareholders with the opportunity to participate in a new corporate vehicle;
2. After the completion of the Arrangement, Spinco will also have the flexibility to implement its own unique growth strategies, allowing Spinco to refine and refocus its business strategy and plans;

3. Because the resulting business will be focused in its respective industry, being renewable energy driven crypto-mining, Spinco will be more readily understood by public investors, allowing Spinco to be in a better position to raise capital and align management and employee;
4. Spinco will have direct access to public and private capital markets and will be able to issue debt and equity to fund development of the Crypto Assets and to finance the acquisition and development of any other projects that Spinco may acquire on a priority basis; and
5. As a separate company, Spinco will be able to establish equity-based compensation programs to enable it to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

Recommendation of Directors

The Board approved the Arrangement and authorized the submission of the Arrangement to the Captiva Shareholders and the Court for approval. The Board has concluded that the Arrangement is in the best interests of the Company and the Captiva Shareholders, and recommends that the Captiva Shareholders vote FOR the Arrangement Resolution at the Meeting. In reaching this conclusion, the Board considered the benefits to the Company and the Captiva Shareholders, as well as the financial position, opportunities and the outlook for the future potential and operating performance of the Company and Spinco Shares.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Captiva Shareholders by the Board based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66 and 2/3rds Captiva Shareholder approval and approval by the Court after a hearing at which fairness will be considered;
2. the opportunity for Captiva Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Captiva Shares; and
3. each Captiva Shareholder on the Share Distribution Record Date will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Captiva Shareholder held in the Company prior to completion of the Arrangement and substantially the same pro-rata interest in Spinco through its direct holdings of Spinco Shares, rather than indirectly through the Company's holding of Spinco Shares.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is annexed as Schedule "B" to this Circular, and the Plan of Arrangement, which is attached as Schedule A to the Arrangement Agreement. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, save and except for Dissenting Shares, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement (any terms in the subparagraphs below not defined in this Information Circular are defined in the Plan of Arrangement):

1. Captiva will assign the LOI to Spinco in consideration for approximately 14,349,107 Spinco Shares in accordance with Section 3.1(e) (the "**Distributed Spinco Shares**") so that Captiva shall receive from Spinco, in consideration for the LOI, one (1) share of Spinco for every ten (10) Captiva Shares issued and outstanding as of the Share Distribution Record Date, subject to an escalation bonus where every 10 cents increase in the share price of Captiva above \$0.40, as of the Effective Date, will amount to a conversion increase of 10% (the "**Escalation Bonus**"). Thereafter, Captiva will be added to the central securities register of Spinco in respect of such Spinco Shares;

2. The authorized share capital of Captiva will be changed by:
 - a. Altering the identifying name of the Captiva Shares to class “A” common shares without par value, being the Captiva Class A Shares;
 - b. Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
 - c. 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 Captiva Class A Preferred Shares;
3. Each issued Captiva Class A Share will be exchanged for one New Share and one tenth of one Captiva Class A Preferred Share (to be adjusted in accordance with the Escalation Bonus, if applicable) and, subject to the exercise of a right of dissent, the holders of the Captiva Class A Shares will be deemed to have been removed from the central securities register of Captiva and will be deemed to have been added to the central securities register as the holders of the number of New Shares and Captiva Class A Preferred Shares that they have received on the exchange;
4. All of the issued Captiva Class A Shares will be cancelled with the appropriate entries being deemed to have been made in the central securities register of Captiva and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Captiva Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Captiva Class A Preferred Shares so that the aggregate paid up capital of the Captiva Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, and each Captiva Class A Preferred Share so issued will be issued by Captiva at an issue price equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, divided by the number of issued Captiva Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of Captiva;
5. Captiva will redeem the issued Captiva Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of Captiva Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Spinco Shares that is equal to the number of Captiva Class A Preferred Shares held by such holder;
6. The name of each holder of Captiva Class A Preferred Shares will be deemed to have been removed as such from the central securities register of Captiva, and all of the issued Captiva Class A Preferred Shares will be cancelled with the appropriate entries being deemed to have been made in the central securities register of Captiva;
7. The Distributed Spinco Shares transferred to the holders of the Captiva Class A Preferred Shares pursuant to step §(5) above will be registered in the names of the former holders of Captiva Class A Preferred Shares and appropriate entries will be made in the central securities registers of Spinco on such date as the Captiva directors may determine;
8. The Captiva Class A Shares and the Captiva Class A Preferred Shares issued under the Arrangement, none of which will be allotted or issued until the step referred to in step §(3) above is completed, will be cancelled and the authorized share structure of Captiva will be changed by eliminating, if the Captiva Board so chooses, the Captiva Class A Shares and the Captiva Class A Preferred Shares therefrom; and
9. The Notice of Articles and Articles of Captiva will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement.

Authority of the Board

By passing the Arrangement Resolution, the Captiva Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Captiva Shareholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Captiva Shareholders. The Board has no current intention to amend the Plan of Arrangement, however, it is possible that the Board may determine that it is appropriate that amendments be made.

Conditions to the Arrangement

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Arrangement Agreement must be approved by the Captiva Shareholders at the Meeting in the manner referred to under “Shareholder Approval”;
2. the Arrangement must be approved by the Court in the manner referred to under “Court Approval of the Arrangement”;
3. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company and Spinco; and
4. the Arrangement Agreement must not have been terminated.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases the Company or Spinco, as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Board intends to cause a certified copy of the Final Order to be filed with the Registrar under the Act, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

Management of the Company believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefor.

SHAREHOLDER APPROVAL

Captiva Shareholder Approval

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least 66 and 2/3rds of the eligible votes cast in respect of the Arrangement Resolution by Captiva Shareholders present in person or by proxy at the Meeting.

Shareholder Approval for Spinco

The Company, being the sole shareholder of Spinco, has approved the Arrangement by consent resolution.

COURT APPROVAL OF THE ARRANGEMENT

The Arrangement as structured requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Schedule “C” to this Circular. The Notice of Hearing of Petition for the Final Order is attached to the Notice of Meeting.

Assuming approval of the Arrangement Resolution by the Captiva Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after November 1, 2021 at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia or at such other date and time as the Court may direct. At this hearing, any security holder, director, auditor or other interested party of the Company who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The Court has broad discretion under the Act when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Captiva Shareholders.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Record Date:	September 22, 2021
Special Meeting:	October 29, 2021
Final Court Approval:	November 1, 2021
Effective Date:	To be determined

Mailing of Certificates or direct registration system (DRS) for Spinco Shares: To be determined

Notice of the actual Share Distribution Record Date and Effective Date will be given to the Captiva Shareholders through one or more press releases. The boards of directors of the Company and Spinco, respectively, will determine the Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

Spinco Share Certificates and Certificates for New Shares

After the Share Distribution Record Date, the share certificates or DRS statements representing, on their face, Captiva Shares will be deemed to represent only New Shares with no right to receive Spinco Shares. Before the Share Distribution Record Date, the share certificates representing, on their face, Captiva Shares, will be deemed under the Plan of Arrangement to represent New Shares and an entitlement to receive Spinco Shares, in accordance with the terms of the Arrangement. As soon as practicable after the Effective Date, share certificates representing the appropriate number of Spinco Shares will be sent to all Captiva Shareholders of record on the Share Distribution Record Date.

No new share certificates will be issued for the New Shares created under the Arrangement and therefore holders of Captiva Shares must retain their certificates as evidence of their ownership of New Shares.

Relationship between the Company and Spinco after the Arrangement

On completion of the Arrangement, Jeffrey J. Ciachurski, Chief Executive Officer and a director of the Company, will be the Chief Executive Officer and a director of Spinco. The board of directors of Spinco will be set at three and two vacancies are expected to be filled after completion of the Arrangement.

Resale of New Shares and Spinco Shares

Exemption from Canadian Prospectus Requirements and Resale Restrictions

The issue of New Shares and Spinco Shares, pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, such New Shares, and Spinco Shares may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of New Shares or Spinco Shares to affect materially the control of the Company or Spinco,

respectively, will be restricted as per securities regulations from reselling such shares. In addition, existing hold periods on any Captiva Shares in effect on the Effective Date will be carried forward to the New Shares.

The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the New Shares and the Spinco Shares received upon completion of the Arrangement. All holders of Captiva Shares are urged to consult with their own legal counsel to ensure that any resale of their New Shares, or Spinco Shares, complies with applicable securities legislation.

Application of United States Securities Laws

The New Shares and the Spinco Shares to be issued to the Captiva Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to Captiva Shareholders resident in the United States in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Arrangement by the Court, and pursuant to available exemptions from registration under applicable state securities laws. The Court will be advised that the Court's approval, if obtained, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act.

U.S. Resale Restrictions – Securities Issued to Captiva Shareholders

The New Shares and Spinco Shares to be received by Captiva Shareholders pursuant to the Arrangement will be freely transferable under the U.S. Securities Act except by persons who are “affiliates” of the Company or Spinco, as applicable, after the Effective Date, or were “affiliates” of the Company or Spinco, as applicable, within 90 days prior to the Effective Date. Pursuant to Rule 144 under the U.S. Securities Act, an “affiliate” of an issuer for the purposes of the U.S. Securities Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer, whether through the ownership of voting securities, by contract, or otherwise. Generally, “affiliates” would include executive officers and directors of the issuer, as well as persons who beneficially own or control 10% or more of the outstanding voting securities of the issuer. Any resale of New Shares or Spinco Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Additional Information for U.S. Security Holders

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the Company and Spinco have been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies. For more information, see *General Information for Meeting - Notice to Shareholders in the United States*.

Captiva Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. **No advice has been sought or obtained, and no discussion or advice is provided, with respect to potential United States tax consequences of the Arrangement for investors who are resident in, or citizens of, the United States, or other applicable foreign jurisdiction, and affected Captiva Shareholders should consult their own advisors in this regard.**

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company and Spinco are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and any experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of the Company and Spinco, and said persons may be located outside the United States.

Expenses of Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting, and legal fees will be borne by the party incurring them. The costs of the Arrangement to the Effective Date will be borne by Spinco.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Shareholder who is a beneficial owner of Captiva Shares and who, for purposes of the Tax Act and at all relevant times: (i) holds Captiva Shares, and will hold all Captiva Class A Shares, Captiva Class A Preferred Shares, New Shares and Spinco Shares held or acquired pursuant to the Arrangement as capital property, and (ii) deals at arm's length with each of Captiva and Spinco and is not affiliated with Captiva or Spinco. A Shareholder who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**") in force on the date hereof, and management's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and assumes that all Proposed Amendments will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. This summary does not otherwise take into account any changes in law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial, or foreign income tax considerations which may materially differ from the Canadian federal income tax considerations discussed below.

This summary is not applicable to: (a) a Holder that is a "financial institution" for purposes of the mark-to-market rules under the Tax Act, (b) a Holder that is a "specified financial institution", as defined in the Tax Act, (c) a Holder an interest in which is, or whose Captiva Shares, Captiva Class A Shares, Captiva Class A Preferred Shares, New Shares and Spinco Shares (collectively, "**Subject Securities**") are, a "tax shelter" as defined in the Tax Act, or a "tax shelter investment" as defined in the Tax Act, (d) a Holder that has elected to report its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency, (e) a Holder that has entered or will enter into, in respect of any of the Subject Securities, a "derivative forward agreement" or a "synthetic disposition arrangement", each as defined in the Tax Act, (f) a Holder that will receive dividends on any of the applicable Subject Securities, under or as part of a "dividend rental arrangement", as defined in the Tax Act, (g) a Holder that is a "foreign affiliate" of a taxpayer resident in Canada, as defined in the Tax Act, (h) a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the New Common Shares and the Spinco Shares, controlled by a non-resident person or entity (or group of non-resident persons or entities not dealing at arm's length for purposes of the Tax Act) for purposes of the "foreign affiliate dumping" rules of the Tax Act, or (i) any other Holder of special status or in special circumstances. **All such Holders should consult their own tax advisors to determine the particular income tax consequences to them of the Arrangement. In addition, this summary does not address the tax considerations relevant to Holders who acquired their Common Shares on the exercise of an employee stock option, and such Holders should also consult their own tax advisors.**

This summary also assumes that at the Effective Date under the Arrangement and all other material times, (i) the "paid-up capital" of the Captiva Class A Preferred Shares as computed for the purposes of the Tax Act will not be less than the fair market value of the Spinco Shares distributed pursuant to the Arrangement, and (ii) the

Arrangement constitutes a “reorganization of the capital” of Captiva for purposes of s.86 of the Tax Act, and the summary is qualified accordingly.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed as, legal or tax advice to any Captiva Shareholder. Accordingly, Captiva Shareholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances, and in all relevant jurisdictions. No legal opinion or tax ruling has been sought or obtained with respect to the Arrangement, the status of Holders, any of the assumptions made in this summary, or otherwise. The discussion below is qualified accordingly.

THE SPINCO SHARES MAY NOT BE QUALIFIED INVESTMENTS UNDER THE TAX ACT FOR REGISTERED PLANS. SHOULD THE SPINCO SHARES NOT BE LISTED ON A “DESIGNATED STOCK EXCHANGE” IN CANADA ON OR BEFORE THE DUE DATE FOR SPINCO’S FIRST INCOME TAX RETURN AND SHOULD SPINCO NOT OTHERWISE SATISFY THE CONDITIONS TO BE A “PUBLIC CORPORATION” FOR PURPOSES OF THE TAX ACT ON OR BEFORE SUCH DATE, THE SPINCO SHARES WILL NOT BE QUALIFIED INVESTMENTS FOR REGISTERED PLANS. WHERE A REGISTERED PLAN ACQUIRES OR HOLDS A SPINCO SHARE IN CIRCUMSTANCES WHERE THE SPINCO SHARE IS NOT A QUALIFIED INVESTMENT UNDER THE TAX ACT FOR THE REGISTERED PLAN, ADVERSE TAX CONSEQUENCES MAY ARISE FOR THE REGISTERED PLAN AND THE ANNUITANT UNDER THE REGISTERED PLAN. SEE “ELIGIBILITY FOR INVESTMENT”.

Holders Resident in Canada

The following portion of the summary is applicable only to Holders (as defined above) who are or are deemed to be resident only in Canada for the purposes of the Tax Act (each, in this portion of the summary, a “**Resident Holder**”).

Exchange of Captiva Shares for New Shares and Captiva Class A Preferred Shares

A Resident Holder whose Captiva Class A Shares (the re-designated Captiva Shares) are exchanged for New Shares and Captiva Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base (“**ACB**”) of the Holder’s Captiva Shares, determined immediately before the Arrangement, pro-rata to the New Shares and Captiva Class A Preferred Shares received on the exchange based on the relative fair market values of those New Shares and Captiva Class A Preferred Shares immediately after the exchange. The fair market value of the Captiva Class A Preferred Shares and the New Shares for this purpose is a question of fact to be determined having regard to all of the relevant circumstances.

Redemption of Captiva Class A Preferred Shares

The redemption of Captiva Class A Preferred Shares under the Arrangement would result in a deemed dividend in the hands of Resident Holders if and to the extent that the “amount paid” on the redemption, being equal to the fair market value of the Spinco Shares distributed as of the Effective Date, exceeds the “paid-up capital” of the Captiva Class A Preferred Shares. However:

- Pursuant to the Arrangement, the paid-up capital of the Captiva Class A Shares immediately before their exchange for New Shares and Captiva Class A Preferred Shares will, to the extent possible, be allocated to the Captiva Class A Preferred Shares to be issued on the exchange in an amount equal to the aggregate fair market value of the Spinco Shares as of the Effective Date, and the balance of such paid-up capital will be allocated to the New Shares to be issued on the exchange; and
- The Company expects that there is sufficient paid-up capital that can be so allocated to the Captiva Class A Preferred Shares for this purpose and that the fair market value of the Spinco Shares to be so distributed will not exceed the paid-up capital of the Captiva Class A Preferred Shares immediately before the redemption of the Captiva Class A Preferred Shares. The following discussion assumes this will be the case.

Accordingly, and based on these assumptions, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of Spinco Shares on the redemption of the Captiva Class A Preferred Shares pursuant to the Arrangement. No legal opinion or tax ruling has been sought or obtained in this regard. The treatment of potential deemed dividends arising on the redemption of Captiva Class A Preferred Shares under the Arrangement is not otherwise addressed or considered in this summary.

Each Resident Holder whose Captiva Class A Preferred Shares are redeemed for Spinco Shares pursuant to the Arrangement will realize a capital gain (or capital loss) equal to the amount, if any, by which the fair market value of the Spinco Shares, less reasonable costs of disposition, exceed (or are exceeded by, respectively) the ACB of such Captiva Class A Preferred Shares immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below (see “Holders Resident in Canada — Taxation of Capital Gains and Losses”).

The cost to a Resident Holder of the Spinco Shares acquired on the exchange should be equal to the fair market value of the Spinco Shares as of the effective time of the distribution under the Arrangement.

Disposition of New Shares and Spinco Shares

A Resident Holder who disposes of a New Share or Spinco Share will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (or are exceeded by, respectively) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below.

Taxation of Capital Gains and Losses

Generally, a Resident Holder will be required to include in computing the Resident Holder’s income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in that year. A Resident Holder will generally be entitled to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss arising from a disposition or deemed disposition of a Captiva Class A Preferred Share, New Share, or a Spinco Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares. Affected Resident Holders should consult their own advisors in this regard.

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be required to pay a special tax (refundable in certain circumstances) on certain investment income, which includes taxable capital gains.

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives, or is deemed to receive, on Captiva Class A Preferred Shares, New Shares or Spinco Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Captiva or Spinco, as the case may be, as “eligible dividends”, as defined in the Tax Act.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its Captiva Class A Preferred Shares, New Shares or Spinco Shares, but generally will be entitled to

deduct an equivalent amount in computing its taxable income, subject to all limitations in this regard under the Tax Act.

A “private corporation” or a “subject corporation” (each as defined in the Tax Act) may be liable for a special tax under Part IV of the Tax Act (refundable in certain circumstances) on any dividend that it receives or is deemed to receive on Captiva Class A Preferred Shares, New Shares and Spinco Shares, to the extent that the dividend is deductible in computing the corporation’s taxable income. A Resident Holder that is a “Canadian-controlled private corporation” at a relevant time for purposes of the Tax Act may be subject to a special tax (refundable in certain circumstances) on its “aggregate investment income” which includes dividends that are not deductible in computing taxable income.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a “**Resident Dissenter**”) and consequently is paid the fair value for the Resident Dissenter’s Captiva Shares by Captiva in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Resident Dissenter’s Captiva Shares. Any such deemed dividend will be subject to tax as discussed above under “*Holdings Resident in Canada — Taxation of Dividends*”. The Resident Dissenter will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (or is exceeded by, respectively) the ACB of the shares. The Resident Dissenter will be required to include any resulting taxable capital in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See “*Holdings Resident in Canada – Taxation of Capital Gains and Losses*”.

The Resident Dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

Eligibility for Investment

As noted above under “Summary of Information Circular – The Arrangement”, Captiva was listed on the Exchange but was suspended and concurrently delisted from the Exchange on January 13, 2017. This status can adversely affect the status of any shares of Captiva as a “qualified investment” for purposes of a registered retirement savings plan (“RRSP”) and other deferred income plans. In addition, Spinco Shares will not be “qualified investments” if they are not listed on a designated stock exchange at all relevant times. A full discussion is beyond the scope of this summary, and all Holders holding shares of Captiva (or receiving or deemed to receive other shares of Captiva or Spinco Shares in accordance with the Arrangement) within an RRSP or other deferred income plan should consult their own tax advisors in this regard. The following discussion is qualified accordingly.

In general terms,

- shares of Captiva, including the Captiva Shares, the Captiva Class A Shares, the New Shares and the Captiva Class A Preferred Shares, may constitute qualified investments for RRSPs despite the delisting from the Exchange, provided that (i) Captiva is resident in Canada for purposes of the Tax Act, (ii) Captiva Shares were previously listed on a “designated stock exchange” in Canada at a time when Captiva was also so resident in Canada, (iii) at no time did Captiva elect, and at no time was it designated by notice by the Minister of National Revenue, not to be a “public corporation” for purposes of the Tax Act, and (iv) it otherwise constitutes a “public corporation” for purposes of the Tax Act. Management of the Company believes these requirements are met and that Captiva continues to be a “public corporation” for purposes of the Tax Act such that its shares continue to be qualified investments for RRSPs and other deferred income plans. The discussion that follows assumes that this understanding is correct, although no tax ruling or legal opinion has been sought or obtained in this regard.
- where shares of Captiva do so constitute qualified investments, as noted above, the “qualified investment” status can be lost on an election by the Company, or on proper notice by the Minister of National Revenue, to the effect that the Company is no longer a “public corporation” for purposes of

the Tax Act, and no assurance can be given that such an election or designation will not be implemented at any time.

SPINCO SHARES WILL NOT BE QUALIFIED INVESTMENTS FOR RRSPS OR OTHER DEFERRED INCOME PLANS UNLESS SPINCO MEETS THE RELEVANT REQUIREMENTS, INCLUDING THAT THE SPINCO SHARES BE LISTED ON A “DESIGNATED STOCK EXCHANGE” AT ALL RELEVANT TIMES, AND ACCORDINGLY NO ASSURANCE CAN BE GIVEN THAT SPINCO SHARES WILL BE QUALIFIED INVESTMENTS AS AT THE EFFECTIVE DATE OR ANY OTHER TIME. See also “Risk Factors – The Spinco Shares may not be qualified investments under the ITA for a Registered Plan”.

Where any shares (including the Captiva Shares, the Captiva Class A Shares, the New Shares, the Captiva Class A Preferred Shares, and the Spinco Shares) are not a “qualified investment” at any time while held in or received or deemed to be received by an RRSP or other deferred income plan (including under the transactions occurring under the Arrangement), adverse consequences, including certain penalty taxes, under the Tax Act will apply to the deferred income plan and the Holder. As noted above, **a full discussion is beyond the scope of this summary, and all Holders holding shares of Captiva (or receiving or deemed to receive other shares of Captiva or Spinco Shares) within an RRSP or other deferred income plan should consult their own tax advisors in this regard.**

Holders Not Resident in Canada

The following portion of this summary is applicable only to Holders (as defined above) who, for the purposes of the Tax Act and any applicable income tax treaty, and at all relevant times, have not been and will not be resident or deemed to be resident in Canada, and do not use or hold, will not use or hold and are not and will not be deemed to use or hold Captiva Shares, Captiva Class A Shares, Captiva Class A Preferred Shares, New Shares and Spinco Shares in carrying on a business in Canada (herein, a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act).

Furthermore, this portion of the summary will not apply, and special tax and tax compliance rules will or may apply, where a Non-Resident Holder holds any shares as “taxable Canadian property” for the purposes of the Tax Act. For this purpose, “taxable Canadian property” includes a share if, at any particular time during the 60-month period immediately before disposition of the share, more than 50% of the fair market value of the share was derived directly or indirectly (otherwise than through a corporation, partnership or trust the shares or interests in which were not themselves taxable Canadian property at the particular time) from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties or timber resource properties as defined for purposes of the Tax Act, or (iii) options, interests or rights in or to any of the foregoing. Notwithstanding the foregoing, shares may also be deemed to be “taxable Canadian property” under certain other provisions of the Tax Act. Management of the Company believes that Captiva Shares, Captiva Class A Shares, New Shares, Captiva Class A Preferred Shares, or Spinco Shares would not so derive more than 50% of their fair market value at any particular time during the 60-month period immediately preceding and including the Effective Date under the Arrangement. The following discussion assumes this belief and understanding is correct, and as noted, applies only to Non-Resident Holders not holding any shares as “taxable Canadian property”. No tax ruling or legal opinion has been sought or obtained in this regard, and the discussion below is qualified accordingly.

Capital Gains and Capital Losses on Share Exchanges and Subsequent Dispositions of Shares

A Non-Resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on the exchange of Captiva Class A Shares (the re-designated Captiva Shares) for New Shares and Captiva Class A Preferred Shares, nor on any capital gain realized on the redemption of Captiva Class A Preferred Shares in consideration for Spinco Shares.

Any capital gain realized by a Non-Resident Holder on the on the redemption of Captiva Class A Preferred Shares in consideration for Spinco Shares or on the subsequent disposition or deemed disposition of a New Share or a Spinco Share will not be subject to tax under the Tax Act, provided either that the shares do not constitute taxable Canadian property of the Non-resident Holder at the time of disposition (which status must be determined as of the relevant time), or an applicable income tax treaty exempts the capital gain from tax under the Tax Act. Affected Non-resident Holders should consult their own advisors in this regard.

Deemed Dividends on the Redemption of Captiva Class A Preferred Shares

For the reasons set out above under “*Holdings Resident in Canada — Redemption of Captiva Class A Preferred Shares*”, the Company expects that no Non-Resident Holder will be deemed to have received a dividend on the redemption of Captiva Class A Preferred Shares for Spinco Shares.

Taxation of Dividends

A Non-Resident Holder to whom a dividend on a New Share or Spinco Share is, or is deemed to be, paid or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Rights (a “Non-Resident Dissenter”) and consequently is paid the fair value for the Non-Resident Dissenter’s Captiva Shares by Captiva in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Non-Resident Dissenter’s Captiva Shares. Any such deemed dividend will be subject to tax as discussed above under “*Holdings Not Resident in Canada — Taxation of Dividends*”. The Non-resident Dissenter will not be subject to tax under the Tax Act on any capital gain that may arise in respect of the resulting disposition of the Captiva Shares provided they are not held as “taxable Canadian property” as of the relevant time.

The Non-Resident Dissenter will not be subject to Canadian withholding tax on any interest awarded by a Court, if any.

The foregoing discussion is only a general overview of certain Canadian federal income tax considerations, and does not address securities laws or considerations for the resale of the New Shares and the Spinco Shares received upon completion of the Arrangement. All holders of Captiva Shares are urged to consult with their own tax advisors and legal counsel to ensure that any resale of their New Shares or Spinco Shares complies with applicable tax and securities legislation.

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Arrangement’s U.S. tax implications

RIGHTS OF DISSENT

Dissenters’ Rights

The Act does not contain a provision requiring the Company to purchase Captiva Shares from Captiva Shareholders who dissent from the Arrangement. However, pursuant to the terms of the Interim Order and the Plan of Arrangement, the Company has granted the Captiva Shareholders who object to the Arrangement Resolution the right to dissent (the “Dissent Right”) in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder’s Captiva Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. **A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule “D” to this Circular.**

A Captiva Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a “**Notice of Dissent**”) to the Company at its registered and records office located at c/o Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7, marked to the attention of the Chief Executive Officer of Captive Verde Industries Ltd., by either delivering the Notice of Dissent to the Company at least two days before the Meeting or by mailing the Notice of Dissent to the Company by registered mail post marked not later than two days before the Meeting.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in

Schedule “D” must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

Captiva Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any Captiva Shares if they vote (or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for a Captiva Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a Captiva Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each Captiva Share held by that Captiva Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

Captiva Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Schedule “D” and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.

RISK FACTORS

In evaluating the Arrangement, Captiva Shareholders should carefully consider, in addition to the other information contained in this Circular, the risk factors associated with Captiva and Spinco. These risk factors are not a definitive list of all risk factors associated with Captiva and the business to be carried out by Spinco.

THE COMPANY AFTER THE ARRANGEMENT

The following is a description of the Company assuming completion of the Arrangement.

Name, Address and Incorporation

The Company was originally incorporated in 1993 under the laws of Alberta as Arrowhead Water Products (“**Arrowhead**”). In 2014, Arrowhead was continued in British Columbia under the BCBCA and changed its name to “Captiva Verde Land Corp.”. On December 4, 2014, the Company received conditional approval from the CSE for listing, quotation and trading on the CSE subject to raising at least \$500,000 of working capital. The Company’s shares were listed on the CSE under the symbol “VEG”. The Company was suspended and concurrently delisted from the Exchange on January 13, 2017 for failure to satisfy listing standards pertaining to having a board of directors composed of at least three directors.

The Company’s head office is located at 632 Foster Avenue, Coquitlam, BC V3J 2L7. The Company’s registered records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

Business of the Company

Captiva is a public company listed on the Canadian Securities Exchange. It owns 100% of the 36,000 square feet of processing facilities and 200 acres of organic farmland in New Brunswick and has a brand new pharmaceutical lab in Mexico. Captiva Verde is also interested in large-scale sustainable housing in California and owns other consumer assets. Captiva Verde owns all of these assets debt free and was listed on the CSE in October 2018.

Until completion of the Arrangement, Spinco will be a wholly-owned subsidiary of the Company.

Recent Developments

On June 12, 2021 the Company entered into the LOI.

For additional information on the LOI see: “Information Concerning Spinco – *Description of Business of Spinco*”.

Dividend Policy

Captiva has not paid dividends on the Captiva Shares since incorporation. Captiva currently intends to retain all available funds, if any, for use in its business.

Directors and Officers

After completion of the Arrangement, if the Company is unable to relist on a stock exchange, it is expected that the Company's directors may both resign.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company within the two years preceding the date of this Circular and which can be reasonably regarded as material to the Company are as follows:

- The Arrangement Agreement.

The Arrangement Agreement is attached hereto as Schedule "B".

Auditors and Registrar and Transfer Agent

The auditors for the Company are Davidson & Company, Chartered Accountants, located at 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6.

The registrar and transfer agent for the Company is Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9.

Legal Proceedings

The Company is party to legal proceedings in connection with claims made by certain vendors who have made claims regarding payment of funds in exchange for services. The Company finds these claims without merit.

INFORMATION CONCERNING SPINCO

Name, Address and Incorporation

Spinco was incorporated pursuant to the Act on September 20, 2021 as a wholly-owned subsidiary of Captiva for the purposes of the Arrangement. Spinco is currently a private company, with its registered and records office is located at Suite 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

Prior to completion of the Arrangement, Spinco will be a wholly-owned subsidiary of Captiva. Upon completion of the Arrangement, Spinco will cease to be a wholly-owned subsidiary of Captiva and will become a reporting issuer in the provinces of British Columbia, Alberta and Ontario. After the Effective Date, Spinco will have no assets other than the LOI and the Cash Fee.

Description of Business of Spinco

Proposed Acquisition

Captiva entered into the LOI on June 12, 2021. Pursuant to the terms of the LOI, subject to completion of the Arrangement, Spinco will negotiate a definitive agreement with Crypto for the Proposed Acquisition. Should the Arrangement be completed, the Proposed Acquisition will be subject to the execution by Spinco of the definitive agreement. The terms and conditions of the definitive agreement have not been finalized and it is anticipated that the Proposed Acquisition will be subject to standard closing conditions, including requisite corporate and regulatory approvals, financing and due diligence.

In addition to completion of the Arrangement and negotiation and execution of the definitive agreement with Crypto, completion of the Proposed Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of Spinco, (ii) financing and (iii) completion of satisfactory due diligence. Should the Plan of Arrangement be completed, but a definitive agreement not entered into, shareholders of Captiva will have an interest in Spinco, an unlisted reporting issuer in British Columbia, Alberta and Ontario with no assets other than cash. Captiva and Crypto are at arm's length.

Should the Proposed Acquisition be completed as currently contemplated, it is anticipated that the Captiva Shareholders will benefit as a result of their 100% interest in Spinco.

Pursuant to the Arrangement, Captiva will transfer to Spinco all of Captiva's interest in the LOI in exchange for approximately 14,349,107 Spinco Shares, which shares will be distributed to the Captiva Shareholders who hold Captiva Shares on the Share Distribution Record Date. Completion of the Arrangement is subject to the approval of the Arrangement by the Captiva Shareholders and the Court.

The Crypto Assets

Under the terms of the LOI, and subject to a definitive agreement, Spinco will have the right to acquire the Crypto Assets from Crypto for the issuance of 150,000,000 common shares of Spinco to the shareholders of Crypto on a pro rata basis and at a deemed price to be determined in accordance with the definitive agreement for the Proposed Acquisition.

The Crypto Assets will consist of cryptocurrency mining operations in Canada utilizing green energy produced through a combination of Crypto's proposed solar farms and natural gas-powered generators. Crypto operates in one segment, being the provision of data servers for the purposes of mining and sale of digital currencies. The primary business of Crypto is the provision of computing capacity to secure a distributed network by creating, verifying, publishing and propagating blocks in the blockchain in exchange for fees or rewards in the form of coins, often referred to as "mining" or "cryptocurrency mining", using as much renewable energy as possible to power the computing.

Crypto is in the process of constructing a 2MW solar farm to provide the mining operations with green renewable energy, install a facility to house the bit mining operations, and purchase and install BITMAIN S19 Servers as the computing equipment for cryptocurrency operations, with operations anticipated to begin within 6 months of the commencement of construction. The Crypto Assets will therefore include state-of-the-art green energy-powered data centre facilities in Canada, which will mine digital currencies including Bitcoin, Ether and others, continuously on the cloud. Crypto's computing facilities will be strategically located in geographical locations where electricity costs are low due to an abundance of green energy such as solar, wind and hydro power and access to natural gas supplies which are abundant in Crypto's area of operations. Another advantage of the Crypto Assets is in owning and generating green renewable energy to power digital mining.

The operating and maintenance expenses for the Crypto Assets will be comprised of electricity to power computing equipment as well as cooling and lighting and other aspects of operating computer equipment. Other site expenses will include purchase or leasing costs for the facilities, personnel salaries, internet access, equipment maintenance and software optimization, and facility security, maintenance and management.

There are numerous risks associated with the cryptocurrency mining industry, including those described in the Section entitled "*Risk Factors – Risk Factors if the Proposed Acquisition is Completed*" in this Circular. Captiva Shareholders should carefully consider these risk factors.

Share Capital

The authorized capital of Spinco consists of an unlimited number of common shares. All Spinco Shares, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no preemptive or conversion rights, and no provision for redemption, purchase for cancellation, surrender or sinking funds. Provision as to modifications, amendments or variations of such rights or such provisions are contained in Spinco's articles and the BCBCA.

Options to Purchase Shares

Spinco has not implemented an incentive stock option plan and does not have any incentive stock options outstanding at this time.

Dividends

Spinco has paid no dividends since its inception. At the present time, Spinco intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of Spinco and on such other factors as the board of directors of Spinco may consider appropriate. However, since Spinco is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

Prior Sales

The following table contains details of the prior sales of Spinco Shares within the 12 months prior to the date of this circular.

Date of Issue	Number of Common Shares	Price per Share (\$)
September 20, 2021 ¹	100	\$0.01

Notes:

- (1) Issued on incorporation.

Registrar and Transfer Agent

Spinco does not have a registrar and transfer agent appointed at this time. It is expected that Computershare Trust Company of Canada / Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9, will be appointed as Spinco's transfer agent.

Legal Proceedings

Spinco is not party to any outstanding legal proceedings, nor are any such proceedings contemplated.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Spinco since its incorporation and which can be reasonably regarded as material to Spinco are as follows:

- Arrangement Agreement between Captiva and Spinco, dated September 21, 2021.

Risk Factors

An investment in a company such as Spinco involves a significant degree of risk including, without limitation, the factors set out below.

No Assurance that the Proposed Acquisition will be Completed as Contemplated or at all

Completion of the Proposed Acquisition is subject to a number of conditions, including completion of the Arrangement and execution of a definitive agreement. Should the Arrangement fail to receive approval of the Captiva Shareholders at the Meeting, Spinco will remain as a wholly-owned subsidiary of Captiva. Should the Arrangement be approved by the Captiva Shareholders at the meeting, there is no assurance that the definitive agreement will be entered into, either on the terms set forth in the LOI, or at all. There is no assurance that the Proposed Acquisition will be completed as contemplated or at all. In addition to completion of the Arrangement and negotiation and execution of the definitive agreement, completion of the Proposed Acquisition is expected to be subject to the following conditions: (i) requisite corporate approvals on behalf of Spinco, (ii) financing and (iii) completion of satisfactory due diligence. There is no assurance that any or all of these conditions will be satisfied or waived. In the event that the Arrangement is completed and the definitive agreement and/or Proposed Acquisition

are not consummated, Spinco will remain as a reporting issuer in the provinces of British Columbia, Alberta and Ontario and the Spinco Shares will not be listed on any stock exchange. In such instance, Spinco will effectively be a shell company with no assets.

Requirements for Further Financing

Spinco presently does not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement. In the event that the Arrangement is completed and Spinco proceeds with the Proposed Acquisition, Spinco will need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that Spinco will be able to raise the the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause Spinco to reduce or terminate its operations.

The Spinco Shares may not be qualified investments under the ITA for a Registered Plan

An application for listing of the Spinco on any stock exchange will not be made on the Effective Date. While it is anticipated that Spinco will enter into a definitive agreement with Crypto, there is no assurance that the Proposed Acquisition will be completed as contemplated or at all. As a result, there is no assurance when, or if, the Spinco Shares will be listed on any stock exchange. If the Spinco Shares are not listed on a designated stock exchange in Canada before the due date for Spinco's first income tax return or if Spinco does not otherwise satisfy the conditions in the ITA to be a "public corporation", the Spinco Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Shares are not a qualified investment under the ITA for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, beneficiary or holder under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Operating History

As a wholly-owned subsidiary of Captiva, incorporated for the purpose of the Arrangement, Spinco has a very limited history of operations and must be considered a start-up. As such, Spinco is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Spinco will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Spinco has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further advancement of Spinco's business. There can be no assurance that the Spinco will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of Spinco's business.

Negative Cash Flow

Spinco has no history of earnings or cash flow from operations. Spinco does not expect to generate material revenue or to achieve self-sustaining operations for several years, if at all.

No Market for Securities

There is currently no market through which any of Spinco's securities, including the Spinco Shares, may be sold and there is no assurance that the Spinco Shares will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Spinco is not expected to pursue a stock exchange listing unless it acquires the Crypto Assets and the business of Spinco is sufficiently advanced to warrant a stock exchange listing. Until the Spinco Shares are listed on a stock exchange, holders of the Spinco Shares may not be able to sell their Spinco Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Spinco Shares will develop or be sustained after completion of the Arrangement. The holding of Spinco Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to

assume such risks and who have no need for immediate liquidity in their investment. The Spinco Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Dividend Policy

Spinco does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from Spinco will remain subject to the discretion of its board of directors and will depend on results of operations, cash requirements and future prospects of Spinco and other factors.

Conflicts of Interest

The directors of Spinco may be directors, officers or shareholders of other companies that are engaged in similar businesses to Spinco. Such associations may give rise to conflicts of interest from time to time. The directors of Spinco are required by law to act honestly and in good faith with a view to the best interests of Spinco and to disclose any interest which they may have in any project or opportunity of Spinco. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Spinco will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Spinco may be exposed and its financial position at the time.

Risk Factors if Proposed Acquisition is Completed

In the event that the Proposed Acquisition is completed, Spinco will be subject to the risks normally associated with crypto-mining companies. Those risks are set out below.

Cybersecurity Risks

Cybersecurity incidents and cyber-attacks have been occurring globally with more frequency and a greater level of severity and will likely continue to increase in frequency in the future. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments, including improper acts by third parties, may result in a compromise or breach of the security measures that Spinco uses to protect its systems. Failures of Spinco's cybersecurity system could harm its reputation, subject it to legal claims and otherwise materially and adversely affect its business, financial condition and results of operations.

The blockchain industry is a particular target for cybersecurity incidents, which may occur through intentional or unintentional acts by individuals or groups, including state-sponsored actors, having authorized or unauthorized access to Spinco's systems or Spinco's clients' or counterparties' information, all of which may include confidential information. These individuals or groups include employees, third-party service providers, customers and hackers. The information and technology systems to be used by Spinco and its are vulnerable to unauthorized access, damage or interruption from, among other things: hacking, ransomware, malware and other computer viruses; denial of service attacks; network failures; computer and telecommunication failures; phishing attacks; infiltration by unauthorized persons; fraud; security breaches; usage errors by their respective professionals; power outages; terrorism; and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

It is possible Spinco could suffer an impact or disruption that could materially and adversely affect it. The security of the information and technology systems to be used by Spinco and its service providers may continue to be subjected to cybersecurity threats that could result in material failures or disruptions in Spinco's business. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, Spinco may have to make a significant investment to fix or replace them.

Spinco's infrastructure may potentially be vulnerable to computer break-ins and similar disruptive problems. Spinco could also suffer from an internal security breach. Computer viruses, break-ins or other security problems could lead to misappropriation of proprietary information and interruptions. If a third party or employee were to misappropriate, misplace or lose corporate information, including financial and account information, customers' personal information, Spinco's business may be harmed. Spinco may be required to expend significant capital and other resources to protect against these security breaches or losses or to alleviate problems caused by these breaches or losses. If third parties gain improper access to Spinco's systems or databases or those of Spinco's partners or

contractors, they may be able to steal, publish, delete or modify confidential customer information. A security breach could expose Spinco to monetary liability, lead to inquiries and fines or penalties from regulatory or governmental authorities, lead to reputational harm and make users less confident in Spinco's services, which could harm Spinco's business, financial condition and results of operations.

Cryptocurrency inventory may be exposed to cybersecurity threats and hacks

In the recent past, flaws in cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have been relatively rare across all cryptocurrencies.

Regulatory changes or actions may alter the nature of an investment or restrict the use of cryptocurrencies in a manner that adversely affects operations

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. Ongoing and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of Spinco to operate. The effect of any future regulatory change on Spinco or any cryptocurrency that Spinco may mine is impossible to predict, but such change could be substantial and adverse to the Company.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Company's shares. Such a restriction could result in the Company liquidating assets at unfavorable prices and may adversely affect the Company's shareholders.

Cryptocurrency assets are highly volatile and speculative in nature.

Master nodes, ASIC miners and validators are paid by the blockchain network in exchange for the capital and operating costs associated with their construction and operation. Given the highly volatile nature of cryptocurrencies with respect to pricing, hashing power, and block reward, the Company cannot guarantee that the net asset value of a blockchain asset, or the block reward associated with any particular token will remain at current levels or rise in the future.

Cryptocurrency market technology is a development stage technology and cryptocurrency assets are a class of assets that not widely held, difficult to purchase and store securely and not fully regulated. As result of these variables, the pricing of cryptocurrency assets is highly volatile which will affect the value of staked digital assets, economics of mining operations and block reward payouts over time.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over the counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of Spinco's assets and thereby affect Spinco's shareholders.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure.

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, during the past three years, a number of BTC Exchanges

have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed BTC Exchanges were not compensated or made whole for the partial or complete losses of their account balances in such BTC Exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment.

A number of companies that provide BTC and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to BTC and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide BTC and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing BTC and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the value of Spinco's assets.

The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain.

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis driven purchasing behavior wanes, adversely affecting the value of Spinco's assets.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short term positive impact on the prices of cryptocurrencies. However, as the purchasing activity of individuals wanes, speculative investors may engage in significant sales of BTCs, which significantly decreased the price of BTCs. Crises of this nature in the future may erode investors' confidence in the stability of cryptocurrencies and may impair their price performance which would, in turn, adversely affect the operations and profitability of Spinco.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies such as Bitcoin and Ethereum, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralised means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large scale acquisitions or sales of BTCs either globally or locally. Large scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect Spinco's operations and profitability.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect Spinco's operations. The factors affecting the further development of the industry, include, but are not limited to:

- continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;

- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of BTCs specifically and cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain.

Currently, there is relatively small use of BTCs and/or other cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect Spinco's operations, investment strategies, and profitability.

As relatively new products and technologies, BTC, the Bitcoin Network, and its other cryptocurrency counterparts have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of cryptocurrency demand is generated by speculators and investors seeking to profit from the short term or long term holding of cryptocurrencies. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, investment strategies, and profitability.

Increased costs.

The costs of mining equipment could increase over time if demand for cryptocurrency increases. This will result in increased capital costs to purchase sufficient blockchain assets or mining equipment.

Worldwide COVID-19 outbreak.

At the beginning of the year 2020 the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could materially and adversely affect the business of Spinco. The Company cannot accurately predict the future impact COVID-19 may have on, among others, the: (i) value of cryptocurrencies, (ii) price of energy and bandwidth, (iii) severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines, (iv) availability of essential supplies, (v) purchasing power of the Canadian dollar, or (vi) ability of Spinco to obtain necessary financing. Despite global vaccination efforts, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Spinco in the future.

TRANSFER AGENT AND REGISTRAR

Captiva's registrar and transfer agent is Computershare Trust Company of Canada, or their affiliated company Computershare Investor Services Inc. 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

Prior to the Effective Date, Spinco intends to appoint Computershare Trust Company of Canada / Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9 as their registrar and transfer agent, or any other transfer agent.

LEGAL PROCEEDINGS

The Company is party to legal proceedings in connection with claims made by certain vendors who have made claims regarding payment of funds in exchange for services. The Company finds these claims without merit.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

Dated at Vancouver, British Columbia this 28th day of September, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Jeffrey J. Ciachurski"

Jeffrey J. Ciachurski
Chief Executive Officer

SCHEDULE "A"

RESOLUTIONS FOR THE SPECIAL MEETING OF CAPTIVA VERDE WELLNESS CORP.

Capitalized words used in this Schedule "A" and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Captiva Shareholders hereby approve, ratify and confirm the actions of the Company's directors, Jeffrey J. Ciachurski, Mike Boyd, Orest Kostecki and James Taylor regarding the Arrangement;
2. The Arrangement Agreement dated September 21, 2021, between the Company and Captiva Verde Wellness Corp., attached as Schedule "B" to the Circular, is hereby approved, ratified and confirmed;
3. The Arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), substantially as set forth in the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement, is hereby approved and authorized;
4. Notwithstanding that this special resolution has been passed by the Captiva Shareholders or that the Arrangement has received the approval of the Court, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of a certified copy of the court order approving the Arrangement with the Registrar without further approval of the Captiva Shareholders; and
5. Any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, including filing any document in connection with a possible stock exchange listing, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

SCHEDULE "B"
ARRANGEMENT AGREEMENT

[See Next Page]

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT (the “**Agreement**”) is dated as of the 21st day of September, 2021.

BETWEEN:

CAPTIVA VERDE WELLNESS CORP., a corporation incorporated under the laws of the Province of British Columbia (“**Captiva**”)

and

1324954 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia (“**Spinco**”)

(together, “the **Parties**” and individually, a “**Party**”)

RECITALS

- A. Captiva has agreed to transfer its interest in and to the Letter of Intent (as such term is defined in this Agreement) to its wholly-owned subsidiary Spinco;
- B. The Parties 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 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 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) “**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;
- (b) “**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;

- (c) “**Arrangement**” means the arrangement pursuant to Section 288 of the *BCBCA* set forth in the Plan of Arrangement;
- (d) “**Arrangement Provisions**” means Part 9, Division 5 of the *BCBCA*;
- (e) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the Captiva Meeting;
- (f) “*BCBCA*” means the Business Corporations Act, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (g) “**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;
- (h) “**Captiva Board**” means the board of directors of Captiva;
- (i) “**Captiva Class A Shares**” means the renamed and re-designated Captiva Shares as described in §3.1 of the Plan of Arrangement;
- (j) “**Captiva Class A Preferred Shares**” means the Class “A” preferred shares without par value which Captiva will create and issue pursuant to §3.1 of the Plan of Arrangement;
- (k) “**Captiva Meeting**” means the special meeting of the Captiva Shareholders to be held on October 29, 2021, and any adjournment(s) or postponement(s) thereof;
- (l) “**Captiva Shares**” means the common shares without par value in the authorized share capital of Captiva, as constituted on the date of this Agreement;
- (m) “**Captiva Shareholders**” means the holders from time to time of Captiva Shares;
- (n) “**Computershare**” means Computershare Trust Company of Canada;
- (o) “**Court**” means the Supreme Court of British Columbia;
- (p) “**Crypto**” means Crypto One Inc., a company incorporated under the laws of the Province of Ontario;
- (q) “**Dissent Rights**” means the rights of dissent in respect of the Arrangement Resolution;
- (r) “**Dissenting Shareholder**” means a Captiva 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 Captiva Shares in accordance with the Interim Order and the Plan of Arrangement;

- (s) “**Dissenting Shares**” means the Captiva Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (t) “**Effective Date**” means the date the Arrangement becomes effective as determined by resolution of the Captiva Board, in accordance with the Final Order;
- (u) “**Final Order**” means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (v) “**GAAP**” means generally accepted accounting principles in effect in Canada at the relevant time, including the accounting recommendations in the Handbook of the Canadian Institute of Chartered Accountants, including as applicable, International Financial Reporting Standards;
- (w) “**Information Circular**” means the management proxy circular of Captiva to be sent by Captiva to the Captiva Shareholders in connection with the Captiva Meeting;
- (x) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of Captiva, containing declarations and directions with respect to the Arrangement and the holding of the Captiva Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (y) “**Letter of Intent**” means the letter of intent dated June 12, 2021 between Captiva and Crypto relating to the sale of the assets of Crypto to Captiva, a copy of which is appended hereto as Schedule “B”;
- (z) “**New Shares**” means the new class of common shares without par value which Captiva will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Captiva Shares;
- (aa) “**Notice of Meeting**” means the notice of special meeting of the Captiva Shareholders in respect of the Captiva Meeting;
- (bb) “**Parties**” means Captiva and Spinco; and “**Party**” means any one of them;
- (cc) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (dd) “**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;
- (ee) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the *BCBCA*;

- (ff) “**Registered Shareholder**” means a registered holder of Captiva Shares as recorded in the shareholder register of Captiva maintained by Computershare;
- (gg) “**Share Distribution Record Date**” means the record date for the Captiva Meeting or such other date as determined by the Captiva Board, which date establishes the Captiva Shareholders who will be entitled to receive New Shares and Spinco Shares pursuant to this Arrangement;
- (hh) “**Spinco**” means 1324954 B.C. Ltd., a private company incorporated under the *BCBCA*;
- (ii) “**Spinco Shareholder**” means a holder of Spinco Shares;
- (jj) “**Spinco Shares**” means the common shares without par value in the authorized share structure of Spinco, as constituted on the date of this Agreement;
- (kk) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time;
- (ll) “**United States**” or “**U.S.**” means, as the context requires, the United States of America, any territory or possession thereof, any state of the United States, and/or the District of Columbia; and
- (mm) “**U.S. Securities Act**” means the United Securities Act of 1933, as amended.

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 GAAP and all determinations of an accounting nature are required to be made shall be made in a manner consistent with GAAP.

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:

“A” – Plan of Arrangement

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

- (a) Captiva shall:
 - (i) prepare the Information Circular and cause such circular to be mailed to the Captiva 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
 - (ii) convene the Captiva 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 Captiva Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The Spinco Shareholders shall approve the Arrangement by a consent resolution;
- (c) Upon obtaining the Interim Order, Captiva shall call the Captiva Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the Captiva Shareholders;
- (d) If the Captiva Shareholders approve the Arrangement, Captiva shall thereafter (subject to the exercise of any discretionary authority granted to Captiva's directors by the Captiva 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, Captiva 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.

3.4 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all of the New Shares, Captiva Class A Preferred Shares and Spinco Shares issued, distributed and exchanged, as applicable, in the course of and on completion of the Arrangement will be delivered by Captiva to the Captiva Shareholders, other than Dissenting Shareholders, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Court will be advised as to the intention of the Parties to rely on the exemption under Section 3(a)(10) of the U.S. Securities Act before the hearing required to approve the Arrangement;
- (b) the Court will be required to satisfy itself as to the fairness (both procedurally and substantively) of the Arrangement to the Captiva Shareholders;
- (c) Captiva will ensure that each Captiva Shareholder entitled to receive New Shares, Captiva Class A Preferred Shares and, upon redemption of the Captiva Class A Preferred Shares in accordance with their terms, Spinco Shares, pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to approve the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (d) the Captiva Shareholders entitled to receive New Shares, Captiva Class A Preferred Shares and, upon redemption of the Captiva Class A Preferred Shares in accordance with their terms, Spinco Shares, will be advised that the same will be issued, distributed and exchanged, as applicable, pursuant to the Arrangement, have not been and will not be registered under the U.S. Securities Act and will be issued, distributed and exchanged by Captiva and Spinco, as applicable, in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (e) the Interim Order will specify that each Captiva Shareholder will have the right to appear before the Court at the hearing to approve the Arrangement as long as they enter an appearance within the time prescribed by the Interim Order;
- (f) the Final Order will contain a statement to the effect that the Arrangement is fair to the Captiva Shareholders; and
- (g) the Final Order will include a statement to substantially the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended,

from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Captiva and Spinco, pursuant to the Plan of Arrangement.”

3.5 U.S. Tax Matters

Captiva will advise the Captiva Shareholders who are resident in, or citizens of, the United States to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. No rulings from the Internal Revenue Service or legal opinions have been or will be sought with respect to any of the tax consequences relating to the transactions described herein including, without limitation, with respect to income, estate, gift or other tax consequences.

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 constituting 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 Captiva Shareholders at the Captiva Meeting in accordance with the Arrangement Provisions, the constating documents of Captiva, 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 Spinco Shareholder(s) to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of Spinco;
- (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;
- (g) no more than 0.5% of the Captiva Shareholders shall have exercised dissent rights; and
- (h) 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 registered and records offices of Captiva, Suite 1500 – 1055 West Georgia Street, Vancouver, BC, 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 Captiva Meeting be amended by written agreement of the Parties 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 Captiva Shareholder without approval by the Captiva 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 Captiva 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 board of directors of Captiva without further action on the part of

the Captiva Shareholders, or by the respective board of directors of Spinco, without further action on the part of the respective Spinco Shareholder(s), and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of Captiva and Spinco 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:

CAPTIVA VERDE WELLNESS CORP., addressed to:

c/o Suite 1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: CEO of Captiva Verde Wellness Corp.

1324954 B.C. LTD., addressed to:

c/o Suite 1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7.

Attention: CEO of 1324954 B.C. Ltd.

or such other address as the Parties may, from time to time, advise to the other Parties 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 and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties.

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 irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties 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 Original Agreement

The parties acknowledge and agree that the Original Agreement is terminated and is concurrently replaced and superseded with the terms and conditions contained herein.

9.10 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.

[Signature Page Follow, Space Intentionally Left Blank]

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

CAPTIVA VERDE WELLNESS CORP.

1324954 B.C. LTD.

By: "Michael Boyd"

Michael Boyd, Director and Authorized Signatory

By: "Jeffrey J. Ciachurski"

Jeffery J. Ciachurski, Director and Authorized Signatory

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:

“**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to the proposed arrangement involving Captiva Shareholders and the Spinco Shareholders, pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

“**Arrangement Agreement**” means the arrangement agreement dated effective September 21, 2021, between the Parties with respect to the Arrangement, and all amendments thereto;

“**Arrangement Provisions**” means Division 5 of Part 9 of the *BCBCA*;

“**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

“**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

“**Captiva**” means Captiva Verde Wellness Corp., a company existing under the *BCBCA*;

“**Captiva Class A Shares**” means the renamed and re-designated Captiva Shares, as described in §3.1 of this Plan of Arrangement;

“**Captiva Class A Preferred Shares**” means the Class “A” preferred shares without par value which Captiva will create and issue pursuant to §3.1 of this Plan of Arrangement;

“**Captiva Meeting**” means the special meeting of Captiva Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

“**Captiva Shares**” means the common shares without par value in the authorized share capital of Captiva, as constituted on the date of this Agreement;

“**Captiva Shareholder**” means the holders from time to time of Captiva Shares;

“**Court**” means the Supreme Court of British Columbia;

“**Distributed Spinco Shares**” means the Spinco Shares that are to be distributed to the Captiva Shareholders pursuant to §3.1;

“**Effective Date**” means the Business Day on which the Arrangement becomes effective, as the directors of Captiva may determine by resolution of the directors;

“**Effective Time**” means 12:01 a.m. Pacific Time on the Effective Date;

“**Final Order**” means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“**Information Circular**” means the management information circular to be sent to the Captiva Shareholders in connection with the Captiva Meeting;

“**Interim Order**” means the interim order of the Court concerning the Arrangement under the *BCBCA* in respect of the Parties, containing declarations and directions with respect to the Arrangement and the holding of the Meetings, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“**Letter of Intent**” means the letter of intent dated June 12, 2021 between Captiva and Crypto relating to the sale of the assets of Crypto to Captiva, a copy of which is appended to the Arrangement Agreement as Schedule “B”;

“**New Shares**” means the new class of common shares without par value which Captiva will create pursuant to §3.1 of this Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant aspect to the Captiva Shares;

“**Parties**” means, collectively, Captiva and Spinco; and “**Party**” means any one of them;

“**Plan**” or “**Plan of Arrangement**” means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 7 of the Arrangement Agreement;

“**Registrar**” means the Registrar of Companies duly appointed under the *BCBCA*;

“**Share Distribution Record Date**” means the record date for the Captiva Meeting or such other date as determined by the Captiva Board, which date establishes the Captiva Shareholders who will be entitled to receive New Shares and Spinco Shares pursuant to this Plan of Arrangement;

“**Spinco**” means 1324954 B.C. Ltd., a private company incorporated under the *BCBCA*;

“**Spinco Shareholder**” means a holder of Spinco Shares;

“**Spinco Shares**” means the common shares without par value in the authorized share structure of Spinco, as constituted on the date of this Agreement;

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

“**Transfer Agent**” means Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

- 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 at the Effective Time on the Captiva Shareholders. The Company shall file at the registered office of the Company, to be kept in the Company’s minute book, a certificate signed by an officer of the Company, certifying the Effective Date as determined by resolution of Captiva’s board of directors.

ARTICLE 3 ARRANGEMENT

- 3.1** Commencing at the Effective Time, 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) Captiva will assign the Letter of Intent to Spinco in consideration for approximately 14,349,107 shares from Spinco in accordance with Section 3.1(e)

(the “**Distributed Spinco Shares**”) so that each Captiva Shareholder shall receive from Spinco in consideration for the Letter of Intent, such number of shares equal to 1 share of Spinco for every 10 Captiva Shares issued and outstanding as of the Share Distribution Record Date, subject to an escalation bonus where every 10 cents increase in the share price of Captiva above \$0.40, as of the Effective Date, will amount to a conversion increase of 10% (the “**Escalation Bonus**”);

- (b) Thereafter, Captiva will be added to the central securities register of Spinco in respect of such Spinco Shares;
- (c) The authorized share capital of Captiva will be changed by:
 - (i) Altering the identifying name of the Captiva Shares to class “A” common shares without par value, being the Captiva Class A 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 Captiva Class A Preferred Shares;
- (d) Each issued Captiva Class A Share will be exchanged for one New Share and one tenth of one Captiva Class A Preferred Share (to be adjusted in accordance with the Escalation Bonus, if applicable), subject to the exercise of a right of dissent, the holders of the Captiva Class A Shares will be deemed to have been removed from the central securities register of Captiva and will be deemed to have been added to the central securities register as the holders of the number of New Shares and Captiva Class A Preferred Shares that they have received on the exchange;
- (e) All of the issued Captiva Class A Shares will be cancelled with the appropriate entries being deemed to have been made in the central securities register of Captiva and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the Captiva Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Captiva Class A Preferred Shares so that the aggregate paid up capital of the Captiva Class A Preferred Shares is, as far as possible, equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date or as is soon thereafter as is practicable, and each Captiva Class A Preferred Share so issued will be issued by Captiva at an issue price equal to the aggregate fair market value of the Distributed Spinco Shares as of the Effective Date, divided by the number of issued Captiva Class A Preferred Shares, such aggregate fair market value of the Distributed Spinco Shares to be determined as at the Effective Date by resolution of the board of directors of Captiva;
- (f) Captiva will redeem the issued Captiva Class A Preferred Shares for consideration consisting solely of the Distributed Spinco Shares such that each holder of Captiva Class A Preferred Shares will, subject to the rounding of fractions and the exercise

of rights of dissent, receive that number of Spinco Shares that is equal to the number of Captiva Class A Preferred Shares held by such holder;

- (g) The name of each holder of Captiva Class A Preferred Shares will be deemed to have been removed as such from the central securities register of Captiva, and all of the issued Captiva Class A Preferred Shares will be cancelled with the appropriate entries being deemed to have been made in the central securities register of Captiva;
- (h) The Distributed Spinco Shares transferred to the holders of the Captiva Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of Captiva Class A Preferred Shares and appropriate entries will be made in the central securities registers of Spinco, on such date as the Captiva directors may determine;
- (i) The Captiva Class A Shares and the Captiva Class A Preferred Shares issued under the Arrangement, none of which will be allotted or issued until the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of Captiva will be changed by eliminating, if the Captiva Board so chooses, the Captiva Class A Shares and the Captiva Class A Preferred Shares therefrom; and
- (j) The Notice of Articles and Articles of Captiva 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 Spinco Shares shall be distributed to the Captiva Shareholders, as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Spinco Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Captiva in its absolute discretion.

3.3 The holders of the Captiva Class A Shares and the holders of New Shares and Captiva Class A Preferred Shares referred to in §3.1(c), and the holders of the Captiva 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 Captiva 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 Captiva Class A Preferred Shares set out in 3.1(e) shall occur, and shall be deemed to occur, on the Effective Date.

3.5 All New Shares, Captiva Class A Preferred Shares, and Spinco 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 Captiva Shareholders and the Spinco 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 Captiva Shares shall be redeemed and re-designated as Captiva Class A Shares pursuant to §3.1(b)(i) and that the Captiva Class A Shares shall be exchanged partially for New Shares pursuant to §3.1(c), Captiva shall not issue replacement share certificates representing the Captiva Class A Shares.
- 4.2 Recognizing that the Distributed Spinco Shares shall be transferred to the Captiva Shareholders as consideration for the redemption of the Captiva Class A Preferred Shares pursuant to §3.1(e), Spinco shall issue one share certificate representing all of the respective Distributed Spinco Shares registered in the name of Captiva, which share certificate shall be held by Captiva until the Distributed Spinco Shares are transferred to the Captiva Shareholders and such certificate shall then be cancelled by Captiva. To facilitate the transfer of the Distributed Spinco Shares to the Captiva Shareholders as of the Share Distribution Record Date, Captiva shall execute and deliver to the Transfer Agent an irrevocable power of attorney or direction, authorizing them to distribute and transfer the Distributed Spinco Shares to such Captiva Shareholders in accordance with the terms of this Plan of Arrangement and Spinco shall deliver a treasury order or such other direction on the Effective Date for the aforementioned Captiva Subsidiary to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the Captiva Class A Preferred Shares issued to the Captiva Shareholders pursuant to §3.1(c) will be redeemed by Captiva as consideration for the distribution and transfer of the Distributed Spinco Shares (such distribution for the Captiva Subsidiary to occur at the Effective Date for such subsidiary) under §3.1(e), Captiva shall be deemed to issue one share certificate representing all of the Captiva Class A Preferred Shares issued pursuant to §3.1(c) and §3.1(e), for the benefit of the Captiva Shareholders until such Captiva Class A Preferred Shares are redeemed, and such certificate shall then be deemed to be cancelled.
- 4.4 As soon as practicable after the Effective Date for the Captiva Subsidiary, Spinco (as applicable) shall cause (through the Transfer Agent) to be issued to the registered holders of Captiva Shares as of the Share Distribution Record Date, share certificates representing the respective Spinco 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 Captiva 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 Captiva 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 Spinco Shares.

ARTICLE 5 DISSENTING SHAREHOLDERS

- 5.1 Notwithstanding §3.1 hereof, holders of Captiva 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 Captiva Shareholders who duly exercise Dissent Rights with respect to their Captiva 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 Captiva 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 Captiva Shareholder and shall receive New Shares and Spinco Shares on the same basis as every other non-dissenting Captiva Shareholder, and in no case shall Captiva be required to recognize such person as holding Captiva Shares on or after the Effective Date.
- 5.3 If a Captiva Shareholder exercises the Dissent Right, Captiva shall on the Effective Date set aside and not distribute that portion of the Distributed Spinco Shares that is attributable to the Captiva Shares for which the Dissent Right has been exercised. If the dissenting Captiva Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Captiva shall distribute to such Captiva Shareholder his, her or its pro-rata portion of the respective Distributed Spinco Shares. If a Captiva Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Captiva shall retain the portion of Distributed Spinco Shares attributable to such Captiva Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of Captiva 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:

- (i) set out in writing;
- (ii) filed with the Court and, if made following the Captiva Meeting, approved by the Court; and
- (iii) communicated to holders of Captiva Shares, or Spinco 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 Captiva at any time prior to the Captiva Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Captiva Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Captiva, 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 Captiva 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 Captiva Shares, or Spinco Shares, as the case may be.

ARTICLE 7 REFERENCE DATE

7.1 This plan of arrangement is dated for reference the 21st day of September, 2021.

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 September 21, 2021 between Captiva Verde Wellness Corp. (the “**Company**”), and 1324954 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.

[End of Schedule “A”]

SCHEDULE "B"

LETTER OF INTENT

[See Next Page]

THIS LETTER OF INTENT is made effective and dated for reference June 12, 2021.

BETWEEN:

CAPTIVA VERDE WELLNESS CORP., a British Columbia company,
having its office at 632 Foster Avenue, Coquitlam, BC V3J 2L7

(the “**Company**”)

AND:

CRYPTO ONE CORP., having an office at Suite 210, 9074-51st Avenue,
Edmonton, Alberta T6E 5X4

(the “**C1**”)

WHEREAS:

- A. The Company wishes to acquire all of the crypto mining assets of C1
- B. C1 has agreed to sell its assets to the company in exchange for securities in the form of 150 Million newly issued common shares of a new subsidiary of the Company;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. C1 hereby agrees to accept 150,000,000 fully paid and non-assessable common shares (“**Shares**”) in the capital stock of a new clean subsidiary of the Company (“**Spinco**”) at a deemed price of \$0.0001 per share, or such other price acceptable to the CSE, for full payment of all of the crypto assets of C1.
2. The Company hereby covenants with C1 to use commercially reasonable efforts to obtain the approval of the applicable regulatory and judicial authorities for the issuance of the Spinco Shares to C1.
3. Upon receipt by the Company of the approval of the applicable regulatory authorities for the issuance of the Shares, the Company shall forthwith cause its registrar and transfer agent to issue and deliver a certificate representing the 150 Million Spinco Shares to C1 in full settlement and satisfaction of the acquisition of the crypto assets.
4. C1 hereby covenants with the Company to accept the issuance and delivery of the Spinco Shares from the Company in full settlement and satisfaction of the acquisition, and hereby covenants to work with the Company to complete the transaction..
5. If the Company does not receive approval from the applicable regulatory authorities for the issuance of the 150 Million Spinco Shares to C1 on or before October 31, 2021, this

Agreement shall terminate and the Company hereby agrees that C1 shall be released from all terms and conditions hereunder and shall be entitled to pursue any partner available to C1 to secure funds for the crypto assets.

6. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, successors and assigns.

7. Time is of the essence of this Agreement.

8. This Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any and all disputes arising under this Agreement, whether as to interpretation, performance or otherwise, will be subject to the exclusive jurisdiction of the courts of the Province of British Columbia and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

9. This Agreement is subject to the approval of the applicable regulatory authorities.

10. The parties hereto agree to execute such further and other agreements as may be necessary to give effect to the meaning and intent of this Agreement including, without limiting the generality of the foregoing, any undertakings which may be required by the applicable regulatory authorities regarding the issuance of the 150 Million Spinco Shares to C1.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

CRYPTO ONE CORP.

Per: *(signed) "Devon Sandford"*

Authorized Signatory

CAPTIVA VERDE WELLNESS CORP.

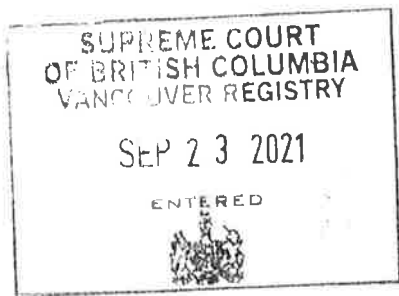
Per: *(signed) "Jeffrey J. Ciachurski"*

Authorized Signatory

SCHEDULE "C"

**INTERIM COURT ORDER, PETITION TO COURT AND
NOTICE OF HEARING OF PETITION**

[See Next Page]



S 218297

No.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS AND 1324954 B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE) MASTER HARPER) THURSDAY, THE
)) 23rd DAY OF
)) SEPTEMBER, 2021

ON THE APPLICATION of the Petitioner, Captiva Verde Wellness Corp. (“**Captiva**”) for an Interim Order pursuant to its Application filed on September 21, 2021, without notice, and coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on September 23, 2021 and on hearing via videoconference Blair G. McRadu, counsel for the Petitioner, and upon reading the Notice of Application filed herein, the Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021, and filed herein and the Affidavit #1 of Susan Taylor, sworn September 21, 2021, and filed herein.

THIS COURT ORDERS THAT:

THE MEETING

1. The Petitioner, Captiva Verde Wellness Corp. (“**Captiva**”), is authorized and directed to call, hold, and conduct a special meeting (the “**Meeting**”) of the holders of record of common shares (the “**Common Shares**”) in the capital of Captiva (the “**Shareholders**”) to be held in person and via teleconference on October 29, 2021 at 10:00 a.m. (Vancouver Time) at the offices of McMillan LLP, 1500 – 925 West Georgia Street, Vancouver, British Columbia.
2. At the Meeting, the Shareholders will, *inter alia*, consider, and if deemed advisable, approve one or more special resolutions (the “**Arrangement Resolution**”), in the form attached as Schedule “A” to the Management Information Circular (the “**Information Circular**”), a substantially complete draft of which is attached as part of Exhibit “A” to Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021 and filed herein, adopting, with or without amendment, the statutory plan of arrangement (the “**Arrangement**”) involving Captiva, the Shareholders, and 1324954 B.C. Ltd. (“**Spinco**”), all as set forth in the plan of arrangement (the “**Plan of Arrangement**”), a copy of which is attached as Schedule “B” to the Information Circular.
3. At the Meeting, Captiva will also seek to transact such other business as is contemplated by the Information Circular or as otherwise may be properly brought before the Meeting.
4. The Meeting will be called, held, and conducted in accordance with the Notice of Special Meeting of Shareholders (the “**Notice**”) to be delivered in substantially the form attached to and forming part of the Information Circular, and in accordance with the applicable provisions of the BCBCA, the terms of this Interim Order (the “**Interim Order**”), any further Order of this Court, the rulings and directions of the Chairperson of the Meeting, and in accordance with the terms, restrictions and conditions of the articles of Captiva, including quorum requirements and all other matters. To the extent of any inconsistency or discrepancy between this Interim Order and the terms of any of the foregoing, this Interim Order will govern.

RECORD DATE FOR NOTICE

5. The record date for determination of Shareholders entitled to receive the Notice, Information Circular, the form of voting proxy, and letter of transmittal (together, the “**Meeting Materials**”) is the close of business on September 22, 2021 (the “**Record Date**”), or such other date as the directors of Captiva may determine in accordance with the articles of Captiva, the BCBCA, or as disclosed in the Meeting Materials.

NOTICE OF MEETING

6. The Meeting Materials, with such amendments or additional documents as counsel for Captiva may advise are necessary or desirable, and that are not inconsistent with the terms of this Interim Order, will be sent at least 21 days before the date of the Meeting, excluding the date of mailing or personal delivery, to the Shareholders as of the Record Date.
7. The Meeting Materials will be sent by prepaid ordinary mail addressed to each registered Shareholders at his, her or its address as appearing in the applicable records of Captiva.
8. In the case of unregistered beneficial Shareholders, the Meeting Materials will be distributed to intermediaries and registered nominees for sending to both non-objecting and objecting beneficial owners in accordance with the procedures prescribed by National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.
9. The Meeting Materials will be sent by electronic transmission to each Captiva director and the auditor of Captiva at his, her or its email address as appearing in the records of Captiva.
10. Substantial compliance with paragraphs 6 to 9 above will constitute good and sufficient notice of the Meeting and delivery of the Meeting Materials.
11. The accidental failure or omission by Captiva to give notice of the Meeting or non-receipt of such notice will not constitute a breach of the Interim Order or a defect in the calling

of the Meeting and will not invalidate any resolution passed or taken at the Meeting provided that the Meeting meets Captiva's quorum requirements.

12. The Meeting Materials are hereby deemed to represent sufficient and adequate disclosure and Captiva will not be required to send to the Shareholders any other or additional information unless this Court orders otherwise.

DEEMED RECEIPT OF MEETING MATERIALS

13. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been received by the Shareholders:

- (a) in the case of mailing or personal courier delivery, on the day (Saturdays, Sundays and holidays excepted) following the date of mailing or acceptance by the courier service, respectively; and

- (b) in the case of delivery by electronic transmission, on the day that it was transmitted.

14. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Shareholders by press release, news release, or newspaper advertisement, in which case such notice will be deemed to have been received at the time of publication, or by notice sent by any of the means set forth in paragraph 13, as determined to be the most appropriate method of communication by Shareholders.

PERMITTED ATTENDEES

15. The persons entitled to attend the Meeting will be the Shareholders or their respective proxyholders, the officers, directors, and advisors of Captiva, and such other persons who receive the consent of the Chairperson of the Meeting.

QUORUM & VOTING AT THE MEETING

16. The quorum required at the commencement of the Meeting will be at least two persons present in person, each being a Shareholder entitled to vote at the Meeting, or a duly appointed proxyholder for an absent Shareholder so entitled, who in the aggregate hold at least 5% of the issued and outstanding Common Shares.
17. The only persons permitted to vote on the Arrangement Resolution at the Meeting will be Shareholders appearing on the records of Captiva as of the close of business on the Record Date and their valid proxyholders as described in the Information Circular and as determined by the Chairperson of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Captiva.
18. The required level of approval on the Arrangement Resolution taken at the Meeting will be at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting. In respect of the Arrangement Resolution, Shareholders will receive one vote for each Common Share.
19. Except for the teleconference meeting procedures, the terms, restrictions and conditions of the articles of Captiva, including quorum requirements and other matters, will apply in respect of the Meeting.

ADJOURNMENT OF MEETING

20. Subject to the terms of the Arrangement Agreement, if Captiva deems advisable and notwithstanding the provisions of the BCBCA or the articles of Captiva, Captiva is specifically authorized to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be provided to Shareholders by press release, news release, or newspaper advertisement, in which case such notice will be deemed to have been received at the time of publication, or by notice sent by any of the means set forth in paragraph 13, as determined to be the most appropriate method of communication by Shareholders.

21. The Record Date for Shareholders entitled to notice of and to vote at the Meeting will not change in respect of adjournments or postponements of the Meeting without a further order of this Court.

AMENDMENTS

22. Captiva is authorized to make such amendments, revisions or supplements to the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and the Plan of Arrangement as so amended, revised or supplemented will be the Plan of Arrangement which is submitted to the Meeting and which will thereby become the subject of the Arrangement Resolution.

SCRUTINEER

23. Representatives of Captiva's registrar and transfer agent (or any agent thereof) Computershare Investor Services Inc. are authorized to act as scrutineers for the Meeting (the "**Scrutineer**").

PROXY SOLICITATION

24. Captiva is authorized to permit the Shareholders to vote by proxy using a form or forms of proxy that comply with the articles of Captiva, the provisions of the BCBCA, and the *Securities Act* (British Columbia) relating to the form and content of proxies, and Captiva may in its discretion waive generally the time limits for deposit of proxies by Shareholders if Captiva deems it fair and reasonable to do so.
25. The procedures for the form and use of proxies at the Meeting will be as set out in the Meeting Materials.

DISSENT RIGHTS

26. Registered Shareholders will, as set out in the Plan of Arrangement, be permitted to dissent from the Arrangement Resolution in accordance with the dissent procedures set forth in Sections 237 to 247 of the BCBCA, as modified by this Interim Order, the Final Order, and the Plan of Arrangement provided that the written notice (the "**Dissent**

Notice”) must be delivered to GCGC c/o McMillan LLP, Suite 1500, 1055 W Georgia Street, Vancouver, British Columbia, V6E 4N7, Attention: Jeff Ciachurski, to be received no later than 4:00 p.m. (Vancouver Time) on October 27, 2021, or two business days immediately prior to the Meeting (as it may be adjourned or postponed from time to time).

27. Notice to registered Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the BCBCA and the Plan of Arrangement, the fair value of their shares of Captiva, will be given by including information with respect to this right in the Information Circular to be sent to Shareholders in accordance with this Order.

DELIVERY OF COURT MATERIALS

28. Captiva will include in the Meeting Materials a copy of this Interim Order and the Notice of Hearing of Petition for Final Order (the “**Court Materials**”) and will make available to any Shareholders requesting same, a copy of each of the Petition herein and the accompanying Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021.
29. Delivery of the Court Materials with the Meeting Materials in accordance with this Interim Order will constitute good and sufficient service or delivery of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order and no other form of service or delivery need be made and no other materials need to be served on or delivered to such persons in respect of these proceedings.

FINAL APPROVAL HEARING

30. Upon the approval, with or without variation, by the Shareholders of the Arrangement in the manner set forth in this Interim Order, Captiva may set the Petition down for hearing and apply for an order of this Court: (i) approving the Plan of Arrangement pursuant to section 291(4)(a) of the BCBCA; and (ii) determining that the Arrangement is procedurally and substantively fair and reasonable pursuant to section 291(4)(c) of the

BCBCA (collectively, the “**Final Order**”), at 9:45 a.m. on November 1, 2021, or such later date as counsel may be heard or the Court may direct.

31. Any Shareholders or other interested party has the right to appear (either in person or by counsel) and make submissions at the hearing of the Petition provided that such Securityholder or interested party shall file a Response by no later than 4:00 p.m. (Vancouver Time) on October 25, ~~2020~~²⁰²¹, in the form prescribed by the British Columbia *Supreme Court Civil Rules*, with this Court and deliver a copy of the filed Response together with a copy of all materials on which such Shareholder or interested party intends to rely at the hearing of the Petition, including an outline of such Shareholder’s or interested party’s proposed submissions to Captiva c/o McMillan LLP, Suite 1500, 1055 W Georgia Street, Vancouver, British Columbia, V6E 4N7, Attention: Blair G. McRadu, subject to the direction of the Court.
32. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response, in accordance with the preceding paragraph of this Interim Order, need to be served with notice of the adjourned date.
33. Captiva will not be required to comply with Rules 8-1 and 16-1 of the *Supreme Court Civil Rules* in relation to the hearing of the Petition for the Final Order approving the Plan of Arrangement, and any materials to be filed by Captiva in support of the application for the Final Order may be filed prior to the hearing of the application for the Final Order without further order of this Court.

[THIS SECTION INTENTIONALLY LEFT BLANK]

VARIANCE

34. Captiva is at liberty to apply to this Honourable Court to vary the Interim Order or for advice and direction with respect to the Plan of Arrangement or any of the matters related to the Interim Order and Captiva need not comply with Rule 8-1 in any application to do so.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Blair G. McRadu
Counsel for Captiva Verde Wellness Corp.



By the Court

Registrar



C/E

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291
OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57,
AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF
ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS
SHAREHOLDERS AND 1324954 B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.
PETITIONER

ORDER MADE AFTER APPLICATION

mcmillan

McMillan LLP
1500 – 1055 West Georgia Street
Vancouver, BC V6E 4N7
Telephone: 604.689.9111

Attention: Blair G. McRadu
File No. 284873

SEP 21 2021



S. 218297

No.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS
CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS AND 1324954 B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.

PETITIONER

PETITION TO THE COURT

THIS IS THE PETITION OF:

Captiva Verde Wellness Corp.
c/o McMillan LLP
Suite 1500 – 1055 West Georgia Street
P.O. Box 11117
Vancouver, BC
V6E 4N7

ON NOTICE TO:

IT IS NOT INTENDED TO GIVE NOTICE OF THIS PETITION TO ANY PERSON,
EXCEPT AS MAY BE DIRECTED BY THE COURT.

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the Petitioner,

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

(1) The address of the registry is:

The Law Courts
800 Smithe Street
Vancouver, British Columbia
V6Z 2E1

(2) The ADDRESS FOR SERVICE of the Petitioner is:

Captiva Verde Wellness Corp.
c/o McMillan LLP
Suite 1500 – 1055 West Georgia Street
P.O. Box 11117
Vancouver, BC
V6E 4N7

Telephone: 604-691-7476
Attention: Blair G. McRadu

Fax number for delivery (if any): N/A
E-mail address for service (if any): blair.mcradu@mcmillan.ca

(3) The name and office address of the Petitioner's lawyer is:

Same as above

CLAIM OF THE PETITIONER

Part 1: ORDERS SOUGHT

The Petitioner applies to this Court for a Final Order pursuant to Sections 288 and 291 of the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the “BCBCA”) and Rule 16-1 of the *Supreme Court Civil Rules* that:

FINAL ORDER

1. The arrangement (the “**Arrangement**”) involving Captiva Verde Wellness Corp. (“**Captiva**”), the holders of record of common shares (the “**Common Shares**”) in the capital of Captiva (the “**Shareholders**”) and 1324954 B.C. Ltd., a wholly-owned subsidiary of Captiva (“**Spinco**”) as set forth in the plan of arrangement (the “**Plan of Arrangement**”), a copy of which is attached to Affidavit #1 of Jeff Ciachurski sworn September 21, 2021, filed herein, including the terms and conditions thereof, is fair and reasonable to the Shareholders.
2. The Arrangement proposed by Captiva as provided in the Plan of Arrangement be and the same is hereby approved pursuant to the provisions of s. 291(4) of the BCBCA.
3. The Arrangement will be binding on Captiva, the Shareholders and the Purchaser as of the Effective Time as defined in the Plan of Arrangement.

VARIANCE

4. Captiva is at liberty to apply to this Honourable Court to vary the Final Order or for advice and direction with respect to the Plan of Arrangement or any other matter related to any Interim Order or the Final Order.

Part 2: FACTUAL BASIS

The Parties

1. The Petitioner, Captiva, is incorporated under the BCBCA with a registered and records office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia,

Canada, V6E 4N7. Captiva is a diversified health and wellness company with interests in commercial organic cannabis farming and processing in New Brunswick, a pharmaceutical laboratory in Mexico, large-scale sustainable housing in California and certain other consumer assets. Captiva's common shares have been listed on the Canadian Securities Exchange since October of 2018.

Overview of the Arrangement

2. On September 20, 2021, Captiva entered into an arrangement agreement (the "**Arrangement Agreement**"). The Arrangement Agreement provides for the restructuring of Captiva by the creation of Spinco, in which the Shareholders of Captiva will be granted a pro-rata ownership interest and which will become a reporting issuer in British Columbia, Alberta and Ontario.
3. Captiva has entered into a letter of intent, dated for reference July 12, 2021 (the "**LOI**") with Crypto One Corp. ("**Crypto**"), whereby, subject to the completion of the Arrangement, Spinco will negotiate with Crypto for the purchase of certain crypto-mining assets of Crypto. Captiva will assign the LOI to Spinco in exchange for shares of Spinco, to be distributed to Captiva Shareholders as set out in the Plan of Arrangement.
4. Under the terms of the Plan of Arrangement:
 - a. Captiva will assign the LOI to Spinco; and
 - b. In consideration for the LOI, Spinco will issue to Captiva approximately 14,349,107 Spinco shares (the "**Distributed Spinco Shares**") which Distributed Spinco Shares will be distributed on a pro rata basis to the shareholders of Captiva as of September 22, 2021 (the "**Record Date**").
5. The exact number of Distributed Spinco Shares will be based on the rate of one (1) share of Spinco for every ten (10) Captiva Shares issued and outstanding as of the Share Distribution Record Date, subject to an escalation bonus where every 10 cents increase in the share price of Captiva above \$0.40, as of the Effective Date, will amount to a conversion increase of 10%.

6. The details of the proposed Arrangement, including the rights of dissenting Shareholders, are more particularly set out in the Plan of Arrangement, which is included in the materials being sent to Shareholders.

Recommendation of the Special Committee and Board of Directors

7. The Board of Directors of Captiva (the “**Board of Directors**”) have determined that the Arrangement is in the best interest of Captiva and is fair to its Shareholders. The Board of Directors authorized and approved the Arrangement and the entering into of the Arrangement Agreement. Factors considered by the Board of Directors included:
 - a. The procedures by which the Arrangement will be approved. Including the requirements for 66 and 2/3rds Shareholder approval and approval by the Court;
 - b. The opportunity for Shareholders who are opposed to the Arrangement to dissent from the approval of the Arrangement and to be paid fair value for their Common Shares; and
 - c. Each Shareholder will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Shareholder held in Captiva prior to the completion of the Arrangement and substantially the same pro-rata interest in Spinco through its direct holding of the Distributed Spinco Shares, rather than indirectly through Captiva holding shares of Spinco.
8. Captiva is not insolvent and the Arrangement does not in any way represent a compromise, arrangement or settlement between Captiva and its creditors.

The Meeting and Approval of the Arrangement

9. Captiva intends to convene a special meeting of Shareholders (the “**Meeting**”) in person and via teleconference on October 29, 2021 at 10:00 a.m. (Vancouver Time) at the offices of McMillan LLP, 1500 – 925 West Georgia Street, Vancouver, British Columbia to consider, among other things, the proposed Plan of Arrangement and special resolution approving the Plan of Arrangement.

10. Due to COVID-19 concerns and Orders by the Provincial Health Officer of British Columbia, Captiva is discouraging Shareholders from attending in person and to instead vote by proxy.
11. The record date for the Meeting is the close of business on September 22, 2021 (the “**Record Date**”). Only Shareholders as of the Record Date will be entitled to receive notice of, and to attend, and to vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.
12. The quorum required at the commencement of the Meeting will be at least 1 person present in person, being a Shareholder entitled to vote at the Meeting, or a duly appointed proxyholder for an absent Shareholder so entitled, who in the aggregate hold at least 5% of the issued and outstanding Common Shares.
13. The required level of approval on the Arrangement Resolution taken at the Meeting will be at least 66 and two-thirds percent of the votes cast on the Arrangement Resolution by Shareholders present in person or by proxy at the Meeting. In respect of the Arrangement Resolution, Shareholders will receive one vote for each Common Share.
14. If the Shareholders pass the Arrangement Resolution at the Meeting, it is the intention of Captiva to set the hearing of this Petition for a final order determining that the Arrangement is procedurally and substantively fair and reasonable on November 1, 2021. Subject to the approval and determination of the court and the conditions to closing being satisfied or waived (some of which are beyond Captiva’s control), it is expected that the closing of the Arrangement will take place in early November of 2021.

Part 3: LEGAL BASIS

1. The Petitioner relies on Part 9, Division 5 of the BCBCA.
2. The Petitioner also relies on Rules 16-1 and 8-1 of the *Supreme Court Civil Rules*.

3. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.
4. Section 288(2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289; and (b) court approval under section 291.
5. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:
 - a. an application for an interim order for directions calling a shareholders' (and possibly other securityholders') meeting to consider and vote on the arrangement;
 - b. a meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and
 - c. an application for final court approval of the arrangement.

Re. Plutonic Power Corporation, 2011 BCSC 804
at para. 16.

6. The Petitioner intends to apply for an interim order for directions, and following meetings to be held in compliance with the terms of the interim order, return to this Court for approval of the arrangement.
7. With respect to the approval of an arrangement pursuant to section 291, *BCE Inc v 1976 Debentureholders* establishes a three-part test for approval. A petitioner must establish that:
 - a. the arrangement is made in good faith;
 - b. the statutory requirements have been met; and
 - c. the arrangement is fair and reasonable.

Re. First Bauxite Corporation, 2019 BCSC 89 at para. 55, citing *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69.

Part 4: MATERIAL TO BE RELIED UPON

- 1. Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021, together with such further affidavits as may be required in support of the application for the Final Order.

The Petitioner estimates that the hearing of the petition will take 15 minutes.

Date: September 21, 2021



Signature of Blair G. McRadu
Counsel for the Petitioner,
Captiva Verde Wellness Corp.

<i>To be completed by the court only:</i>	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs of Part 1 of this petition
<input type="checkbox"/>	with the following variations and additional terms:
.....	
.....	
.....	
Date:	Signature of [] Judge [] Master
.....[dd/mmm/yyyy].....

No. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS
AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF
ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS
AND 1324954 B.C. LTD. B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.
PETITIONER

PETITION TO THE COURT

Blair G. McRadu
McMillan LLP
1500 – 1055 W. Georgia Street
Box 11117
Vancouver, B.C. V6E 4N7
(604) 689-9111
File No. 248852



S 218297

No.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS AND 1324954 B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.

PETITIONER

**NOTICE OF APPLICATION
(Interim Order)**

Name of Applicant: The Petitioner, Captiva Verde Wellness Corp. (“**Captiva**”)

To: IT IS NOT INTENDED TO GIVE NOTICE OF THIS APPLICATION TO ANY PERSON, EXCEPT AS MAY BE DIRECTED BY THE COURT.

TAKE NOTICE that an application will be made by the Applicant to the presiding judge or master at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, on Thursday, September 23, 2021 at 9:45 a.m. for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

The Petitioner applies to this Court for an Interim Order substantially in the form attached as “**Schedule A**” to this Notice of Application.

Part 2: FACTUAL BASIS

1. The Petitioner, Captiva, is incorporated under the BCBCA with a registered and records

office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. Captiva is a diversified health and wellness company with interests in commercial organic cannabis farming and processing in New Brunswick, a pharmaceutical laboratory in Mexico, large-scale sustainable housing in California and certain other consumer assets. Captiva's common shares have been listed on the Canadian Securities Exchange since October of 2018.

Overview of the Arrangement

2. On September 20, 2021, Captiva entered into an arrangement agreement (the "**Arrangement Agreement**"). The Arrangement Agreement provides for the restructuring of Captiva by the creation of Spinco, in which the Shareholders of Captiva will be granted a pro-rata ownership interest and which will become a reporting issuer in British Columbia, Alberta and Ontario.
3. Captiva has entered into a letter of intent, dated for reference July 12, 2021 (the "**LOI**") with Crypto One Corp. ("**Crypto**"), whereby, subject to the completion of the Arrangement, Spinco will negotiate with Crypto for the purchase of certain crypto-mining assets of Crypto. Captiva will assign the LOI to Spinco in exchange for shares of Spinco, to be distributed to Captiva Shareholders as set out in the Plan of Arrangement.
4. Under the terms of the Plan of Arrangement:
 - a. Captiva will assign the LOI to Spinco; and
 - b. In consideration for the LOI, Spinco will issue to Captiva approximately 14,349,107 Spinco shares (the "**Distributed Spinco Shares**") which Distributed Spinco Shares will be distributed on a pro rata basis to the shareholders of Captiva as of September 22, 2021 (the "**Record Date**").
5. The exact number of Distributed Spinco Shares will be based on the rate of one (1) share of Spinco for every ten (10) Captiva Shares issued and outstanding as of the Share

Distribution Record Date, subject to an escalation bonus where every 10 cents increase in the share price of Captiva above \$0.40, as of the Effective Date, will amount to a conversion increase of 10%.

6. The details of the proposed Arrangement, including the rights of dissenting Shareholders, are more particularly set out in the Plan of Arrangement, which is included in the materials being sent to Shareholders.

Recommendation of the Special Committee and Board of Directors

7. The Board of Directors of Captiva (the “**Board of Directors**”) have determined that the Arrangement is in the best interest of Captiva and is fair to its Shareholders. The Board of Directors authorized and approved the Arrangement and the entering into of the Arrangement Agreement. Factors considered by the Board of Directors included:
 - a. The procedures by which the Arrangement will be approved. Including the requirements for 66 and 2/3rds Shareholder approval and approval by the Court;
 - b. The opportunity for Shareholders who are opposed to the Arrangement to dissent from the approval of the Arrangement and to be paid fair value for their Common Shares; and
 - c. Each Shareholder will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Shareholder held in Captiva prior to the completion of the Arrangement and substantially the same pro-rata interest in Spinco through its direct holding of the Distributed Spinco Shares, rather than indirectly through Captiva holding shares of Spinco.
8. Captiva is not insolvent and the Arrangement does not in any way represent a compromise, arrangement or settlement between Captiva and its creditors.

The Meeting and Approval of the Arrangement

9. Captiva intends to convene a special meeting of Shareholders (the “**Meeting**”) in person and via teleconference on October 29, 2021 at 10:00 a.m. (Vancouver Time) at the offices of McMillan LLP, 1500 – 925 West Georgia Street, Vancouver, British Columbia to consider, among other things, the proposed Plan of Arrangement and special resolution approving the Plan of Arrangement.
10. Due to COVID-19 concerns and Orders by the Provincial Health Officer of British Columbia, Captiva is discouraging Shareholders from attending in person and to instead vote by proxy.
11. The record date for the Meeting is the close of business on September 22, 2021 (the “**Record Date**”). Only Shareholders as of the Record Date will be entitled to receive notice of, and to attend, and to vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.
12. The quorum required at the commencement of the Meeting will be at least 1 person present in person, being a Shareholder entitled to vote at the Meeting, or a duly appointed proxyholder for an absent Shareholder so entitled, who in the aggregate hold at least 5% of the issued and outstanding Common Shares.
13. The required level of approval on the Arrangement Resolution taken at the Meeting will be at least 66 and two-thirds percent of the votes cast on the Arrangement Resolution by Shareholders present in person or by proxy at the Meeting. In respect of the Arrangement Resolution, Shareholders will receive one vote for each Common Share.
14. If the Shareholders pass the Arrangement Resolution at the Meeting, it is the intention of Captiva to set the hearing of this Petition for a final order determining that the Arrangement is procedurally and substantively fair and reasonable on November 1, 2021. Subject to the approval and determination of the court and the conditions to closing being satisfied or waived (some of which are beyond Captiva’s control), it is expected that the

closing of the Arrangement will take place in early November of 2021.

Part 3: LEGAL BASIS

1. Sections 174, 186, 288 and 291 of the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57 (the “BCBCA”).
2. Rules 16-1, 8-1, 4-4, and 4-5 of the *Supreme Court Civil Rules*.
3. Pursuant to section 291(2) of the BCBCA, the court may, in respect of a proposed arrangement, make any order it considers appropriate.
4. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:
 - a. an application for an interim order for directions calling a shareholders’ (and possibly other securityholders’) meeting to consider and vote on the arrangement;
 - b. a meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and
 - c. an application for final court approval of the arrangement.

Re. Plutonic Power Corporation, 2011 BCSC 804 at para. 16.

5. The purpose of asking for an interim order is to set the wheels in motion for the application process relating to the arrangement and to establish the parameters for the holding of a meeting to consider approval of the arrangement in accordance with the statute. At the interim order stage, the court need only satisfy itself that reasonable grounds exist to regard the proposed transaction as an arrangement.

Re. Telus Corporation, 2012 BCSC 1582 at paras. 30-31.

6. With respect to holding a meeting online through virtual meeting facilities, section 174(1) of the BCBCA states that:

174 (1)Unless the memorandum or articles provide otherwise, a shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may do so by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether by telephone, by other communications medium or in person, are able to communicate with each other.

7. Ministerial Order No. M116 - *Electronic Attendance at Corporate Meetings*, under the *Emergency Program Act*, R.S.B.C. 1996, c. 111, s. 10, further provides for a corporate meeting to be held solely by telephone or other communications medium despite anything in a corporate enactment.
8. Section 186(1) of the BCBCA provides that the court may order that a meeting of shareholders be called, held and conducted in the manner the court considers appropriate, and give directions it considers necessary as to the call, holding and conduct of the meeting. Section 186(2) further provides that the court may make such an order if it is impracticable for any reason for the company to call or conduct a meeting of shareholders in the manner required under the BCBCA, the memorandum or the articles.
9. The COVID-19 pandemic makes it impracticable for the Meeting to be held in person and holding the Meeting by telephone fulfills the requirements under both Captiva's articles and the BCBCA.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021;
2. the pleadings filed herein; and
3. such further and other material as counsel may advise and this Honourable Court may allow.

The Applicant estimates that the application will take 10 minutes.

This matter is within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to the application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - i. you intend to refer to at the hearing of this application, and
 - ii. has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following:
 - i. a copy of the filed application response;
 - ii. a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - iii. if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: September 21, 2021

Blair G. McRadu
 Counsel for the Applicant
 Captiva Verde Wellness Corp.

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part I of this notice of application

with the following variations and additional terms:

.....

Date:

Signature of Judge Master

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts.

No.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF THE *BUSINESS
CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS AND 1324954 B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.

PETITIONER

PETITION TO THE COURT

THIS IS THE PETITION OF:

Captiva Verde Wellness Corp.
c/o McMillan LLP
Suite 1500 – 1055 West Georgia Street
P.O. Box 11117
Vancouver, BC
V6E 4N7

ON NOTICE TO:

IT IS NOT INTENDED TO GIVE NOTICE OF THIS PETITION TO ANY PERSON,
EXCEPT AS MAY BE DIRECTED BY THE COURT.

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the Petitioner,

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

<p>(1) The address of the registry is:</p> <p>The Law Courts 800 Smithe Street Vancouver, British Columbia V6Z 2E1</p>
<p>(2) The ADDRESS FOR SERVICE of the Petitioner is:</p> <p>Captiva Verde Wellness Corp. c/o McMillan LLP Suite 1500 – 1055 West Georgia Street P.O. Box 11117 Vancouver, BC V6E 4N7</p> <p>Telephone: 604-691-7476 Attention: Blair G. McRadu</p> <p>Fax number for delivery (if any): N/A E-mail address for service (if any): blair.mcradu@mcmillan.ca</p>
<p>(3) The name and office address of the Petitioner's lawyer is:</p> <p>Same as above</p>

CLAIM OF THE PETITIONER

Part 1: ORDERS SOUGHT

The Petitioner applies to this Court for a Final Order pursuant to Sections 288 and 291 of the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the “BCBCA”) and Rule 16-1 of the *Supreme Court Civil Rules* that:

FINAL ORDER

1. The arrangement (the “**Arrangement**”) involving Captiva Verde Wellness Corp. (“**Captiva**”), the holders of record of common shares (the “**Common Shares**”) in the capital of Captiva (the “**Shareholders**”) and 1324954 B.C. Ltd., a wholly-owned subsidiary of Captiva (“**Spinco**”) as set forth in the plan of arrangement (the “**Plan of Arrangement**”), a copy of which is attached to Affidavit #1 of Jeff Ciachurski sworn September 21, 2021, filed herein, including the terms and conditions thereof, is fair and reasonable to the Shareholders.
2. The Arrangement proposed by Captiva as provided in the Plan of Arrangement be and the same is hereby approved pursuant to the provisions of s. 291(4) of the BCBCA.
3. The Arrangement will be binding on Captiva, the Shareholders and the Purchaser as of the Effective Time as defined in the Plan of Arrangement.

VARIANCE

4. Captiva is at liberty to apply to this Honourable Court to vary the Final Order or for advice and direction with respect to the Plan of Arrangement or any other matter related to any Interim Order or the Final Order.

Part 2: FACTUAL BASIS

The Parties

1. The Petitioner, Captiva, is incorporated under the BCBCA with a registered and records office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia,

Canada, V6E 4N7. Captiva is a diversified health and wellness company with interests in commercial organic cannabis farming and processing in New Brunswick, a pharmaceutical laboratory in Mexico, large-scale sustainable housing in California and certain other consumer assets. Captiva's common shares have been listed on the Canadian Securities Exchange since October of 2018.

Overview of the Arrangement

2. On September 20, 2021, Captiva entered into an arrangement agreement (the "**Arrangement Agreement**"). The Arrangement Agreement provides for the restructuring of Captiva by the creation of Spinco, in which the Shareholders of Captiva will be granted a pro-rata ownership interest and which will become a reporting issuer in British Columbia, Alberta and Ontario.
3. Captiva has entered into a letter of intent, dated for reference July 12, 2021 (the "**LOI**") with Crypto One Corp. ("**Crypto**"), whereby, subject to the completion of the Arrangement, Spinco will negotiate with Crypto for the purchase of certain crypto-mining assets of Crypto. Captiva will assign the LOI to Spinco in exchange for shares of Spinco, to be distributed to Captiva Shareholders as set out in the Plan of Arrangement.
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 - a. Captiva will assign the LOI to Spinco; and
 - b. In consideration for the LOI, Spinco will issue to Captiva approximately 14,349,107 Spinco shares (the "**Distributed Spinco Shares**") which Distributed Spinco Shares will be distributed on a pro rata basis to the shareholders of Captiva as of September 22, 2021 (the "**Record Date**").
5. The exact number of Distributed Spinco Shares will be based on the rate of one (1) share of Spinco for every ten (10) Captiva Shares issued and outstanding as of the Share Distribution Record Date, subject to an escalation bonus where every 10 cents increase in the share price of Captiva above \$0.40, as of the Effective Date, will amount to a conversion increase of 10%.

6. The details of the proposed Arrangement, including the rights of dissenting Shareholders, are more particularly set out in the Plan of Arrangement, which is included in the materials being sent to Shareholders.

Recommendation of the Special Committee and Board of Directors

7. The Board of Directors of Captiva (the “**Board of Directors**”) have determined that the Arrangement is in the best interest of Captiva and is fair to its Shareholders. The Board of Directors authorized and approved the Arrangement and the entering into of the Arrangement Agreement. Factors considered by the Board of Directors included:
 - a. The procedures by which the Arrangement will be approved. Including the requirements for 66 and 2/3rds Shareholder approval and approval by the Court;
 - b. The opportunity for Shareholders who are opposed to the Arrangement to dissent from the approval of the Arrangement and to be paid fair value for their Common Shares; and
 - c. Each Shareholder will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Shareholder held in Captiva prior to the completion of the Arrangement and substantially the same pro-rata interest in Spinco through its direct holding of the Distributed Spinco Shares, rather than indirectly through Captiva holding shares of Spinco.
8. Captiva is not insolvent and the Arrangement does not in any way represent a compromise, arrangement or settlement between Captiva and its creditors.

The Meeting and Approval of the Arrangement

9. Captiva intends to convene a special meeting of Shareholders (the “**Meeting**”) in person and via teleconference on October 29, 2021 at 10:00 a.m. (Vancouver Time) at the offices of McMillan LLP, 1500 – 925 West Georgia Street, Vancouver, British Columbia to consider, among other things, the proposed Plan of Arrangement and special resolution approving the Plan of Arrangement.

10. Due to COVID-19 concerns and Orders by the Provincial Health Officer of British Columbia, Captiva is discouraging Shareholders from attending in person and to instead vote by proxy.
11. The record date for the Meeting is the close of business on September 22, 2021 (the “**Record Date**”). Only Shareholders as of the Record Date will be entitled to receive notice of, and to attend, and to vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.
12. The quorum required at the commencement of the Meeting will be at least 1 person present in person, being a Shareholder entitled to vote at the Meeting, or a duly appointed proxyholder for an absent Shareholder so entitled, who in the aggregate hold at least 5% of the issued and outstanding Common Shares.
13. The required level of approval on the Arrangement Resolution taken at the Meeting will be at least 66 and two-thirds percent of the votes cast on the Arrangement Resolution by Shareholders present in person or by proxy at the Meeting. In respect of the Arrangement Resolution, Shareholders will receive one vote for each Common Share.
14. If the Shareholders pass the Arrangement Resolution at the Meeting, it is the intention of Captiva to set the hearing of this Petition for a final order determining that the Arrangement is procedurally and substantively fair and reasonable on November 1, 2021. Subject to the approval and determination of the court and the conditions to closing being satisfied or waived (some of which are beyond Captiva’s control), it is expected that the closing of the Arrangement will take place in early November of 2021.

Part 3: LEGAL BASIS

1. The Petitioner relies on Part 9, Division 5 of the BCBCA.
2. The Petitioner also relies on Rules 16-1 and 8-1 of the *Supreme Court Civil Rules*.

3. Section 288(1) of the BCBCA permits a company to propose an arrangement with its shareholders, creditors or other persons and may, in that arrangement, make any proposal it considers appropriate.
4. Section 288(2) of the BCBCA sets out two preconditions for an arrangement to take effect: (a) the adoption of the arrangement in accordance with section 289; and (b) court approval under section 291.
5. This Court has recognized that section 291 of the BCBCA contemplates three steps in the process of approving an arrangement:
 - a. an application for an interim order for directions calling a shareholders' (and possibly other securityholders') meeting to consider and vote on the arrangement;
 - b. a meeting of shareholders (and possibly other securityholders) where the arrangement must be voted on and approved by special resolution; and
 - c. an application for final court approval of the arrangement.

Re. Plutonic Power Corporation, 2011 BCSC 804
at para. 16.

6. The Petitioner intends to apply for an interim order for directions, and following meetings to be held in compliance with the terms of the interim order, return to this Court for approval of the arrangement.
7. With respect to the approval of an arrangement pursuant to section 291, *BCE Inc v 1976 Debentureholders* establishes a three-part test for approval. A petitioner must establish that:
 - a. the arrangement is made in good faith;
 - b. the statutory requirements have been met; and
 - c. the arrangement is fair and reasonable.

Re. First Bauxite Corporation, 2019 BCSC 89 at para. 55, citing *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69.

Part 4: MATERIAL TO BE RELIED UPON

- 1. Affidavit #1 of Jeff Ciachurski, sworn September 21, 2021, together with such further affidavits as may be required in support of the application for the Final Order.

The Petitioner estimates that the hearing of the petition will take 15 minutes.

Date: September 21, 2021

Signature of Blair G. McRadu
 Counsel for the Petitioner,
 Captiva Verde Wellness Corp.

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part 1 of this petition

with the following variations and additional terms:

.....

.....

.....

Date:[dd/mmm/yyyy].....

Signature of Judge Master

No. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF PART 9, DIVISION 5, SECTION 291 OF
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS
AMENDED

AND

IN THE MATTER OF A PROPOSED PLAN OF
ARRANGEMENT AMONG
CAPTIVA VERDE WELLNESS CORP., ITS SHAREHOLDERS
AND ● B.C. LTD.

CAPTIVA VERDE WELLNESS CORP.
PETITIONER

PETITION TO THE COURT

Blair G. McRadu
McMillan LLP
1500 – 1055 W. Georgia Street
Box 11117
Vancouver, B.C. V6E 4N7
(604) 689-9111

File No. 248852

SCHEDULE “D”

DISSENT PROCEDURES

Pursuant to the Interim Order, Shareholders have the right to dissent to the Arrangement. Such right of dissent is described in the Circular. See “Rights of Dissent” for details of the right to dissent and the procedure for compliance with the right of dissent. The full text of Sections 237 to 247 of the BCA is set forth below. Note that certain provisions of Sections 237 to 247 have been modified by the Interim Order.

SECTIONS 237 TO 247 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution; (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action

terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than

14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent. Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
 - (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,

- (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares. (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.