

**BUSINESS COMBINATION AGREEMENT**

**AMONG:**

**GRAPHITE ENERGY CORP.**

**- and -**

**WORLD FARMS CORP.**

**- and -**

**1213615 B.C. INC.**

**Dated: June 25, 2019**

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## BUSINESS COMBINATION AGREEMENT

THIS AGREEMENT dated June 25, 2019 is made

### A M O N G:

**GRAPHITE ENERGY CORP.**, a corporation existing under the *Business Corporations Act (British Columbia)*

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

- and -

**WORLD FARMS CORP.**, a corporation existing under the *Business Corporations Act (British Columbia)*

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

-and -

**1213615 B.C. INC.**, a corporation existing under the *Business Corporations Act (British Columbia)*

(hereinafter referred to as “**Graphite Subco**”)

**WHEREAS** the Parties (as hereinafter defined) have agreed, subject to the satisfaction of certain conditions precedent, to carry out a three-cornered Amalgamation (as hereinafter defined) pursuant to Section 270 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), if completed, will constitute a “Fundamental Change” pursuant to the policies of the Canadian Securities Exchange (the “**CSE**”), pursuant to which, among other things:

- (i) each Graphite Subco Share (as hereinafter defined) will be exchanged for one Amalco Share (as hereinafter defined); and
- (ii) each WFC Share (as hereinafter defined) held by WFC Shareholders (as hereinafter defined) (other than WFC Dissenting Shareholders (as hereinafter defined)) will be exchanged for one Graphite Share (as hereinafter defined);

**AND WHEREAS** Graphite Subco is a wholly-owned subsidiary of Graphite which was incorporated under the BCBCA for the purposes of completing the Amalgamation;

**AND WHEREAS** the Graphite Shares (as hereinafter defined) are listed on the CSE and Graphite is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario;

**AND WHEREAS**, immediately following the Effective Time, Graphite will complete the Name Change (as hereinafter defined);

**AND WHEREAS**, the Parties wish to make certain representations, warranties, covenants and agreements in connection with the Business Combination (as hereinafter defined);

**NOW THEREFORE**, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained and other good and valuable consideration (the

receipt and sufficiency of which is hereby acknowledged) and intending to be legally bound hereby, the Parties agree as follows:

## **ARTICLE 1 GENERAL**

### **1.1 *Defined Terms***

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Schedule A.

### **1.2 *Business Combination***

- (a) [intentionally omitted]
- (b) WFC and Graphite agree to effect the combination of their respective businesses and assets by way of a “three-cornered amalgamation” among Graphite, Graphite Subco and WFC, more specifically as set out in Section 1.2(f) herein.
- (c) As soon as reasonably practicable following the execution and delivery of this Agreement:
  - (i) WFC shall use commercially reasonable efforts to call and hold the WFC Meeting for the purpose of approving the WFC Amalgamation Resolution, or obtain approval of the WFC Amalgamation Resolution by unanimous written consent resolution of the WFC Shareholders, as applicable; (ii) Graphite shall use commercially reasonable efforts to prepare and mail the Graphite Circular to the Graphite Shareholders; (iii) Graphite shall use commercially reasonable efforts to call and hold the Graphite Meeting for the purpose of approving the Graphite Business Combination Resolution and the Director Election Resolution, and obtain approval of the Name Change Resolution by written consent resolution of the directors of Graphite; and (iv) Graphite shall sign a written consent resolution approving the Graphite Subco Amalgamation Resolution.
- (d) Upon the approval of the Graphite Subco Amalgamation Resolution by Graphite and the WFC Amalgamation Resolution by the WFC Shareholders in accordance with the requirements of the BCBCA, subject to the satisfaction or waiver of the conditions set forth in Articles 9, 10 and 11 herein, Graphite Subco and WFC shall as soon as reasonably practicable thereafter, jointly complete and file a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA, substantially in the Form set forth in Schedule B hereto giving effect to the Amalgamation of Graphite Subco and WFC upon and subject to the terms of this Agreement.
- (e) Upon the issue of a Certificate of Amalgamation giving effect to the Amalgamation, Graphite Subco and WFC shall be amalgamated and shall continue as one corporation effective on the date of the Certificate of Amalgamation (the “**Effective Date**”) under the terms and conditions prescribed herein.
- (f) At the Effective Time and as a result of the Amalgamation:
  - (i) each holder of WFC Shares outstanding immediately prior to the Effective Time (other than WFC Dissenting Shareholders described in Section 1.2(i)) shall receive one fully paid and non-assessable Graphite Share for each WFC Share held, following which all such WFC Shares shall be cancelled. Additionally, each holder of WFC Warrants outstanding immediately prior to the Effective Time shall

receive one New Graphite Warrant for each WFC Warrant held, following which all such WFC Warrants shall be cancelled;

- (ii) Graphite shall receive one fully paid and non-assessable Amalco Share for each one Graphite Subco Share held by Graphite, following which all such Graphite Subco Shares shall be cancelled;
  - (iii) in consideration of the issuance of Graphite Shares pursuant to paragraph 1.2(f)(i), Amalco shall issue to Graphite one Amalco Share for each Graphite Share issued;
  - (iv) [intentionally omitted]
  - (v) Graphite shall add to the capital maintained in respect of the Graphite Shares an amount equal to the lesser of the aggregate fair market value of WFC Shares immediately prior to the Effective Time and the aggregate paid-up capital for purposes of the ITA of the WFC Shares immediately prior to the Effective Time (less the paid-up capital of any WFC Shares held by dissenting WFC Shareholders who do not exchange their WFC Shares for Graphite Shares on the Amalgamation);
  - (vi) Amalco shall add to the capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Graphite Subco Shares and WFC Shares immediately prior to the Amalgamation;
  - (vii) no fractional Graphite Shares shall be issued to holders of WFC Shares; in lieu of any fractional entitlement, the number of Graphite Shares issued to each former holder of WFC Shares shall be rounded down to the next lesser whole number of Graphite Shares, and no fractional New Graphite Warrants shall be issued to holders of WFC Warrants; in lieu of any fractional entitlement, the number of New Graphite Warrants issued to each former holder of WFC Warrants shall be rounded down to the next lesser whole number of New Graphite Warrants;
  - (viii) Graphite and WFC shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of WFC Shares or WFC Warrants such amounts as are required to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the WFC Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
  - (ix) Graphite shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof and Amalco will become a wholly-owned subsidiary of Graphite.
- (g) At the Effective Time, subject to subsection 1.2(f)(i), the registered holders of WFC Shares and WFC Warrants shall become the registered holders of the Graphite Shares and New Graphite Warrants to which they are entitled, calculated in accordance with the provisions hereof, and the certificates (if any) representing such WFC Shares and WFC Warrants shall

be deemed to be cancelled and, as soon as reasonably practicable following the Effective Time, the holders of such certificates shall receive certificates (or by direct registration system) representing the number of Graphite Shares and New Graphite Warrants to which they are so entitled.

- (h) At the Effective Time, each WFC Share held by a WFC Dissenting Shareholder shall be deemed to be sold by the holder thereof, without any further act or formality on its part, free and clear of any Encumbrance, to Amalco and Amalco shall be deemed to have purchased and thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 3 hereof, the name of such holder shall be removed from the central securities register as a holder of WFC Shares and such WFC Dissenting Shareholder will cease to have any rights as a WFC Shareholder other than the right to be paid the fair value of its WFC Shares in accordance with Article 3.
- (i) If a WFC Dissenting Shareholder fails to perfect or effectively withdraws its claim under Division 2 of Part 8 of the BCBCA or forfeits its right to make a claim under Division 2 of Part 8 of the BCBCA or if its rights as a WFC Shareholder are otherwise reinstated, such holder of WFC Shares shall be deemed to have participated in the Amalgamation on the same basis as any non-dissenting shareholder, as at and after the Effective Time, and such shareholder will be entitled to receive Graphite Shares on the same basis determined in accordance with section 1.2(f)(i).
- (j) The Parties acknowledge that certain of the Graphite Shares to be issued to holders of WFC Shares under the Amalgamation may be subject to escrow in accordance with the policies of the CSE and Canadian Securities Laws. The Parties also acknowledge that any WFC Shares deposited into escrow will be held in escrow and released in accordance with the policies of the CSE and Canadian Securities Laws. The Parties agree that the terms of the escrow will be negotiated by counsel for the Parties and the CSE and the Parties agree to accept the terms imposed by the CSE and Canadian Securities Laws. The escrowed securities will be held in escrow under an escrow agreement in the form prescribed by the CSE and Canadian Securities Laws as applicable.
- (k) Subject to the approval of the Name Change Resolution by the board of directors of Graphite in accordance with the requirements of the BCBCA and immediately following the Effective Time, Graphite shall complete and file a notice of alteration, in the prescribed form, giving effect to the Name Change upon and subject to the terms of this Agreement.
- (l) Subject to the provisions of the BCBCA, the following provisions shall apply to Amalco:
  - (i) without in any way restricting the powers conferred upon Amalco or its board of directors by the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
    - (A) borrow money upon the credit of Amalco;
    - (B) issue, re-issue, sell or pledge debt obligations of Amalco;
    - (C) subject to the provisions of the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and



- (D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco; and
- (ii) the board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

**1.3 Board of Directors and Officers**

Each of the Parties hereby agrees that concurrently with the completion of the Business Combination, the board of directors of Graphite shall consist of up to three (3) directors and be comprised of the following persons (collectively, the “**New Graphite Directors**”) and management of Graphite shall be comprised of the following persons (collectively, the “**New Graphite Management**”):

CEO & Director	Arthur Griffiths
CFO	Abbey Abdiye
Director	Rod Campbell
Director	TBD

**ARTICLE 2  
AMALCO**

**2.1 Name**

The name of Amalco shall be such name as agreed to by WFC and Graphite.

**2.2 Registered Office**

The address of the registered and records office of Amalco shall be determined by WFC.

**2.3 Authorized Capital**

Amalco shall be authorized to issue an unlimited number of common shares (being the Amalco Shares).

**2.4 Restrictions on Share Transfer**

The right to transfer securities (including for greater certainty shares) of Amalco, other than nonconvertible debt securities, shall be restricted and no such securities shall be transferred without the consent of either:

- (a) the directors of Amalco, expressed by a resolution passed by the board of directors of Amalco at a meeting of directors or by an instrument or instruments in writing signed by a majority of the directors of Amalco; or
- (b) the holder or holders of a majority of the outstanding shares of Amalco entitled to vote expressed by resolution passed at a meeting of the shareholders of Amalco or by an

instrument or instruments in writing signed by the holder or holders of a majority of the outstanding shares of Amalco entitled to vote at meetings of shareholders of Amalco.

## **2.5 Number of Directors**

The number of directors of Amalco shall be a minimum of one and a maximum of three.

## **2.6 Directors and Officers**

The directors and officers of Amalco shall be the persons whose names and business addresses appear below or such other persons to be mutually agreed upon by the Parties.

<b>Name</b>	<b>Position</b>	<b>Address</b>
Arthur Griffiths	CEO and Director	[REDACTED]
Abbey Abdiye	CFO	[REDACTED]
Rod Campbell	Director	[REDACTED]
TBD	Director	TBD

## **2.7 Articles**

The articles of Amalco shall, so far as applicable, be the articles of Graphite Subco until repealed, amended or altered.

## **2.8 Restriction on Business**

There shall be no restrictions on the business which Amalco is authorized to carry on.

## **2.9 Fractional Shares**

No fractional shares will be issued on the Amalgamation and any entitlement to a fractional share will be rounded down to the next whole share.

## **2.10 Fiscal Year End**

The fiscal year end of Amalco shall be March 31 in each year.

## **ARTICLE 3 DISSENT RIGHTS**

### **3.1 Dissent Rights**

Registered WFC Shareholders may exercise rights of dissent (“**Dissent Rights**”) from the WFC Amalgamation Resolution pursuant to and in the manner set forth under Division 2 of Part 8 of the BCBCA, provided that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their WFC Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the WFC Meeting,

or the date of the unanimous written consent resolution of the WFC Shareholders approving the WFC Amalgamation Resolution, as applicable, shall be paid an amount equal to such fair value by WFC; and

- (b) are ultimately not entitled, for any reason, to be paid fair value for their WFC Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of WFC Shares and shall be entitled to receive only the consideration contemplated in paragraph 1.2(f)(i) hereof that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights;

but in no case shall Graphite, Graphite Subco or WFC or any other Person be required to recognize holders of WFC Shares who exercise Dissent Rights as holders of WFC Shares after the time that is immediately prior to the Effective Time, and the names of such holders of WFC Shares who exercise Dissent Rights shall be deleted from the register of WFC Shareholders at the Effective Time. In no circumstances shall Graphite, Graphite Subco, WFC or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of WFC Shares in respect of which such Dissent Rights are sought to be exercised and such Person exercises Dissent Rights in respect of all and not less than all of their WFC Shares. A registered holder of WFC Shares is not entitled to exercise Dissent Rights with respect to WFC Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the WFC Amalgamation Resolution.

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

Except as disclosed in the WFC Disclosure Letter, WFC represents and warrants to and in favour of Graphite and Graphite Subco as follows and acknowledges that Graphite and Graphite Subco are relying on such representations and warranties in connection with this Agreement and completing the transactions contemplated herein:

##### **4.1 *Organization and Good Standing***

- (a) WFC is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to transact business and is in good standing as a foreign corporation in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted, except where the failure to be so qualified would not have a Material Adverse Effect on WFC.
- (b) WFC has the corporate power and authority to own, lease or operate its properties and to carry on its business as now conducted.

##### **4.2 *Consents, Authorizations, and Binding Effect***

- (a) WFC may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) consents, approvals, authorizations and waivers which have been obtained (or will be obtained prior to the Effective Date) and are unconditional, and in full force and effect, and notices which have been given on a timely basis;
  - (ii) the approval of the WFC Amalgamation Resolution by the holders of the WFC Shares;

- (iii) the filing of a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA; or
  - (iv) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent WFC from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on WFC.
- (b) WFC has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to complete the Amalgamation, subject to the approval of the WFC Amalgamation Resolution by the WFC Shareholders.
- (c) The board of directors of WFC has unanimously: (i) approved the Business Combination and the execution, delivery and performance of this Agreement and (ii) directed that the WFC Amalgamation Resolution be submitted to the WFC Shareholders, and unanimously recommended approval thereof.
- (d) This Agreement has been duly executed and delivered by WFC and constitutes a legal, valid, and binding obligation of WFC, enforceable against it in accordance with its terms, except:
- (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.
- (e) The execution, delivery, and performance of this Agreement will not:
- (i) constitute a violation of the notice of articles or articles, as amended, of WFC;
  - (ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under or the loss of any material benefit under or the creation of any benefit or right of any third party under any material Contract, material permit or material license to which WFC is a party or as to which any of its property is subject which in any such case would have a Material Adverse Effect on WFC;
  - (iii) constitute a violation of any Law applicable or relating to WFC or its business except for such violations which would not have a Material Adverse Effect on WFC; or
  - (iv) result in the creation of any lien upon any of the assets of WFC other than such liens as would not have a Material Adverse Effect on WFC.
- (f) Other than as disclosed in the WFC Disclosure Letter and other than pursuant to this Agreement, neither WFC nor any Affiliate or Associate of WFC nor, to the knowledge of WFC, any director or officer of WFC beneficially owns or has the right to acquire a beneficial interest in any Graphite Shares.

### **4.3 Insurance**

Other than as disclosed in the WFC Disclosure Letter, the business and properties of WFC are not insured against loss or damage with coverage of types and in amounts consistent with the types and amounts of insurance maintained by corporations and other entities of a size and carrying on business of a type carried on by WFC at this time.

### **4.4 Litigation and Compliance**

- (a) To the knowledge of WFC, there are no actions, suits, claims or proceedings, whether in equity or at law or, any Governmental investigations pending or, to the knowledge of WFC, threatened:
  - (i) against or affecting WFC or with respect to or affecting any asset or property owned, leased or used by WFC; or
  - (ii) which question or challenge the validity of this Agreement, or the Amalgamation or any action taken or to be taken pursuant to this Agreement, or the Amalgamation; nor is WFC aware of any basis for any such action, suit, claim, proceeding or investigation.
- (b) WFC has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to its business or operations, except for noncompliance, defaults and violations which would not, in the aggregate, have a Material Adverse Effect on WFC.
- (c) Neither WFC, nor any asset of WFC is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on WFC or which is reasonably likely to prevent WFC from performing its obligations under this Agreement.
- (d) WFC has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with its business and operations, except where the failure to do so has not had and will not have a Material Adverse Effect on WFC.

### **4.5 Financial Statements**

- (a) The financial statements (including, in each case, any notes thereto) of WFC from the date of incorporation on November 7, 2018 to the year ended March 31, 2019, and for the three month period ended June 30, 2019 were prepared in accordance with IFRS in Canada, applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented in all material respects the consolidated assets, liabilities and financial condition of WFC as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of WFC for the periods then ended (subject, in the case of unaudited statements, to the absence of footnote disclosure and to customary year-end audit adjustments and to any other adjustments described therein). WFC has not, since June 30, 2019, made any change in the accounting practices or policies applied in the preparation of its financial statements.

- (b) Other than as disclosed in the WFC Disclosure Letter and employment and consulting agreements entered into in the ordinary course, there are no contracts with WFC, on the one hand, and: (i) any officer or director of WFC; (ii) any holder of 5% or more of the equity securities of WFC; or (iii) an Associate or Affiliate of a person in (i) or (ii), on the other hand.

#### **4.6 Taxes**

WFC has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it prior to the date hereof, all such Tax Returns are complete and accurate in all material respects. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, other than those which are being contested in good faith and in respect of which adequate reserves have been provided in the most recently published financial statements of WFC. No deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against WFC, there are no actions, suits, proceedings, investigations or claims pending or threatened against WFC in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on WFC, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. WFC has withheld from each payment made to any of their past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes required to be withheld therefrom and have paid the same to the proper tax or receiving officers within the time required under applicable Law. WFC has remitted to the appropriate tax authorities all amounts collected by it in respect of federal goods and services tax and provincial or harmonized sales taxes. There are no liens for Taxes upon any asset of WFC except liens for Taxes not yet due.

#### **4.7 Pension and Other Employee Plans and Agreements**

WFC does not maintain or contribute to any Employee Plan.

#### **4.8 Labour Relations**

- (a) No employees of WFC are covered by any collective bargaining agreement with respect to WFC.
- (b) There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of WFC, threatened with respect to the employees of WFC and to the best of WFC's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of WFC.

#### **4.9 Contracts, Etc.**

- (a) Except in connection with contracts, agreements, leases and commitments entered into in the ordinary course of business as of the date hereof and other than as disclosed in the WFC Disclosure Letter, WFC is not a party to or bound by any material Contract:
  - (i) relating to capital expenditures or improvements in excess of \$150,000 in the aggregate;
  - (ii) by which title to any assets, rights or properties is retained by a third party as security for an obligation;

- (iii) which will be at the Effective Date secured by a lien upon any assets, rights or properties as security for an obligation;
  - (iv) relating to the employment of any employees or the rights of employees on severance or termination;
  - (v) relating to management, consulting or any other similar type of Contract which involves an amount exceeding \$100,000 per annum, excluding those which may be terminated without penalty on three months' notice or less;
  - (vi) which contemplates payment on or as a result of a change of control of WFC (whether on termination of such agreement, on occurrence of any other event or circumstance, or after notice or lapse of time or otherwise), other than consulting agreements entered into in the ordinary course;
  - (vii) with any director or officer, former director or officer, shareholder or any person not dealing at arm's length with WFC;
  - (viii) with a bank or other financial institution relating to borrowed money;
  - (ix) relating to the existence or creation or purchase or sale of any bonds, debentures, notes or long-term debts;
  - (x) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other person or relating to commitments to purchase the assets of any other person or to guarantee the price thereof;
  - (xi) relating to the acquisition or disposition of any shares or securities of any entity;
  - (xii) relating to the acquisition or disposition or lease of any business operations or real property;
  - (xiii) limiting or restraining WFC from engaging in any activities or competing with any Person;
  - (xiv) which involves the use of a derivative, including any forward contracts or options; or
  - (xv) relating to the existence or creation of any *bona fide* offer of an opportunity (including a joint venture opportunity) to any Person.
- (b) WFC and, to the knowledge of WFC, each of the other parties thereto is in material compliance with all covenants under any material Contract and no default has occurred which, with notice or lapse of time or both, would directly or indirectly constitute such a default under any material Contract, except for such non-compliance or default as has not had and will not have a Material Adverse Effect on WFC.
- (c) WFC is not a party or bound by any Contract that provides for any payment as a result of the consummation of any of the matters contemplated by this Agreement.

#### **4.10 *Absence of Certain Changes, Etc.***

Except as contemplated by the Concurrent Financing, the Business Combination and this Agreement and other than as disclosed in the WFC Disclosure Letter, since June 30, 2019:

- (a) there has been no Material Adverse Change to WFC;
- (b) WFC has not:
  - (i) sold, transferred, distributed or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;
  - (ii) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on WFC;
  - (iii) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$2,000,000;
  - (iv) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice;
  - (v) conducted its operations other than in all material respects in the normal course of business;
  - (vi) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; and
  - (vii) agreed or committed to do any of the foregoing; and
- (c) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to WFC's share capital.

#### **4.11 *Capitalization***

- (a) At the date hereof, the authorized capital of WFC consists of an unlimited number of WFC Shares, of which 68,332,844 WFC Shares are issued and outstanding and 22,082,844 WFC Warrants issued and outstanding. There are currently no WFC Options issued and outstanding.
- (b) All issued and outstanding WFC Shares have been duly authorized and are validly issued, fully paid and non-assessable, free of pre-emptive rights.
- (c) Except for the Concurrent Financing and as described in the WFC Disclosure Letter, there are no authorized, outstanding or existing:
  - (i) voting trusts or other agreements or understandings with respect to the voting of any WFC Shares to which WFC is a party;



- (ii) securities issued by WFC that are convertible into or exchangeable for WFC Shares;
- (iii) agreements, options, warrants or other rights capable of becoming agreements, options or warrants to purchase or subscribe for any WFC Shares or securities convertible into or exchangeable for any WFC Shares, in each case granted, extended or entered into by WFC;
- (iv) agreements of any kind to which WFC is party relating to the issuance or sale of any WFC Shares, any securities convertible, exchangeable or exercisable for WFC Shares, or requiring WFC to qualify securities of WFC for distribution by prospectus under Canadian Securities Laws; or
- (v) agreements of any kind which may obligate WFC to issue or purchase any of its securities.

#### **4.12 *Environmental Matters***

WFC is in compliance, in all material respects, with all applicable Environmental Laws and has not materially violated any then current environmental laws as applied at that time. WFC is not the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any Environmental Laws. WFC has made adequate reserves for all reclamation obligations and has made appropriate arrangements through obtaining reclamation bonds or otherwise to discharge such reclamation obligations, to the extent applicable. There is no material environmental liability nor factors likely to give rise to any material environmental liability (i) affecting any of the material properties of WFC; or (ii) retained in any manner by WFC in connection with properties disposed of by WFC.

#### **4.13 *Licence and Title***

WFC does not legally or beneficially own, directly or indirectly, any real property. Other than as disclosed in the WFC Disclosure Letter, WFC is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material property or assets (real and personal, tangible and intangible, including leasehold interests) including all the properties and assets reflected in the balance sheet forming part of WFC's financial statements for the year ended June 30, 2019, except as indicated in the notes thereto, and such properties and assets are not subject to any mortgages, liens, charges, pledges, security interests, encumbrances, claims, demands, Encumbrances or defect in title of any kind except as is reflected in the balance sheets forming part of such financial statements and in the notes thereto and WFC owns, possesses, or has obtained and is in compliance in all material respects with, all licences, permits, certificates, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its business as currently conducted, in accordance in all material respects with applicable Laws.

#### **4.14 *Intellectual Property***

- (a) Except as set out in the WFC Disclosure Letter, to WFC's knowledge, WFC owns, free and clear of any liens or encumbrances, or possesses sufficient legal rights to use, all Intellectual Property used by it in connection with WFC's business, which represents all intellectual property rights WFC believes is necessary to the conduct of WFC's business as now conducted and as presently contemplated to be conducted.
- (b) To WFC's knowledge, any and all of the agreements and other documents and instruments pursuant to which WFC holds the Intellectual Property are valid and subsisting agreements,

documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and the Intellectual Property that is being pursued is in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated.

- (c) All registrations of the Intellectual Property are in good standing. Other than as would not have a Material Adverse Effect, WFC has taken all reasonable steps to ensure all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has unintentionally expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect.
- (d) WFC has not received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any of the Intellectual Property.
- (e) WFC has not received any notice and WFC is not aware of any infringement of asserted rights of others with respect to any of the Intellectual Property or of any facts or circumstances that it expects would render any of the Intellectual Property invalid or inadequate to protect the interests of WFC therein and which infringement (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect.
- (f) To WFC's knowledge, no product or service marketed or sold (or presently contemplated to be marketed or sold) by WFC violates any license to which WFC is a party or infringes any valid intellectual property rights of any other person or entity.
- (g) WFC has taken all reasonable steps to protect the Intellectual Property in those jurisdictions where, in the reasonable opinion of WFC, WFC carries on a sufficient business to justify such action.
- (h) To WFC's knowledge, there are no material restrictions on the ability of WFC to use the Intellectual Property required in the ordinary course of the business of WFC. It is expected that none of the Intellectual Property will be impaired or affected in any way by the transactions contemplated by the Offering Documents.
- (i) WFC does not believe it is or will be necessary to use any inventions of any of its employees (or persons it currently intends to hire) made prior to their employment by WFC to which WFC does not have or does not expect to have a sufficient legal basis in said inventions.

#### **4.15 *Indebtedness***

No indebtedness for borrowed money is owing or guaranteed by WFC.

#### **4.16 *Undisclosed Liabilities***

There are no material liabilities of WFC of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which WFC may become liable on or after the consummation of the transactions contemplated hereby other than:

- (a) liabilities disclosed on or reflected or provided for in the most recent financial statements of WFC; and

- (b) liabilities incurred in the ordinary and usual course of business of WFC and attributable to the period since June 30, 2019, none of which has had or may reasonably be expected to have a Material Adverse Effect on WFC.

#### **4.17 Due Diligence Investigations**

All information relating to the business, assets, liabilities, properties, capitalization or financial condition of WFC provided by WFC or any of its Advisers to Graphite is true, accurate and complete in all material respects.

#### **4.18 Competition Act**

The transactions contemplated by this Agreement are not subject to notification under Part IX of the *Competition Act* (Canada) as neither WFC's assets in Canada nor its gross revenues from sales in or from Canada, exceed the thresholds set out in the provisions of the *Competition Act* (Canada), as determined in accordance with the Notifiable Transaction Regulations thereto.

#### **4.19 Brokers**

Other than in connection with the Concurrent Financing, neither WFC nor to the knowledge of WFC any of its Associates, Affiliates or Advisers have retained any broker or finder in connection with the Amalgamation or the other transactions contemplated hereby, nor have any of the foregoing incurred any liability to any broker or finder by reason of any such transaction.

#### **4.20 Anti-Bribery Laws**

Neither WFC nor to the knowledge of WFC, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to WFC, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of WFC in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither WFC nor to the knowledge of WFC, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded WFC or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

#### **4.21 U.S. Securities Laws Matters**

WFC is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act, and reasonably believes there is no "substantial U.S. market interest" in the WFC Shares. Except with respect to offers and

sales in connection with the Amalgamation to WFC Shareholders who are “accredited investors” (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) (“Accredited Investors”) in the United States and any offers and sales to persons in the United States in connection with the Concurrent Financing in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D thereunder, neither WFC nor any of its affiliates, nor any person acting on its or their behalf, has made or will make, in connection with the Amalgamation or the Concurrent Financing: (A) any offer to sell, or any solicitation of an offer to buy, any Graphite Shares or WFC Shares, respectively, to any person in the United States; or (B) any sale of Graphite Shares or WFC Shares, respectively, unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) WFC, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States. None of WFC, any of its affiliates or any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Graphite Shares to be issued to WFC Shareholders or with respect to the WFC Shares to be issued in the Concurrent Financing or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine, Internet or similar media or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising in connection with the offer and exchange of such Graphite Shares in the United States or the offer and sale of such WFC Shares in the United States.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF GRAPHITE AND GRAPHITE SUBCO**

Except as disclosed in the Graphite Disclosure Letter, each of Graphite and Graphite Subco represents and warrants to and in favour of WFC as follows and acknowledges that WFC is relying on such representations and warranties in connection with this Agreement and completing the transactions contemplated herein:

#### **5.1     *Organization and Good Standing***

- (a) Each Graphite Group Member is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation and is qualified to transact business and is in good standing as a foreign corporation in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted, except where the failure to be so qualified would not have a Material Adverse Effect on Graphite or on any such company. Except as indicated in the Graphite Disclosure Letter, there are no other subsidiaries of Graphite.
- (b) Each Graphite Group Member has the corporate power and authority to own, lease, or operate its properties and to carry on its business as now conducted.

#### **5.2     *Consents, Authorizations, and Binding Effect***

- (a) Graphite and Graphite Subco may execute, deliver, and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) the approval of the Graphite Business Combination Resolution by the Graphite Shareholders if required by applicable laws or CSE policies, the Director Election Resolution by the applicable requisite percentage of the applicable Graphite Shares represented in person or by proxy at the Graphite Meeting, and the approval of the Name Change Resolution by written consent resolution of the directors of Graphite;

- (ii) the approval of Graphite Subco Amalgamation Resolution by Graphite as sole shareholder of Graphite Subco;
  - (iii) the approval of the CSE for the Business Combination and other transactions contemplated hereby;
  - (iv) consents, approvals, authorizations and waivers, which have been obtained (or will be obtained prior to the Effective Date), and are unconditional and in full force and effect and notices which have been given on a timely basis;
  - (v) the filing of a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA;
  - (vi) the filing of the documents prescribed under the BCBCA to effect the appointment of the New Graphite Directors and the New Graphite Management; or
  - (vii) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent Graphite from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on the Graphite Group.
- (b) Each of Graphite and Graphite Subco has full corporate power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder and to complete the Amalgamation, subject to the approval of (i) the Graphite Business Combination Resolution by the Graphite Shareholders if required pursuant to applicable laws or CSE policies, (ii) the Director Election Resolution by Graphite Shareholders at the Graphite Meeting, (iii) the Name Change Resolution by written consent resolution of the directors of Graphite, and (iv) the Graphite Subco Amalgamation Resolution by Graphite by written consent resolution.
- (c) The board of directors of Graphite have unanimously: (i) approved the Business Combination and the execution, delivery and performance of this Agreement; (ii) directed that the Graphite Business Combination Resolution be submitted to the Graphite Shareholders at the Graphite Meeting and unanimously recommended approval thereof; (iii) directed that the Director Election Resolution be submitted to the Graphite Shareholders at the Graphite Meeting and unanimously recommended approval thereof; (iv) approved the Name Change Resolution by written consent; and (v) approved the execution and delivery of the Graphite Subco Amalgamation Resolution by Graphite.
- (d) The board of directors of Graphite Subco have unanimously approved the Amalgamation and the execution, delivery and performance of this Agreement.
- (e) This Agreement has been duly executed and delivered by Graphite and Graphite Subco and constitutes a legal, valid, and binding obligation of Graphite and Graphite Subco enforceable against each of them in accordance with its terms, except:
- (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought.

- (f) The execution, delivery, and performance of this Agreement will not:
  - (i) constitute a violation of the notice of articles or articles of Graphite or the notice of articles or articles of Graphite Subco;
  - (ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under, or the loss of any material benefit under or the creation of any benefit or right of any third party under any material Contract, material permit or material license to which any Graphite Group Member is a party or as to which any of its property is subject which in any such case would have a Material Adverse Effect on the Graphite Group;
  - (iii) constitute a violation of any Law applicable or relating to any Graphite Group Member or their respective businesses except for such violations which would not have a Material Adverse Effect on any Graphite Group Member; or
  - (iv) result in the creation of any lien upon any of the assets of any Graphite Group Member, other than such liens as would not have a Material Adverse Effect on the Graphite Group.
- (g) Other than as disclosed in the Graphite Disclosure Letter, no Graphite Group Member or any Affiliate or Associate of any Graphite Group Member, nor to the knowledge of Graphite, any director or officer of any Graphite Group Member, beneficially owns or has the right to acquire a beneficial interest in any WFC Shares.

### **5.3 *Litigation and Compliance***

- (a) There are no actions, suits, claims or proceedings, whether in equity or at law, or any Governmental investigations pending or, to the knowledge of Graphite, threatened:
  - (i) against or affecting any Graphite Group Member or with respect to or affecting any asset or property owned, leased or used by any Graphite Group Member; or
  - (ii) which question or challenge the validity of this Agreement or the Amalgamation or any action taken or to be taken pursuant to this Agreement or the Amalgamation;

nor is Graphite aware of any basis for any such action, suit, claim, proceeding or investigation.
- (b) Each Graphite Group Member has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to the businesses or operations of the Graphite Group, except for non-compliance, defaults, and violations which would not, in the aggregate, have a Material Adverse Effect on the Graphite Group.
- (c) No Graphite Group Member, and no asset of any Graphite Group Member, is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on the Graphite Group or which is reasonably likely to prevent Graphite or Graphite Subco from performing its respective obligations under this Agreement.

- (d) Each Graphite Group Member has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with the business and operations of the Graphite Group, except where the failure to do so has not had and will not have a Material Adverse Effect on the Graphite Group.

#### 5.4 *Public Filings; Financial Statements*

- (a) Graphite has filed all documents required pursuant to applicable Canadian Securities Laws (the “**Graphite Securities Documents**”). As of their respective dates, the Graphite Securities Documents complied in all material respects with the then applicable requirements of the Canadian Securities Laws and, at the respective times they were filed, none of the Graphite Securities Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading. Graphite has not filed any confidential disclosure reports which have not at the date hereof become public knowledge.
- (b) The consolidated financial statements (including, in each case, any notes thereto) of Graphite for the years ended June 30, 2018 and June 30, 2017, and for the nine month period ended March 31, 2019 included in the Graphite Securities Documents were prepared in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present in all material respects the consolidated assets, liabilities and financial condition of Graphite and its consolidated subsidiaries as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of Graphite and its consolidated subsidiaries for the periods then ended (subject, in the case of unaudited statements, to the absence of footnote disclosure and to customary year-end audit adjustments and to any other adjustments described therein). Except as disclosed in the Graphite Securities Documents, Graphite has not, since March 31, 2019, made any change in the accounting practices or policies applied in the preparation of its financial statements.
- (c) Graphite is now, and on the Effective Date will be, a “reporting issuer” (or its equivalent) under Canadian Securities Laws of each of the Provinces of British Columbia, Alberta, and Ontario. Graphite is not currently in default in any material respect of any requirement of Canadian Securities Laws or the CSE and Graphite is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of such Provinces.
- (d) There has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) since March 31, 2019 with the present or former auditors of the Graphite Group.
- (e) No order ceasing or suspending trading in securities of any Graphite Group Member or prohibiting the sale of securities by any Graphite Group Member has been issued that remains outstanding and, to the knowledge of Graphite, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission, self-regulatory organization or the CSE.
- (f) The Graphite Shares are listed and posted for trading on the CSE and as at the date of this Agreement, is engaged in the acquisition and exploration of mineral natural resource properties in Canada.

- (g) Graphite maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) access to assets is permitted only in accordance with management's general or specific authorization; and (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (h) Other than as disclosed in the Graphite Disclosure Letter, there are no contracts with Graphite, on the one hand, and: (i) any officer or director of the Graphite Group; (ii) any holder of 5% or more of the equity securities of Graphite; or (iii) an associate or affiliate of a person in (i) or (ii), on the other hand.

## **5.5 Taxes**

Each Graphite Group Member has timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it prior to the date hereof, all such Tax Returns are complete and accurate in all material respects. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, other than those which are being contested in good faith and in respect of which adequate reserves have been provided in the most recently published financial statements of Graphite. Graphite's most recent audited consolidated financial statements reflect a reserve in accordance with IFRS for all Taxes payable by the Graphite Group Members for all taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against any Graphite Group Member, there are no actions, suits, proceedings, investigations or claims pending or threatened against any Graphite Group Member in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on the Graphite Group, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. Each Graphite Group Member has withheld from each payment made to any of their past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes required to be withheld therefrom and have paid the same to the proper tax or receiving officers within the time required under applicable Law. Each Graphite Group Member has remitted to the appropriate tax authorities all amounts collected by it in respect of federal goods and services tax and provincial or harmonized sales taxes. There are no liens for Taxes upon any asset of the Graphite Group except liens for Taxes not yet due.

## **5.6 Pension and Other Employee Plans and Agreements**

Other than the Graphite Stock Option Plan, Graphite does not maintain or contribute to any Employee Plan. The Graphite Stock Option Plan has been approved by the CSE and was adopted by Graphite in accordance with the requirements of the CSE and complies in all material respects with the applicable policies of the CSE.

## **5.7 Labour Relations**

- (a) No employees of any Graphite Group Member are covered by any collective bargaining agreement.
- (b) There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of Graphite, threatened with respect to the employees of any Graphite Group Member; and (ii) to the best of Graphite's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of any Graphite Group Member.



## 5.8 *Contracts, Etc.*

- (a) Except as set out in the Graphite Disclosure Letter and this Agreement, as of the date hereof, no Graphite Group Member is a party to or bound by any Contract:
  - (i) relating to capital expenditures or improvements in excess of \$50,000 in the aggregate;
  - (ii) by which title to any assets, rights or properties is retained by a third party as security for an obligation;
  - (iii) which will be at the Effective Date secured by a lien upon any assets, rights or properties as security for an obligation;
  - (iv) relating to the employment of any employees or the rights of employees upon severance or termination;
  - (v) relating to management, consulting or any other similar type of Contract which involves an amount exceeding \$50,000 per annum, excluding those which may be terminated without penalty on 90 days' notice or less;
  - (vi) which contemplates payment on or as a result of a change of control of any Graphite Group Member (whether on termination of such agreement, on occurrence of any other event or circumstance, or after notice or lapse of time or otherwise);
  - (vii) other than as disclosed in the Graphite Disclosure Letter, with any director or officer, former director or officer, shareholder or any person not dealing at arm's length with Graphite or such Graphite Group Member;
  - (viii) with a bank or other financial institution relating to borrowed money;
  - (ix) relating to the existence, creation, purchase or sale of any bonds, debentures, notes or long-term debts;
  - (x) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other person or relating to commitments to purchase the assets of any other person or to guarantee the price thereof;
  - (xi) other than as disclosed in the Graphite Disclosure Letter, relating to the acquisition or disposition of any shares or securities of any entity;
  - (xii) relating to the acquisition, disposition or lease of any business operations or real property;
  - (xiii) limiting or restraining any Graphite Group Member from engaging in any activities or competing with any Person;
  - (xiv) which involves the use of a derivative, including any forward contracts or options;  
or

- (xv) relating to the existence or creation of any *bona fide* offer of an opportunity (including a joint venture opportunity) to any person.
- (b) Each Graphite Group Member and, to the knowledge of Graphite, each of the other parties thereto, is in material compliance with all covenants under any material Contract, and no default has occurred which, with notice or lapse of time or both, would directly or indirectly constitute such a default under any material Contract, except for such non-compliance or default as has not had and will not have a Material Adverse Effect on the Graphite Group.
- (c) No Graphite Group Member is a party to or bound by any Contract that provides for any payment as a result of the consummation of any of the matters contemplated by this Agreement that would result in Graphite having a cash balance of less than \$1,000 at the time of the completion of the Business Combination.

### **5.9 *Absence of Certain Changes, Etc.***

Except as contemplated by the Business Combination and this Agreement, since March 31, 2019:

- (a) there has been no Material Adverse Change in the Graphite Group;
- (b) no Graphite Group Member has:
  - (i) sold, transferred, distributed, or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;
  - (ii) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on the Graphite Group;
  - (iii) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$50,000;
  - (iv) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice;
  - (v) conducted its operations other than in all material respects in the normal course of business;
  - (vi) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; and
  - (vii) agreed or committed to do any of the foregoing; and
- (c) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to Graphite's share capital.

### **5.10 *Subsidiaries***

- (a) The Graphite Disclosure Letter sets forth with respect to each Graphite Group Member:

- (i) its jurisdiction of incorporation; and
  - (ii) the percentage of each class of its equity securities owned, directly or indirectly, by Graphite.
- (b) All of the outstanding shares in the capital of each Graphite Group Member (other than Graphite) owned of record or beneficially by Graphite are so owned free and clear of all liens. Graphite does not own, directly or indirectly, any equity interest of or in any entity or enterprise organized under the Laws of any domestic or foreign jurisdiction other than the subsidiaries listed in the Graphite Disclosure Letter.
- (c) All outstanding shares in the capital of, or other equity interests in, each Graphite Group Member have been duly authorized and are validly issued, fully paid and non-assessable.

### **5.11 Capitalization**

- (a) As at the date hereof, the authorized capital of Graphite consists of an unlimited number of Graphite Shares, of which 2,816,050 Graphite Shares are issued and outstanding (prior to giving effect to the Concurrent Financing). There are currently no Graphite Options issued and outstanding and no Graphite Warrants issued and outstanding.
- (b) All issued and outstanding shares in the capital of Graphite have been duly authorized and are validly issued, fully paid and non-assessable, free of pre-emptive rights.
- (c) Except as set out paragraph 5.11(a) and the Graphite Shares to be issued under the Business Combination, there are no authorized, outstanding or existing:
- (i) voting trusts or other agreements or understandings with respect to the voting of any Graphite Shares to which any Graphite Group Member is a party;
  - (ii) securities issued by any Graphite Group Member that are convertible into or exchangeable for any Graphite Shares;
  - (iii) agreements, options, warrants, or other rights capable of becoming agreements, options or warrants to purchase or subscribe for any Graphite Shares or securities convertible into or exchangeable or exercisable for any such common shares, in each case granted, extended or entered into by any Graphite Group Member;
  - (iv) agreements of any kind to which any Graphite Group Member is party relating to the issuance or sale of any Graphite Shares, or any securities convertible into or exchangeable or exercisable for any Graphite Shares or requiring Graphite to qualify securities of any Graphite Group Member for distribution by prospectus under Canadian Securities Laws; or
  - (v) agreements of any kind which may obligate Graphite to issue or purchase any of its securities.

### **5.12 Environmental Matters**

Each Graphite Group Member is in compliance, in all material respects, with all applicable Environmental Laws and has not materially violated any then current environmental laws as applied at that time. No Graphite Group Member is the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any

Environmental Laws. Each Graphite Group Member has made adequate reserves for all reclamation obligations and has made appropriate arrangements, through obtaining reclamation bonds or otherwise to discharge such reclamation obligations, to the extent applicable. There is no material environmental liability nor factors likely to give rise to any material environmental liability (i) affecting any of the material properties of any Graphite Group Member; or (ii) retained in any manner by any Graphite Group Member in connection with properties disposed of by any Graphite Group Member.

### **5.13 *Licence and Title***

Graphite does not legally or beneficially own, directly or indirectly, any real property. Graphite is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material property or assets (real and personal, tangible and intangible, including leasehold interests) including all the properties and assets reflected in the balance sheet forming part of Graphite's financial statements for the year ended June 30, 2018, except as indicated in the notes thereto, and such properties and assets are not subject to any mortgages, liens, charges, pledges, security interests, encumbrances, claims, demands, Encumbrances or defect in title of any kind except as is reflected in the balance sheets forming part of such financial statements and in the notes thereto and Graphite owns, possesses, or has obtained and is in compliance in all material respects with, all licences, permits, certificates, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its business as currently conducted, in accordance in all material respects with applicable Laws.

### **5.14 *Indebtedness***

Other than as disclosed in the Graphite Disclosure Letter, as at the date of this Agreement, no indebtedness for borrowed money was owing or guaranteed by any Graphite Group Member.

### **5.15 *Undisclosed Liabilities***

There are no material liabilities of the Graphite Group of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which any Graphite Group Member may become liable on or after the consummation of the transactions contemplated hereby other than:

- (a) liabilities disclosed on or reflected or provided for in the most recent financial statements of Graphite included in the Graphite Securities Documents; and
- (b) liabilities incurred in the ordinary and usual course of business of the Graphite Group and attributable to the period since March 31, 2019, none of which has had or may reasonably be expected to have a Material Adverse Effect on the Graphite Group.

### **5.16 *Due Diligence Investigations***

All information relating to the business, assets, liabilities, properties, capitalization or financial condition of the Graphite Group or any member thereof provided by any Graphite Group Member or any of its Advisers to WFC is true, accurate and complete in all material respects.

### **5.17 *Competition Act***

The transactions contemplated by this Agreement are not subject to notification under Part IX of the *Competition Act* (Canada) as neither Graphite's assets in Canada nor its gross revenues from sales in or from Canada, exceed the thresholds set out in the provisions of the *Competition Act* (Canada), as determined in accordance with the Notifiable Transaction Regulations thereto.

## **5.18 Brokers**

Other than in connection with the Concurrent Financing, no Graphite Group Member or, to the knowledge of Graphite, any of their respective Associates, Affiliates or Advisers have retained any broker or finder in connection with the Amalgamation or the other transactions contemplated hereby, nor have any of the foregoing incurred any Liability to any broker or finder by reason of any such transaction.

## **5.19 Anti-Bribery Laws**

Neither Graphite nor Graphite Subco nor to the knowledge of Graphite, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Graphite or Graphite Subco, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Graphite or Graphite Subco in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Graphite nor Graphite Subco nor to the knowledge of Graphite, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Graphite or Graphite Subco or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

## **5.20 U.S. Securities Laws Matters**

Graphite is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act, and reasonably believes there is no "substantial U.S. market interest" in the Graphite Shares or the Graphite Shares. Except with respect to offers and sales in connection with the Amalgamation to WFC Shareholders who are Accredited Investors in the United States, neither Graphite nor any of its affiliates, nor any person acting on its or their behalf, has made or will make, in connection with the Amalgamation: (A) any offer to sell, or any solicitation of an offer to buy, any Graphite Shares or Graphite Shares, respectively, to any person in the United States; or (B) any sale of Graphite Shares or Graphite Shares, respectively, unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) Graphite, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States. None of Graphite, any of its affiliates or any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Graphite Shares to be issued to WFC Shareholders or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine, Internet or similar media or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising in connection with the offer and

exchange and offer and sale of such Graphite Shares in the United States or the offer and sale of such Graphite Shares in the United States.

## **ARTICLE 6 COVENANTS OF WFC**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided), unless Graphite shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

### **6.1     *Access***

WFC shall permit:

- (a) Graphite and its Advisers to have reasonable access at reasonable times to all properties, books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to WFC including auditors' working papers and management letters and to discuss such matters with the executive officers of WFC; WFC shall make available to Graphite and its Advisers a copy of each report or other document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as Graphite may reasonably request; and
- (b) Graphite to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of WFC as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner.

### **6.2     *Ordinary Course***

WFC shall conduct business only in the ordinary course consistent with past practice. WFC shall not, except as set out in the WFC Disclosure Letter:

- (a) amend its notice of articles or articles (or similar charter or constating documents), except as contemplated by the Business Combination and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding share capital;
- (c) issue or agree to issue any securities except in connection with (i) the Business Combination, the Concurrent Financing and this Agreement; (ii) a *bona fide* purchase of assets or shares from an arm's length third party; (iii) one or more debt financing transactions in connection with the acquisition of any property or assets; and (iv) any tax planning transaction undertaken by any WFC Shareholder in the context of the Business Combination (including without limitation any "safe income" crystallization transaction);
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its share capital other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its share capital or any securities convertible into or exchangeable or exercisable into any of its shares;
- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money in an aggregate amount in excess of \$50,000;

- (g) other than pursuant to obligations or rights under existing written Contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or material assets or enter into any agreement or commitment in respect of any of the foregoing;
- (h) except as contemplated by the Business Combination and this Agreement, amend or propose to amend the rights, privileges and restrictions attaching to the WFC Shares or any of the terms of its WFC Warrants as they exist at the date of this Agreement as of the Effective Date, or reduce its stated capital;
- (i) except as contemplated by the Business Combination and this Agreement, reorganize, amalgamate or merge with another Person;
- (j) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (k) enter into any agreements outside of the ordinary course with its directors or officers or their respective Affiliates;
- (l) except as required by generally accepted accounting principles to which WFC may be subject, or any applicable Law, make any changes to the existing accounting practices of WFC or make any material tax election inconsistent with past practice;
- (m) enter into, without prior consultation with and the written consent of Graphite, such consent not to be unreasonably withheld, conditioned or delayed, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures required by Law; (B) expenditures made in connection with the Concurrent Financing or the transactions contemplated in this Agreement; (C) expenditures required to prevent the occurrence of a Material Adverse Effect; or (D) other expenditures which in the aggregate do not exceed \$50,000; or
- (n) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of WFC.

### **6.3 Insurance**

On or before the Closing or a reasonable amount of time after the Closing, WFC shall use commercially reasonable efforts to ensure that all property, real and personal, owned or leased by WFC is insured against loss or damage with coverage of types and in amounts consistent with the types and amounts of insurance maintained by corporations and other entities of a size and carrying on business of a type carried on by WFC.

### **6.4 Closing Conditions**

WFC shall use all commercially reasonable efforts to cause all of the conditions to the obligations of Graphite and Graphite Subco under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of WFC).

## **6.5 Graphite Circular and Listing Statement**

WFC shall use all commercially reasonable efforts to assist Graphite in connection with the preparation of the Graphite Circular and the Listing Statement, and prepare as promptly as possible any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required in respect of the Business Combination and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding WFC (including financial statements) prescribed under applicable Canadian Securities Laws and described in the form of prospectus that WFC would be eligible to use, for inclusion in the Graphite Circular or the Listing Statement, as the case may be, unless such cooperation and efforts would subject WFC to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

## **ARTICLE 7 COVENANTS OF GRAPHITE**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided), unless WFC shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

### **7.1 Access**

Graphite shall permit, and shall cause each Graphite Group Member to permit:

- (a) WFC and its Advisers to have reasonable access at reasonable times to all properties books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to the Graphite Group including auditor's working papers and management letters and to discuss such matters with the executive officers of the Graphite Group; Graphite shall make available to WFC and its Advisers a copy of each report or other document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as WFC may reasonably request; and
- (b) WFC to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of the Graphite Group as they deem necessary or advisable provided such reviews are conducted at reasonable times and in a reasonable manner.

### **7.2 Ordinary Course**

Each Graphite Group Member shall conduct business only in the ordinary course consistent with past practice. Each of Graphite and Graphite Subco shall not, and shall cause each Graphite Group Member not to:

- (a) amend its notice of articles or articles (or similar charter or constating documents), except as contemplated by the Business Combination and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding share capital, except as contemplated by the Business Combination and this Agreement;
- (c) issue or agree to issue any securities, except as contemplated by the Business Combination and this Agreement;



- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its share capital other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its share capital or any securities convertible into or exchangeable or exercisable into any of its shares;
- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money;
- (g) other than pursuant to obligations or rights under existing written Contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (h) except as contemplated by the Business Combination and this Agreement, amend or propose to amend the rights, privileges and restrictions attaching to the Graphite Shares or reduce its stated capital;
- (i) except as contemplated by the Business Combination and this Agreement, reorganize, amalgamate or merge with another Person;
- (j) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (k) enter into any agreements outside of the ordinary course with its directors or officers or their respective Affiliates;
- (l) except as required by IFRS or any other generally accepted accounting principles to which any Graphite Group Member may be subject, or any applicable Law, make any changes to the existing accounting practices of Graphite or make any material tax election inconsistent with past practice;
- (m) enter into, without prior consultation with and the written consent of WFC, such consent not to be unreasonably withheld, conditioned or delayed, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures required by Law; (B) expenditures made in connection with transactions contemplated in this Agreement; and (C) expenditures required to prevent the occurrence of a Material Adverse Effect; or
- (n) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of the Graphite Group.

### **7.3 Insurance**

Graphite shall ensure that all property, real and personal, owned or leased by any Graphite Group Member continues to be insured substantially in the manner and to the extent they are currently insured.

### **7.4 [intentionally omitted]**

## **7.5 Closing Conditions**

Graphite shall use all commercially reasonable efforts to cause all of the conditions to the obligations of WFC under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of the Graphite Group).

## **7.6 Stock Exchange Listing**

Graphite shall use all commercially reasonable best efforts to obtain the conditional approval of the CSE to the Business Combination and the listing of the Graphite Shares issuable to holders of WFC Shares pursuant to the Business Combination, which shall include the filing by Graphite of the Listing Statement with the CSE. Graphite shall furnish to WFC and its legal counsel for review and comment, a reasonable amount of time prior to the time of filing of any document with the CSE, a copy of each document to be filed with the CSE, including, without limitation, the Listing Statement.

## **7.7 Graphite Subco**

Graphite, as sole shareholder of Graphite Subco, shall execute and deliver a written consent resolution approving the Graphite Subco Amalgamation Resolution and the Amalgamation.

## **7.8 Directors and Management**

Upon the change of directors and officers of Graphite and Graphite Subco as described in Section 1.3, Graphite shall complete and file, or cause to be completed and filed, such documents prescribed under the BCBCA to give effect to such change of directors and officers of Graphite and the appointment of the New Graphite Directors and the New Graphite Management.

## **7.9 Name Change**

Immediately following the Effective Time and subject to the requisite approval by the board of directors of Graphite of the Name Change Resolution, Graphite shall complete and file a notice of alteration in accordance with the requirements of the BCBCA giving effect to the Name Change.

# **ARTICLE 8 OTHER COVENANTS OF THE PARTIES**

## **8.1 Amalgamation**

Each of the parties hereby covenants and agrees as follows:

- (a) on the Effective Date, Graphite and WFC shall use commercially reasonable efforts to take all necessary steps to amalgamate WFC with Graphite Subco; and
- (b) if the Amalgamation is completed and the Certificate of Amalgamation is issued by the British Columbia Registrar of Companies, to use its reasonable commercial efforts to ensure that the completion of the Transaction, the issuance by the CSE of the Final Exchange Bulletin and the listing on the CSE of the Graphite Shares issued to the former holders of WFC Shares pursuant to the Amalgamation occur reasonably forthwith following the issuance of the Certificate of Amalgamation.

## **8.2 Consents and Notices**

Promptly after the date hereof and, if necessary, for a reasonable time after the Effective Date:

- (a) The Parties shall use all commercially reasonable efforts, and shall cooperate with each other to obtain, all consents, waivers, approvals, and authorizations, in addition to those set forth in clause (b) below which may be necessary to effect the Business Combination including, without limitation, obtaining those consents, waivers, approvals, and authorizations described in Section 4.2 hereof and Section 5.2 hereof and shall provide copies of such documents to the other Party.
- (b) Each of WFC, Graphite and Graphite Subco will promptly execute and file, or join in the execution and filing of, any application or other document that may be necessary in order to obtain the authorization, approval or consent of any Governmental Authority which may be reasonably required, or which any other Party may reasonably request in connection with the consummation of the transactions contemplated by this Agreement and shall provide copies of such documents to the other Party. Each of WFC, Graphite and Graphite Subco will use all commercially reasonable efforts to obtain promptly all such authorizations, approvals and consents.

### **8.3     *Circulars and Listing Statement***

- (a) Each of Graphite and WFC shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Graphite Circular and if necessary, the WFC Circular, respectively, together with any other documents required under Canadian Securities Laws and applicable corporate laws in connection with the Graphite Meeting and the WFC Meeting and each of Graphite and WFC shall cooperate with each other in preparation and of their respective circulars, as and if applicable, and in connection therewith provide the other Party with such information and material concerning its affairs as such other Party shall reasonably request, unless such cooperation and efforts would subject such Party to unreasonable cost or liability or would be in breach of statutory or regulatory requirements applicable to such Party.
- (b) As soon as practicable after the date hereof, if required, WFC shall call the WFC Meeting and hold the WFC Meeting as soon as practicable thereafter and mail the WFC Circular and all other documentation required in connection with the WFC Meeting to each WFC Shareholder, or obtain approval of the WFC Amalgamation Resolution by unanimous written consent resolution of the WFC Shareholders, as applicable. As soon as practicable after the date hereof, Graphite shall mail the Graphite Circular and all other documentation required in connection with the Graphite Meeting to its shareholders and shall hold the Graphite Meeting at the earliest practicable date following the mailing the Graphite Circular, provided that the Graphite Meeting shall be held no later than September 30, 2019. Graphite shall file the Listing Statement with the CSE as soon as practicable after the date of this Agreement.
- (c) The Graphite Circular shall include, *inter alia*, the unanimous recommendation of the board of directors of Graphite that the Graphite Shareholders vote in favour of approval of the Graphite Business Combination Resolution if required pursuant to applicable laws and CSE policies and that the Graphite Shareholders vote in favour of approval of the Director Election Resolution. WFC shall advise its shareholders that the board of directors of WFC unanimously recommends that WFC Shareholders approve the WFC Amalgamation Resolution at the WFC Meeting or by unanimous written consent resolution of the WFC Shareholders, as applicable.
- (d) WFC covenants that none of the information regarding WFC to be supplied by WFC that is required to be included or incorporated by reference in the Graphite Circular or the Listing Statement, as the case may be, will as of the date of such document contain any

untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to WFC or its officers and directors shall occur that is required to be described in the Graphite Circular or the Listing Statement, as the case may be, WFC shall give prompt notice to Graphite of such event and shall cooperate in the preparation of a supplement or amendment to the Graphite Circular or the Listing Statement, as the case may be, if such supplement or amendment, as applicable, is required, unless such cooperation and efforts would subject WFC to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

- (e) Graphite covenants that the Graphite Circular and the Listing Statement will comply as to form in all material respects with Canadian Securities Law and the requirements of the CSE and that none of the information regarding Graphite and Graphite Subco that is included or incorporated by reference in the Graphite Circular or the Listing Statement, as the case may be, contains any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Graphite also covenants that none of the information regarding Graphite and Graphite Subco to be supplied by Graphite for inclusion or incorporation by reference in the WFC Circular, if necessary, will at the time of the mailing of the WFC Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Graphite, its officers and directors or any Graphite Group Member shall occur that is required to be described in the Graphite Circular, Listing Statement or WFC Circular, as the case may be, Graphite shall give prompt notice to WFC of such event and shall cooperate in the preparation of a supplement or amendment to the Graphite Circular, Listing Statement or WFC Circular, as the case may be, if such supplement or amendment, as applicable, is required, unless such cooperation and efforts would subject Graphite to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

#### **8.4 *Defense of Proceedings***

Graphite and Graphite Subco, on the one hand, and WFC, on the other hand, shall vigorously defend, or shall cause to be vigorously defended, any lawsuits or other legal proceedings brought against Graphite, WFC or any Graphite Group Member, or their respective officers, directors or shareholders, challenging this Agreement or the completion of the Business Combination, and the Parties shall cooperate with each other in all respects in such defense. Neither Graphite, Graphite Subco nor WFC shall compromise or settle any claim brought in connection with the Business Combination, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed.

#### **8.5 *Press Releases***

Before issuing any press release or otherwise making any public statements with respect to this Agreement or the Business Combination, Graphite, Graphite Subco and WFC shall consult with each other and shall undertake reasonable efforts to agree upon the terms of such press release, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law or by obligations pursuant to any listing agreement with any stock exchange.

## 8.6 *Non-Solicitation*

- (a) From and after the date hereof until the termination of this Agreement, none of WFC nor any of its officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than Graphite, relating to the possible acquisition of WFC or any of its Affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (ii) provide information with respect to WFC or any of its Affiliates to any Person, other than the Parties, relating to the possible acquisition of WFC (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets by any Person, other than by the Parties. In addition to the foregoing, if WFC or any of its officers, directors, agents, or Affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, WFC shall immediately notify Graphite thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of WFC from exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of WFC, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve WFC of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to Graphite or Graphite Subco, as applicable.
- (b) From and after the date hereof until the termination of this Agreement, none of Graphite or any of its officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than WFC, relating to the possible acquisition of Graphite or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (ii) provide information with respect to Graphite or any of its affiliates to any Person, other than the Parties, relating to the possible acquisition of Graphite or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets by any Person, other than by the Parties. In addition to the foregoing, if Graphite or any of its officers, directors, agents, or Affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, Graphite shall immediately notify WFC thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of Graphite from

exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of Graphite, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve Graphite of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to WFC.

### **8.7 *Refrain from Certain Actions***

No Party shall take any action, refrain from taking any action (subject to commercially reasonable efforts) or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could reasonably be expected to have a Material Adverse Effect on such Party.

### **8.8 *Indemnity***

Each Party shall indemnify and hold harmless the other Parties hereto (and such other Parties' respective directors, officers and Advisers) (collectively, the "**Non-Offending Persons**") from and against all claims, damages, liabilities, actions or demands to which the Non-Offending Persons may become subject insofar as such claims, damages, liabilities, actions or demands arise out of or are based upon the information supplied by a Party (other than the Non-Offending Persons) and contained in a circular having contained a misrepresentation. Each Party hereto shall obtain and hold the rights and benefits of this Section 8.8 in trust for and on behalf of such Party's directors, officers and Advisers.

### **8.9 *Exemptions from Registration Requirements of U.S. Securities Laws***

The Parties hereto intend for the issuances and exchanges of shares contemplated hereby to be exempt from the registration requirements of any applicable United States federal and state securities laws and, accordingly, each agrees to take such further commercially reasonable actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to ensuring the availability of and maintaining such exemptions. The Graphite Shares to be issued to the WFC Shareholders that are outside the United States will be issued in "offshore transactions" (as such term is defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act, and the Graphite Shares to be issued to the WFC Shareholders that are in the United States will be issued to Accredited Investors in reliance on Rule 506(b) of Regulation D under the U.S. Securities Act. Each WFC Shareholder that is in the United States will be required to sign and deliver a certificate in the form attached hereto as Schedule C in order to make the necessary representations and warranties to confirm the availability of this exemption from registration under the U.S. Securities Act prior to receipt of the Graphite Shares. Each WFC Shareholder that does not sign and deliver such certificate will be deemed to be representing and warranting that such WFC Shareholder is not in the United States. The Graphite Shares to be issued to the WFC Shareholders in the United States in connection with the Amalgamation will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Each certificate representing such Graphite Shares issued to holders in the United States will bear a legend in substantially the form that follows:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS AND ARE "RESTRICTED SECURITIES" AS THAT TERM IS DEFINED IN RULE 144 UNDER THE U.S. SECURITIES ACT. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD,

PLEGGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.”

## **ARTICLE 9 CONDITIONS TO OBLIGATIONS OF GRAPHITE**

### **9.1 *Conditions Precedent to Completion of the Business Combination***

The obligation of Graphite and Graphite Subco to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by Graphite and Graphite Subco:

- (a) The representations and warranties of WFC set forth in Article 4 qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date of this Agreement and on the Effective Date as if made on the Effective Date (except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date), except where any failure or breach of a representation or warranty would not, individually or in the aggregate, have a Material Adverse Effect on WFC and Graphite shall have received a certificate signed on behalf of WFC by an executive officer thereof to such effect dated as of the Effective Date.
- (b) WFC shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Effective Date and Graphite shall have received a certificate signed on behalf of WFC by an executive officer thereof to such effect dated as of the Effective Date.
- (c) There shall not have occurred any Material Adverse Change in WFC since the date of this Agreement.
- (d) The WFC Shareholders shall have approved the WFC Amalgamation Resolution in accordance with applicable Law.
- (e) Dissent Rights shall have been exercised in respect of no more than 10% of the issued and outstanding WFC Shares.
- (f) Current officers and/or employees of WFC shall have duly waived any termination or change of control payments triggered upon completion of the Business Combination.

**ARTICLE 10**  
**CONDITIONS TO OBLIGATIONS OF WFC**

**10.1**    *Conditions Precedent to Completion of the Business Combination*

The obligation of WFC to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by WFC:

- (a)    The representations and warranties of Graphite and Graphite Subco set forth in Article 5 qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date hereof and on the Effective Date as if made on the Effective Date (except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date) except where any failure or breach of a representation or warranty would not, individually or in the aggregate have a Material Adverse Effect on Graphite or Graphite Subco and WFC shall have received certificates signed on behalf of Graphite and Graphite Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (b)    Graphite and Graphite Subco shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Graphite and Graphite Subco, respectively, prior to or on the Effective Date and WFC shall have received certificates signed on behalf of Graphite and Graphite Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (c)    There shall not have occurred any Material Adverse Change in the Graphite Group since the date of this Agreement.
- (d)    The WFC Shareholders shall have approved the WFC Amalgamation Resolution in accordance with applicable Law.
- (e)    Graphite, as the sole shareholder of Graphite Subco, shall have approved in writing the Graphite Subco Amalgamation Resolution.
- (f)    Dissent Rights shall have been exercised in respect of no more than 10% of the issued and outstanding WFC Shares.
- (g)    WFC shall be satisfied that the exchange of Graphite Shares for WFC Shares shall be qualified or exempt from registration or qualification under all applicable United States federal and state securities laws.
- (h)    All of the current directors and officers of Graphite and Graphite Subco shall have resigned without payment by or any liability to Graphite, WFC, Graphite Subco or Amalco, and each such director and officer shall have executed and delivered a release in favour of Graphite, Graphite Subco, WFC and Amalco, in a form acceptable to Graphite and WFC, each acting reasonably.
- (i)    WFC shall be satisfied in its sole discretion that: (A) at the time of the completion of the Business Combination, Graphite has a cash balance of not less than \$1,000; and (B) Graphite and Graphite Subco have no liabilities, other than as set out in the Graphite Disclosure Letter.



- (j) WFC shall be satisfied in its sole discretion that at the time of completion of the Business Combination, Graphite has entered into agreements to sell or transfer its existing assets to third parties.

## **ARTICLE 11**

### **MUTUAL CONDITIONS PRECEDENT**

#### **11.1 *Mutual Conditions Precedent***

The obligations of Graphite and WFC to complete the Business Combination are subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived only with the consent in writing of Graphite, Graphite Subco and WFC:

- (a) all consents, waivers, permits, exemptions, orders, consents and approvals required to permit the completion of the Business Combination, the failure of which to obtain could reasonably be expected to have a Material Adverse Effect on WFC or Graphite or the completion of the Business Combination, shall have been obtained;
- (b) no temporary restraining order, preliminary injunction, permanent injunction or other order preventing the consummation of the Business Combination shall have been issued by any federal, state, or provincial court (whether domestic or foreign) having jurisdiction and remain in effect;
- (c) the Graphite Shares to be issued pursuant to the Business Combination and reserved for issuance pursuant to the exercise of WFC Warrants shall have been conditionally approved for listing on the CSE, subject to standard conditions on the Effective Date or as soon as practicable thereafter;
- (d) Graphite shall have received conditional approval of the Business Combination by the CSE, together with any other approvals of the CSE necessary to complete the transactions contemplated in this Agreement;
- (e) on the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Graphite Shares, the WFC Shares or the Amalco Shares shall be in effect;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, before any court or Governmental Authority, agency or tribunal, domestic or foreign, that has a significant likelihood of success, seeking to restrain or prohibit the consummation of the Business Combination or any of the other transactions contemplated by this Agreement or seeking to obtain from Graphite, Graphite Subco or WFC any damages that are material in relation to Graphite, Graphite Subco and WFC and their subsidiaries taken as a whole;
- (g) the distribution of Amalco Shares and the Graphite Shares pursuant to the Business Combination shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Law either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons) or pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities of the Canadian Securities Administrators*);

- (h) this Agreement shall not have been terminated in accordance with its terms; and
- (i) the Concurrent Financing has completed.

## **ARTICLE 12 CLOSING**

### **12.1 *Effective Date***

The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

### **12.2 *Closing***

The Closing shall take place on the Effective Date or on such other date as WFC and Graphite may agree. Unless this Agreement is terminated pursuant to the provisions hereof, at Closing WFC and Graphite shall deliver to the other Party, as the case may be:

- (a) the documents required or contemplated to be delivered by it hereunder in order to complete, or necessary or reasonably requested to be delivered by it by the other Party in order to effect, the Amalgamation, 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 Amalgamation becoming effective; and
- (b) written confirmation as to the satisfaction or waiver of all the conditions in its favour contained herein.

### **12.3 *Termination of this Agreement***

This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the WFC Amalgamation Resolution by the WFC Shareholders, the Graphite Subco Amalgamation Resolution by Graphite, the Graphite Business Combination Resolution by the Graphite Shareholders, the Director Election Resolution by the Graphite Shareholders, the Name Change Resolution by the board of directors of Graphite, or any other matters presented in connection with the Business Combination:

- (a) by mutual written consent of Graphite, Graphite Subco and WFC;
- (b) by a Party if a condition in its favour or a mutual condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied) except where such failure is the result of a breach of this Agreement by such Party;
- (c) by Graphite or WFC if there has been a breach of any of the material representations, warranties, covenants and agreements on the part of the other Party (the “**Breaching Party**”) set forth in this Agreement, which breach has or will result in the failure of the conditions set forth in Section 9.1, 10.1 or 11.1, as the case may, to be satisfied and in each case has not been cured within ten (10) Business Days following receipt by the Breaching Party of written notice of such breach from the non-breaching Party (the “**Non-Breaching Party**”);
- (d) by any Party if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Business Combination shall have become final and non-appealable;
- (e) by Graphite or WFC if:

- (i) the other Party or the board of directors of such other Party, or any committee thereof, withdraws or modifies in a manner adverse to the initial Party, its approval of this Agreement or its recommendation to shareholders vote in favour of the WFC Amalgamation Resolution (a “**Change of Recommendation**”); or
- (ii) the WFC Amalgamation Resolution is not approved by the WFC Shareholders;
- (f) by Graphite or WFC if the Amalgamation is not completed by the Termination Date provided that the Party then seeking to terminate this Agreement is not then in default of any of its material obligations hereunder; and
- (g) by Graphite or WFC if the other Party has breached the provisions of Section 7.6 hereof in any material manner.

#### **12.4 *Survival of Representations and Warranties; Limitation***

The representations and warranties set forth in herein shall expire and be terminated on the earlier of the Effective Date or the termination of this Agreement.

### **ARTICLE 13 MISCELLANEOUS**

#### **13.1 *Further Actions***

From time to time, as and when requested by any Party, the other Parties shall execute and deliver, and use all commercially reasonable efforts to cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably requested in order to:

- (a) carry out the intent and purposes of this Agreement;
- (b) effect the Amalgamation (or to evidence the foregoing); and
- (c) consummate and give effect to the other transactions, covenants and agreements contemplated by this Agreement.

#### **13.2 *Expenses***

Except as expressly set forth herein, each of the Parties shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of the Letter of Intent and all legal and accounting fees and disbursements relating to preparing this Agreement or otherwise relating to the transactions contemplated herein; provided, however (and for greater certainty), Graphite shall be responsible for paying all costs and fees payable to the CSE in connection with its review of the Business Combination (including the review of the Personal Information Forms to be submitted by the New Graphite Directors and New Graphite Management) and all listing fees in connection with any securities issued pursuant to the Business Combination and provided that, except as set forth in the Graphite Disclosure Letter, the only costs to be incurred by Graphite and Graphite Subco are reasonable accounting and legal fees and disbursements and expenses related to the Business Combination.

### **13.3 Knowledge**

Where the phrases “to the knowledge of WFC” or “to the knowledge of Graphite” are used in respect of WFC or Graphite, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon:

- (a) in the case of WFC, the actual knowledge of management of WFC after appropriate inquiries and investigations; and
- (b) in the case of Graphite, the actual knowledge of management of Graphite after appropriate inquiries and investigations.

### **13.4 Entire Agreement**

This Agreement, which includes the Schedules hereto and the other documents, agreements, and instruments executed and delivered pursuant to or in connection with this Agreement, contains the entire Agreement between the Parties with respect to matters dealt within herein and, except as expressly provided herein, supersedes all prior arrangements or understandings with respect thereto, including the Letter of Intent.

### **13.5 Descriptive Headings**

The descriptive headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

### **13.6 Notices**

A notice or other communication to a party under this Agreement is valid if (a) it is in writing, and (b) it is delivered by hand, by registered mail, or by any courier service that provides proof of delivery, or (c) it is sent by electronic mail, and (d) it is addressed using the information for that party set out below (or any other information specified by that party in accordance with this section 12.5):

- (a) If to Graphite:

Graphite Energy Corp.  
Suite 1510, 789 West Pender Street, Vancouver, BC, V6C 1H2

Attention: [REDACTED]

E-mail: [REDACTED]

- (b) If to WFC:

World Farms Corp.  
605-815 Hornby Street, Vancouver, BC, V6Z 2E6

Attention: [REDACTED]

E-mail: [REDACTED]

- (c) If to Graphite Subco:

Graphite Energy Corp.  
605 - 815 Hornby Street, Vancouver, B.C. V6Z 2E6

Attention: [REDACTED]

Email: [REDACTED]

A valid notice or other communication under this Agreement will be effective when the party to which it is addressed receives it. A party is deemed to have received a notice or other communication under this Agreement at the time and date indicated on the signed receipt or in the case of e-mail transmission the day of transmission; and, if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address (including change of an e-mail address) for which no notice was given, then upon that rejection, refusal or inability to deliver.

### **13.7 *Governing Law***

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein, but references to such laws shall not, by conflict of laws, rules or otherwise require application of the law of any jurisdiction other than the Province of British Columbia and the Parties hereby further irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection with the transactions contemplated in this Agreement.

### **13.8 *Enurement and Assignability***

This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, provided that this Agreement shall not be assignable otherwise than by operation of law by either Party without the prior written consent of the other Parties, and any purported assignment by any Party without the prior written consent of the other Party shall be void.

### **13.9 *Confidentiality***

The Parties agree that no disclosure or announcement, public or otherwise, in respect of the Business Combination, this Agreement or the transactions contemplated herein shall be made by any Party or its representatives without the prior agreement of the other Parties as to timing, content and method, hereto, provided that the obligations herein will not prevent any Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the CSE (or any other relevant stock exchange). If either Graphite, WFC or Graphite Subco is required by applicable Law or regulatory instrument, rule or policy to make a public announcement with respect to the Business Combination, such Party hereto will provide as much notice to the other of them as reasonably possible, including the proposed text of the announcement.

Except as and only to the extent required by applicable Law, the Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner, other than for the purposes of evaluating the Business Combination.

### **13.10 *Remedies***

The Parties acknowledge that an award of money damages may be inadequate for any breach of the obligations undertaken by the Parties and that the Parties shall be entitled to seek equitable relief, in addition to remedies at law. In the event of any action to enforce the provisions of this Agreement, each of the Parties waive the defense that there is an adequate remedy at law. Without limiting any remedies any Party may otherwise have, in the event any Party refuses to perform its obligations under this Agreement, the other Party shall have, in addition to any other remedy at law or in equity, the right to specific performance.

### **13.11 *Waivers and Amendments***

Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a Party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

### **13.12 *Illegality***

In the event that any provision contained in this Agreement shall be determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this Agreement shall not, at the election of the Party for whose benefit the provision exists, be in any way impaired.

### **13.13 *Currency***

Except as otherwise set forth herein, all references to amounts of money in this Agreement are to Canadian Dollars.

### **13.14 *Counterparts***

This Agreement may be signed in counterparts, each of which will be deemed to be an original and together will be deemed to constitute the same instrument. This Agreement may be signed and delivered manually or electronically.

[REMAINDER OF THE AGREEMENT IS INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the undersigned have executed and delivered this Agreement as of the day and year first above written.

**GRAPHITE ENERGY CORP.**

By: /s/ Christopher Cherry  
Name: Christopher Cherry  
Title: Director

**WORLD FARMS CORP.**

By: /s/ Arthur Griffiths  
Name: Arthur Griffiths  
Title: Director & CEO

## **SCHEDULE A**

### **DEFINITIONS**

“**Advisers**” when used with respect to any Person, shall mean such Person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants.

“**Affiliate**” shall have the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

“**Agreement**” means this Business Combination Agreement, as it may be amended or supplemented at any time and from time to time after the date hereof.

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

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

“**Amalgamation**” means an amalgamation of Graphite Subco and WFC pursuant to Section 270 of the BCBCA, on the terms and subject to the conditions set out in this Agreement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement.

“**Associate**” shall have the meaning ascribed to such term in the *Securities Act* (British Columbia).

“**BCBCA**” means the *Business Corporations Act (British Columbia)* as amended;

“**Breaching Party**” shall have the meaning ascribed to such term in Section 12.3(c).

“**Business Combination**” means the business combination among Graphite, Graphite Subco and WFC pursuant to which WFC Shareholders will receive Graphite Shares on the basis of one (1) Graphite Share for each one (1) WFC Share held and Graphite will become the parent company of Amalco.

“**Business Day**” means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the City of Vancouver, British Columbia are required or permitted to close.

“**Canadian Securities Laws**” means the *Securities Act* (or equivalent legislation) in each of the provinces and territories of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, national instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such provinces and territories.

“**Certificate of Amalgamation**” means the certificate of amalgamation to be issued by the by the British Columbia Registrar of Companies to WFC and Amalco giving effect to the Amalgamation.

“**Change of Recommendation**” shall have the meaning ascribed to such term in Section 12.3(e)(i).

“**Closing**” means the completion of the Amalgamation as contemplated in this Agreement.

“**Concurrent Financing**” means the concurrent non-brokered equity private placement of a a maximum of 10,000,000 units of WFC (the “**Placement Units**”) at a price of \$0.30 per Placement Unit, each Placement Unit consisting of one WFC Share and one WFC Share purchase warrant, with each share purchase warrant entitling the holder to purchase one Resulting Issuer Share at an exercise price of \$1.00 per Resulting Issuer Share for a period of 24 months from the closing of the Business Combination, to raise gross proceeds of a maximum of \$3,000,000, such private placement to close on or prior to the Effective Date. Funds raised from the Concurrent Financing will be used for development of the business and general working capital.



“**Confidential Information**” means any information concerning the Disclosing Party or its business, properties and assets made available to the Receiving Party; provided that it does not include information which: (a) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party or pursuant to a breach of Section 13.9 by the Receiving Party; (b) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that, to the reasonable knowledge of the Receiving Party, such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information; (c) is developed by the Receiving Party independently of any disclosure by the Disclosing Party; or (d) was in the Receiving Party’s possession prior to its disclosure by the Disclosing Party.

“**Contract**” means any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral.

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

“**Directed Selling Efforts**” means directed selling efforts as that term is defined in Regulation S under the U.S. Securities Act. Without limiting the foregoing, but for greater clarity in this Agreement, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Graphite Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Graphite Shares.

“**Director Election Resolution**” means the ordinary resolution of the Graphite Shareholders electing the New Graphite Directors as directors of Graphite.

“**Disclosing Party**” means any Party or its representatives disclosing Confidential Information to the Receiving Party.

“**Dissent Rights**” shall have the meaning ascribed to such term in Section 1.2(f).

“**Effective Date**” shall have the meaning ascribed to such term in Section 1.2(e).

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date.

“**Employee Plans**” means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation:

- (a) any employee benefit plan or material fringe benefit plan;
- (b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan;
- (c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees; and

- (d) where applicable, all statutory plans, including, without limitation, the Canada or Québec Pension Plans.

“**Encumbrance**” includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“**Environmental Laws**” means Laws regulating or pertaining to the generation, discharge, emission or release into the environment (including without limitation ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment, disposition or remediation or clean-up of any Hazardous Substance, as such Laws are amended and in effect as of the date hereof.

“**Final Exchange Bulletin**” means the CSE Bulletin which is issued following the closing of the Amalgamation and the submission of all documentation required by the CSE evidencing final acceptance of the CSE of the Amalgamation.

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

“**Graphite Business Combination Resolution**” means the ordinary resolution of the Graphite Shareholders to be approved at the Graphite Meeting, approving the Business Combination and any other matters required by CSE policies.

“**Graphite Circular**” means the management information circular of Graphite to be provided to the Graphite Shareholders in respect of the Graphite Business Combination Resolution, “Fundamental Change” pursuant to CSE policies, and the Director Election Resolution, and the other matters (if any) to be considered at the Graphite Meeting.

“**Graphite Disclosure Letter**” means the letter dated as of the date of this Agreement and delivered by Graphite and Graphite Subco to WFC contemporaneously with the execution of this Agreement.

“**Graphite Group**” means and includes Graphite and Graphite Subco.

“**Graphite Group Member**” means and includes Graphite and Graphite Subco.

“**Graphite Meeting**” means the special meeting of the Graphite Shareholders to be held to approve, *inter alia*, the Graphite Business Combination Resolution and the Director Election Resolution, and any and all adjournments or postponements of such meeting.

“**Graphite Options**” means currently outstanding options to purchase Graphite Shares.

“**Graphite Securities Documents**” shall have the meaning ascribed to such term in Section 4.4(a).

“**Graphite Shareholders**” means the holders of Graphite Shares.

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

“**Graphite Stock Option Plan**” means the stock option plan of Graphite.

“**Graphite Subco**” means 1213615 B.C. Inc., a wholly-owned subsidiary of Graphite, created for the purpose of effecting the Business Combination.

“**Graphite Subco Amalgamation Resolution**” means the resolution of Graphite, as sole shareholder of Graphite Subco, approving the Amalgamation and the Business Combination Agreement.

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

“**Graphite Warrants**” means currently issued outstanding warrants to purchase Graphite Shares.

“**Government**” means:

- (a) the government of Canada, or any foreign country;
- (b) the government of any Province, county, municipality, city, town, or district of Canada, or any foreign country; and
- (c) any ministry, agency, department, authority, commission, administration, corporation, bank, court, magistrate, tribunal, arbitrator, instrumentality, or political subdivision of, or within the geographical jurisdiction of, any government described in the foregoing clauses (a) and (b), and for greater certainty, includes the CSE.

“**Government Official**” means:

- (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority;
- (b) any salaried political party official, elected member of political office or candidate for political office; or
- (c) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses.

“**Governmental**” means pertaining to any Government.

“**Governmental Authority**” means and includes, without limitation, any Government or other political subdivision of any Government, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE.

“**Group Member**” means and includes any Party and its other group members as the context requires.

“**Hazardous Substance**” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including hydrogen sulphide, arsenic, cadmium, copper, lead, mercury, petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material, substance, pollutant or contaminant regulated or defined pursuant to, or that could result in liability under, any applicable Environmental Law.

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

“**In-The-Money Amount**” in respect of a stock option means the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the option.

“**ITA**” means the *Income Tax Act* (Canada), as amended and all regulations thereunder.

“**Income Tax**” means any Tax based on or measured by income (including without limitation, based on net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits); and any interest, Penalties and additions to tax with respect to any such tax (or any estimate or payment thereof).

“**Intellectual Property**” means all rights to and interests in:

- (a) all business and trade names, logos and designs, brand names and slogans Related to the Business; and
- (b) all inventions, improvements, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part and extensions of any patent or patent application), industrial designs and applications for registration of industrial designs Related to the Business.

“**Law**” means any of the following of, or issued by, any Government, in effect on or prior to the date hereof, including any amendment, modification or supplementation of any of the following from time to time subsequent to the original enactment, adoption, issuance, announcement, promulgation or granting thereof and prior to the date hereof: any statute, law, act, ordinance, code, rule or regulation of any writ, injunction, award, decree, judgment or order.

“**Letter of Intent**” means the letter of intent, dated on or about May 5, 2019, between WFC and Graphite related to the Business Combination.

“**liability**” of any Person means and include:

- (a) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured;
- (b) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and
- (c) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise).

“**Listing Statement**” means the listing statement of Graphite to be prepared in accordance with the requirements of the CSE and filed with the CSE in connection with the Business Combination.

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to either Party any change, event, effect, occurrence or state of facts that, individually or in the aggregate with other such changes, events, effects, occurrences or states of fact, has, or would reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, properties, assets, operations, results of operations or financial condition of the party and its subsidiaries, as applicable, taken as a whole. The foregoing shall not include any change or effects attributable to: (i) any matter that has been disclosed in writing to the other Party or any of its Advisers by a Party or any of its Advisers prior to the execution of this Agreement; (ii) changes in applicable law, changes relating to general economic, political or financial conditions or natural disaster, war, strife or terrorism; (iii) relating to the state of securities markets in general or currency exchange rates; (iv) the Concurrent Financing; or (v) the announcement of the Business Combination or the performance of any obligation hereunder.

“**Name Change**” means the change of Graphite’s name to “World Farms Corp” or such other name as is acceptable to the regulatory authorities.

“**Name Change Resolution**” means the written consent resolution of the directors of Graphite authorizing the name change of Graphite to “World Farms Corp”.

“**New Graphite Directors**” shall have the meaning ascribed to such term in Section 1.3.

“**New Graphite Management**” shall have the meaning ascribed to such term in Section 1.3.

“**New Graphite Warrants**” means the warrants to purchase Graphite Shares that are to be issued in exchange for WFC Warrants pursuant to this Agreement.

“**Non-Breaching Party**” shall have the meaning ascribed to such term in Section 12.3(c).

“**Non-Offending Persons**” shall have the meaning ascribed to such term in Section 8.8.

“**Parties**” and “**Party**” means the parties to this Agreement.

“**penalty**” means any civil or criminal penalty (including any interest thereon), fine, levy, lien, assessment, charge, monetary sanction or payment, or any payment in the nature thereof, of any kind, required to be made to any Government under any Law.

“**Person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government.

“**Receiving Party**” means any Party or its representatives receiving Confidential Information from a Disclosing Party.

“**Related to the Business**” means, directly or indirectly, used in, arising from, or relating in any manner to the business of WFC.

“**Resulting Issuer**” means Graphite after giving effect to the Business Combination;

“**Resulting Issuer Shares**” means the Graphite Shares after the completion of the Business Combination;

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

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

“**Tax**” means any tax, levy, charge or assessment imposed by or due any Government, together with any interest, penalties, and additions to tax relating thereto, including without limitation, any of the following:

- (a) any Income Tax;
- (b) any franchise, sales, use and value added tax or any license or withholding tax; any payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, alternative or add-on minimum tax; and any customs duties or other taxes;

- (c) any tax on property (real or personal, tangible or intangible, based on transfer or gains);
- (d) any estimate or payment of any of tax described in the foregoing clauses (a) through (d); and
- (e) any interest, Penalties and additions to tax with respect to any tax (or any estimate or payment thereof) described in the foregoing clauses (a) through (e).

“**Tax Return**” means all returns, amended returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority in Canada.

“**Termination Date**” means November 30, 2019.

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**WFC Amalgamation Resolution**” means the resolution of the holders of WFC Shares to be approved at the WFC Meeting, or by unanimous written consent resolution of the WFC Shareholders, as applicable, approving the Amalgamation and the Business Combination Agreement.

“**WFC Circular**” means the management information circular (if required pursuant to applicable Laws) of WFC to be provided to the WFC Shareholders in respect of the WFC Amalgamation Resolution and the other matters (if any) to be considered at the WFC Meeting.

“**WFC Disclosure Letter**” means a letter dated as of the date of this Agreement and delivered by WFC to Graphite and Graphite Subco contemporaneous with the execution of this Agreement.

“**WFC Meeting**” means the special meeting of the shareholders of WFC to be held to approve, *inter alia*, the Amalgamation pursuant to this Agreement and any and all adjournments or postponements of such meeting, if required pursuant to applicable Laws and the requirements of the CSE.

“**WFC Options**” means outstanding options to purchase WFC Shares.

“**WFC Shareholders**” means the holders of the issued and outstanding WFC Shares.

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

“**WFC Warrants**” means outstanding share purchase warrant to purchase WFC Shares.

**SCHEDULE B**  
**AMALGAMATION APPLICATION**

*(Form 13 to be completed)*

**SCHEDULE C**  
**CERTIFICATE OF U.S. WFC SHAREHOLDER**

TO: **Graphite Energy Corp.**

AND TO: **World Farms Corp.**

Pursuant to a Business Combination Agreement (the “**Agreement**”) among Graphite Energy Corp., a Canadian corporation (the “**Issuer**”), 1213615 B.C. Inc., a Canadian corporation and a wholly-owned subsidiary of the Issuer (“**Graphite Subco**”), and World Farms Corp., a Canadian corporation (“**WFC**”), the shareholders of WFC (the “**Shareholders**”) will exchange their outstanding common shares of WFC (“**WFC Shares**”) for common shares of the Issuer (the “**Graphite Shares**”) on the basis of 1 Graphite Share for each WFC Share held, and Graphite Subco will amalgamate with WFC (the “**Transaction**”). Immediately following the closing of the Transaction the name of the Issuer will be changed to “Crop Infrastructure Corporation” or another name acceptable to the parties.

The representations, warranties and covenants in this Certificate will form the basis for the exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and applicable state securities laws, for the issuance of the Graphite Shares to WFC Shareholders in exchange for the WFC Shares upon completion of the Transaction (the “**Exchange**”).

In connection with the Transaction and the Exchange, the undersigned WFC Shareholder, on its own behalf and on behalf of any beneficial holder for whom it is acting, represents and warrants to, and covenants with, the Issuer and WFC that:

1. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Graphite Shares and it is able to bear the economic risk of loss of its entire investment.
2. The Issuer has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Exchange, and it has had access to such information concerning the Issuer as it has considered necessary or appropriate in connection with its investment decision to acquire the Graphite Shares.
3. It understands that none of the Graphite Shares have been or will be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and that the issuance of the Graphite Shares in exchange for the WFC Shares is being made only to “accredited investors”, as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (“**Accredited Investors**”), in reliance on the exemption from such registration requirements provided by Rule 506(b) of Regulation D under the U.S. Securities Act.
4. It is an Accredited Investor and is acquiring the Graphite Shares for its own account, or for the account of another Accredited Investor as to which the undersigned exercises sole investment discretion, for investment purposes only and not with a view to any resale, distribution or other disposition of the Graphite Shares in violation of the United States federal or state securities laws.
5. If the WFC Shareholder is an individual (that is, a natural person and not a corporation, partnership, trust or other entity), then it (and any beneficial holder on whose behalf it is acting) satisfies one or more of the categories of Accredited Investor indicated below (**please place an “S” on the appropriate line(s) below that applies to the undersigned WFC Shareholder and a “BH” on the appropriate line(s) below that applies to the beneficial holder (if any)**):



\_\_\_\_\_ A natural person whose individual “net worth”, or joint “net worth” with that person’s spouse, at the date of this Certificate exceeds US \$1,000,000;

For purposes of calculating “net worth” under this paragraph:

- (i) The person’s primary residence shall not be included as an asset;
- (ii) Indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and
- (iii) Indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

\_\_\_\_\_ A natural person who had an individual income in excess of US \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of US \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

6. If the WFC Shareholder is a corporation, partnership, trust or other entity, then it (and any beneficial WFC Shareholder on whose behalf it is acting) satisfies one or more of the categories of Accredited Investor indicated below **(please place an “S” on the appropriate line(s) below that applies to the undersigned WFC Shareholder and a “BH” on the appropriate line(s) below that applies to the beneficial holder (if any))**:

\_\_\_\_\_ A bank as defined in section 3(a)(2) of the U.S. Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity;

\_\_\_\_\_ A broker or dealer registered pursuant to section 15 of the United States Securities Exchange Act of 1934, as amended;

\_\_\_\_\_ An insurance company as defined in section 2(a)(13) of the U.S. Securities Act;

\_\_\_\_\_ An investment company registered under the United States Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of that Act;

\_\_\_\_\_ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the United States Small Business Investment Act of 1958, as amended;

\_\_\_\_\_ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US \$5,000,000;

- \_\_\_\_\_ An employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment aWFCser, or if the employee benefit plan has total assets in excess of US \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- \_\_\_\_\_ An organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), a corporation, a Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Graphite Shares, with total assets in excess of US \$5,000,000;
- \_\_\_\_\_ A trust that (a) has total assets in excess of US \$5,000,000, (b) was not formed for the specific purpose of acquiring the Shares, and (c) whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of an investment in the Graphite Shares;
- \_\_\_\_\_ A private business development company as defined in Section 202(a)(22) of the United States Investment AWFCsers Act of 1940, as amended; or
- \_\_\_\_\_ An entity in which all of the equity owners satisfy the requirements of one or more of the foregoing categories set forth in paragraph 5 of this Certificate and/or this paragraph 6.

7. It is not acquiring the Graphite Shares as a result of any form of “general solicitation or general advertising” (as such terms are used in Regulation D under the U.S. Securities Act), including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
8. It agrees that if it decides to offer, sell, pledge or otherwise transfer any of the Graphite Shares, it will not offer, sell, pledge or otherwise transfer any of such Graphite Shares, directly or indirectly, unless the transfer is made:
  - (a) to the Issuer;
  - (b) outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;
  - (c) pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities laws; or
  - (d) in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; and

it has prior to such transfer pursuant to subsection (c) or (d) furnished to the Issuer an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer to such effect.

9. The certificates representing the Graphite Shares, and any certificates issued in exchange or substitution for such securities, will bear a legend in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS AND ARE “RESTRICTED SECURITIES” AS THAT TERM IS DEFINED IN RULE 144 UNDER THE U.S. SECURITIES ACT. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

If the Graphite Shares are being sold in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with Canadian local laws and regulations, the legend may be removed by providing a declaration to the Issuer and its transfer agent substantially in the form set forth in Exhibit I hereto (or as the Issuer may prescribe from time to time), and, if requested by the Issuer’s transfer agent, an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Issuer, to the effect that the transfer is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

If any of the Graphite Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivery to the Issuer and its transfer agent of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Issuer, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

10. It consents to the Issuer making a notation on its records or giving instructions to its transfer agent in order to implement the restrictions on transfer set forth and described in this Certificate.
11. It understands and agrees that there may be material tax consequences to the WFC Shareholder of the acquisition, holding, exercise or disposition of the Graphite Shares, and that it is the sole responsibility of the WFC Shareholder to determine and assess such tax consequences as may apply to its particular circumstances. The Issuer does not give any opinion or make any representation with respect to the tax consequences to the WFC Shareholder under United States, state, local or foreign tax law of the undersigned’s acquisition, holding, exercise or disposition of such Graphite Shares; in particular, no determination has been made whether the Issuer will be a “passive foreign investment company” within the meaning of Section 1297 of the Code.

12. It understands that the financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.
13. The WFC Shareholder is in the United States. The address at which the WFC Shareholder received and accepted the offer to acquire the Graphite Shares is the address listed on the execution page of this Certificate.
14. It understands that the Graphite Shares are “restricted securities”, as defined in Rule 144(a)(3) under the U.S. Securities Act, and that the WFC Shareholder may dispose of the Graphite Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act. The WFC Shareholder understands and acknowledges that the Issuer is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Graphite Shares in the United States. Accordingly, the WFC Shareholder understands that absent registration under the U.S. Securities Act or an exemption therefrom, the WFC Shareholder may be required to hold the Graphite Shares indefinitely.
15. It understands that (i) if the Issuer is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Company**”), Rule 144 under the U.S. Securities Act may not be available for resales of the Graphite Shares, and (ii) the Issuer is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Graphite Shares. If the Issuer would be considered to have been a Shell Company, consequently, Rule 144 under the U.S. Securities Act is not available for resales of the Graphite Shares unless and until the Issuer has satisfied the applicable conditions set forth in Rule 144 under the U.S. Securities Act or in other guidance issued by the United States Securities and Exchange Commission. In general terms, the satisfaction of such conditions would require the Issuer to have been a registrant under the United States Securities Exchange Act of 1934, as amended, for at least 12 months, to be in compliance with its reporting obligations thereunder, and to have filed certain information with the United States Securities and Exchange Commission at least 12 months prior to the intended resale (or to have satisfied similar requirements under applicable Canadian securities laws). As a result, Rule 144 under the U.S. Securities Act may never be available for resales of the Graphite Shares.
16. It understands that the Issuer is incorporated under the laws of Canada, and that most or all of its directors and officers are residents of countries other than the United States, and, as a result, it may be difficult for the WFC Shareholder to effect service of process within the United States upon the Issuer or its directors or officers, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of the Issuer and its directors and officers under the U.S. federal securities laws.
17. It understands that no agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the United States Securities and Exchange Commission or any state securities commission) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect, to the Graphite Shares.
18. If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Issuer in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Graphite Shares.

19. It understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by the Issuer and WFC in determining its eligibility to acquire the Graphite Shares in exchange for the WFC Shares upon completion of the Transaction. It understands that the representations, warranties and covenants made by the WFC Shareholder in this Certificate will form the basis of the exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the issuance of the Graphite Shares in exchange for the WFC Shares following completion of the Transaction.

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

The statements made in this Certificate are true and accurate to the best of my information and belief and I will promptly notify the Issuer and WFC of any changes in any representation, warranty, agreement or other information relating to the undersigned set forth herein which takes place prior to the acquisition of the Graphite Shares.

In order to receive their Graphite Shares, each WFC Shareholder that is in the United States must complete and sign this Certificate.

Capitalized terms used in this Schedule C and not defined herein have the meaning ascribed thereto in the Certification to which this Schedule is annexed.

**ONLY U.S. WFC SHAREHOLDERS NEED COMPLETE AND SIGN**

Dated \_\_\_\_\_, 20\_\_

**X**

\_\_\_\_\_  
Signature of individual (if WFC Shareholder **is** an individual)

**X**

\_\_\_\_\_  
Authorized signatory (if WFC Shareholder **is not** an individual)

\_\_\_\_\_  
Name of WFC Shareholder (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**EXHIBIT I**  
**TO SCHEDULE C**  
**DECLARATION FOR REMOVAL OF LEGEND**

TO:     Computershare Investor Services Inc., as registrar and transfer agent for the common shares of the Graphite Energy Corp. (to be renamed World Farms Corp.)

AND TO:     Graphite Energy Corp. (to be renamed World Farms Corp.) (the “**Issuer**”)

The undersigned (A) acknowledges that the sale of the common shares of the Issuer represented by certificate number \_\_\_\_\_, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (B) certifies that (1) the undersigned is not an “affiliate” (as that term is defined in Rule 405 under the U.S. Securities Act) of the Issuer; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as such term is defined in Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_

X \_\_\_\_\_  
Signature of individual (if WFC Shareholder is an individual)

X \_\_\_\_\_  
Authorized signatory (if WFC Shareholder is not an individual)

\_\_\_\_\_  
Name of WFC Shareholder (please print)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory (please print)