

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 16th day of February, 2018.

AMONG:

TELFERSCOT RESOURCES INC., a corporation incorporated under the laws of Canada (“**Telferscot**”)

- and -

10557404 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo1**”)

- and -

10557501 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo2**”)

- and -

10557510 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo3**”)

- and -

10557536 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo4**”)

- and -

10557544 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo5**”)

- and -

10557633 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo6**”)

- and -

10617059 CANADA CORP., a corporation incorporated under the laws of Canada (“**SpinCo7**”)

(collectively, “the **Parties**”)

WHEREAS Telferscot has entered into an amalgamation agreement with Canntab Therapeutics Limited (“**Canntab**”) dated as of January 12, 2018 (the “**Amalgamation Agreement**”) pursuant to which Telferscot, 2611780 Ontario Inc. (“**SubCo**”), a wholly-owned subsidiary of Telferscot, and Canntab have agreed to enter into a transaction pursuant to which, among other things, Canntab will amalgamate with SubCo and the shareholders of Canntab will receive post-consolidation shares of Telferscot in

consideration for their shares of Canntab on the terms set out in the Amalgamation Agreement (the “**Amalgamation Transaction**”);

AND WHEREAS it is a condition of the Amalgamation Agreement that prior to the completion of the Amalgamation Transaction, Telferscot will transfer its Assets (as such term is defined in this Agreement) to its wholly-owned subsidiaries SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpiCo5, SpinCo6 and SpinCo7;

AND WHEREAS the Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Canada Business Corporations Act*;

AND WHEREAS the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

- (a) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (b) “**Applicable Laws**” means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (c) “**Arrangement**” means the arrangement pursuant to Section 192 of the CBCA set forth in the Plan of Arrangement;
- (d) “**Arrangement Resolution**” means the special resolution in respect to the Arrangement and other related matters to be considered at the Telferscot Meeting;
- (e) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement;
- (f) “**Assets**” means the assets of Telferscot to be transferred to the Telferscot Subsidiaries pursuant to the Arrangement, as more particularly described in Schedule B attached hereto and forming part of this Agreement;
- (g) “**CBCA**” means the *Canada Business Corporations Act*, as amended, including the regulations promulgated thereunder;

- (h) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Toronto, Ontario are not generally open for business;
- (i) “**CSE**” means the Canadian Securities Exchange;
- (j) “**Capital Transfer**” means Capital Transfer Inc.;
- (k) “**Court**” means the Supreme Court of Justice of Ontario;
- (l) “**Director**” means the Director duly appointed under the CBCA;
- (m) “**Dissenting Shareholder**” means a Telferscot Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Telferscot Shares in accordance with the Interim Order and the Plan of Arrangement;
- (n) “**Dissenting Shares**” means the Telferscot Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (o) “**Effective Date**” means the date the Arrangement becomes effective under the CBCA;
- (p) “**Exchange Factor**” means the number arrived at by dividing 2,500,000 by the number of issued Telferscot Shares as of the close of business on the Share Distribution Record Date. On the assumption that Telferscot will have 125,000,000 Telferscot Shares outstanding on the Share Distribution Record Date, the Exchange Factor will be 0.02;
- (q) “**Final Order**” means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (r) “**IFRS**” means generally accepted accounting principles in effect in Canada at the relevant time;
- (s) “**Information Circular**” means the management proxy circular of Telferscot to be sent by Telferscot to the Telferscot Shareholders in connection with the Telferscot Meeting;
- (t) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of Telferscot, containing declarations and directions with respect to the Arrangement and the holding of the Telferscot Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (u) “**New Shares**” means the new class of common shares without par value which Telferscot will create pursuant to Section 3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Telferscot Shares;
- (v) “**Notice of Meeting**” means the notice of special meeting of the Telferscot Shareholders in respect of the Telferscot Meeting;
- (w) “**Parties**” means Telferscot, SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7; and “**Party**” means any one of them;

- (x) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (y) “**Plan of Arrangement**” means the plan of arrangement substantially in the form set out in Schedule A to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 7 hereof;
- (z) “**Registered Shareholder**” means a registered holder of Telferscot Shares as recorded in the shareholder register of Telferscot maintained by Capital Transfer;
- (aa) “**Share Distribution Record Date**” means the close of business on the day which is four Business Days after the date of the Telferscot Meeting or such other date as agreed to by the Parties, which date establishes the Telferscot Shareholders who will be entitled to receive SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares pursuant to this Plan of Arrangement; and
- (bb) “**SpinCo1**” means 10557404 Canada Corp., a private company incorporated under the CBCA;
- (cc) “**SpinCo1 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo1 Option Plan, the full text of which is set out in Schedule “D” to this Arrangement Agreement;
- (dd) “**SpinCo1 Shareholder**” means a holder of SpinCo1 Shares;
- (ee) “**SpinCo1 Shares**” means the common shares without par value in the authorized share structure of SpinCo1, as constituted on the date of this Agreement;
- (ff) “**SpinCo2**” means 10557501 Canada Corp., a private company incorporated under the CBCA;
- (gg) “**SpinCo2 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo2 Option Plan, the full text of which is set out in Schedule “E” to this Arrangement Agreement;
- (hh) “**SpinCo2 Shareholder**” means a holder of SpinCo2 Shares;
- (ii) “**SpinCo2 Shares**” means the common shares without par value in the authorized share structure of SpinCo2, as constituted on the date of this Agreement;
- (jj) “**SpinCo3**” means 10557510 Canada Corp., a private company incorporated under the CBCA;
- (kk) “**SpinCo3 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo3 Option Plan, the full text of which is set out in Schedule “F” to this Arrangement Agreement;
- (ll) “**SpinCo3 Shareholder**” means a holder of SpinCo3 Shares;

- (mm) “**SpinCo3 Shares**” means the common shares without par value in the authorized share structure of SpinCo3, as constituted on the date of this Agreement;
- (nn) “**SpinCo4**” means 10557536 Canada Corp., a private company incorporated under the CBCA;
- (oo) “**SpinCo4 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo4 Option Plan, the full text of which is set out in Schedule “G” to this Arrangement Agreement;
- (pp) “**SpinCo4 Shareholder**” means a holder of SpinCo4 Shares;
- (qq) “**SpinCo4 Shares**” means the common shares without par value in the authorized share structure of SpinCo4, as constituted on the date of this Agreement;
- (rr) “**SpinCo5**” means 10557544 Canada Corp., a private company incorporated under the CBCA;
- (ss) “**SpinCo5 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo5 Option Plan, the full text of which is set out in Schedule “H” to this Arrangement Agreement;
- (tt) “**SpinCo5 Shareholder**” means a holder of SpinCo5 Shares;
- (uu) “**SpinCo5 Shares**” means the common shares without par value in the authorized share structure of SpinCo5, as constituted on the date of this Agreement;
- (vv) “**SpinCo6**” means 10557633 Canada Corp., a private company incorporated under the CBCA;
- (ww) “**SpinCo6 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo6 Option Plan, the full text of which is set out in Schedule “I” to this Arrangement Agreement;
- (xx) “**SpinCo6 Shareholder**” means a holder of SpinCo6 Shares;
- (yy) “**SpinCo6 Shares**” means the common shares without par value in the authorized share structure of SpinCo6, as constituted on the date of this Agreement;
- (zz) “**SpinCo7**” means 10617059 Canada Corp., a private company incorporated under the CBCA;
- (aaa) “**SpinCo7 Option Plan Resolution**” means an ordinary resolution to be considered by the Telferscot Shareholders to approve the SpinCo7 Option Plan, the full text of which is set out in Schedule “C” to this Arrangement Agreement;
- (bbb) “**SpinCo7 Shareholder**” means a holder of SpinCo7 Shares;
- (ccc) “**SpinCo7 Shares**” means the common shares without par value in the authorized share structure of SpinCo7, as constituted on the date of this Agreement;

- (ddd) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time.
- (eee) “**Telferscot Class A Shares**” means the renamed and re-designated Telferscot Shares as described in Section 3.1 of the Plan of Arrangement;
- (fff) “**Telferscot Class A Preferred Shares**” means the Class “A” preferred shares without par value which Telferscot will create and issue pursuant to Section 3.1 of the Plan of Arrangement;
- (ggg) “**Telferscot Meeting**” means the special meeting of the Telferscot Shareholders to be held on March 22, 2018, and any adjournment(s) or postponement(s) thereof;
- (hhh) “**Telferscot Shares**” means the common shares without par value in the authorized share capital of Telferscot, as constituted on the date of this Agreement;
- (iii) “**Telferscot Shareholders**” means the holders from time to time of Telferscot Shares;
- (jjj) “**Telferscot Subsidiaries**” means SubCo, SpinCo1, SpinCo2,, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7;

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedules A to E hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

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

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

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

1.6 Currency

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

1.7 Accounting Matters

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

1.8 References to Legislation

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

1.9 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.10 Schedules

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

- A - Plan of Arrangement
- B - Assets
- C - SpinCo1 Option Plan Resolution
- D - SpinCo2 Option Plan Resolution
- E - SpinCo3 Option Plan Resolution
- F – SpinCo4 Option Plan Resolution
- G – SpinCo5 Option Plan Resolution
- H – SpinCo6 Option Plan Resolution
- I – SpinCo7 Option Plan Resolution

ARTICLE 2
THE ARRANGEMENT

2.1 Plan of Arrangement

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

2.2 Interim Order

The Interim Order shall provide that:

TELFERSCOT

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

2.3 Information Circular and Meeting

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

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

2.4 Effective Date

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

ARTICLE 3 COVENANTS

3.1 Covenants Regarding the Arrangement

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

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

3.2 Covenants Regarding Execution of Documents

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

3.3 Giving Effect to the Arrangement

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the Telferscot Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The SpinCo1 Shareholder, SpinCo2 Shareholder, SpinCo3 Shareholder, SpinCo4 Shareholder, SpinCo5 Shareholder, SpinCo6 Shareholder and Spinco7 Shareholder shall approve the Arrangement by a consent resolution;
- (c) Upon obtaining the Interim Order, Telferscot shall call the Telferscot Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the Telferscot Shareholders;
- (d) If the Telferscot Shareholders approve the Arrangement as set out in Section 3.3 hereof, Telferscot shall thereafter (subject to the exercise of any discretionary authority granted

to Telferscot's directors by the Telferscot Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and

- (e) Upon receipt of the Final Order, Telferscot shall, subject to compliance with any of the other conditions provided for in Article 3.3 hereof and to the rights of termination contained in Article 7 hereof, file the material described in Section 5.1 with the Director in accordance with the terms of the Plan of Arrangement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

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

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

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

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

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the Telferscot Shareholders at the Telferscot Meeting in accordance with the CBCA, the constating documents of

Telferscot, the Interim Order and the requirements of any applicable regulatory authorities;

- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the SpinCo1 Shareholder, SpinCo2 Shareholder, SpinCo3 Shareholder, SpinCo4 Shareholder, SpinCo5 Shareholder, SpinCo6 Shareholder and SpinCo7 Shareholder to the extent required by, and in accordance with, the CBCA and the constating documents of each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7.
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably;
- (e) the CSE shall have conditionally approved Telferscot's application to continue to list its common shares on the CSE following the completion of the Amalgamation Transaction, subject to compliance with the requirements of the CSE;
- (f) the Articles of Arrangement to be filed as required pursuant to the CBCA in accordance with the Arrangement shall be in form and substance satisfactory to the Parties, acting reasonably;
- (g) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- (h) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (i) this Agreement shall not have been terminated under Article 7.

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

5.2 Closing

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at 10:00 a.m. (Toronto time) on such date as they may mutually agree (the "**Closing Date**"), and each of them shall deliver to the other of them:

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

5.3 Merger of Conditions

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

5.4 Merger of Representations and Warranties

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

ARTICLE 6 AMENDMENT

6.1 Amendment

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

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a Telferscot Shareholder without approval by the Telferscot Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

ARTICLE 7 TERMINATION

7.1 Termination

Subject to Section 7.2, this Agreement may at any time before or after the holding of the Telferscot Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the board of directors of Telferscot without further action on the part of the Telferscot Shareholders, or by the respective board of directors of SpinCo1, SpinCo2 and SpinCo3 without further action on the part of the respective SpinCo1 Shareholder, SpinCo2 Shareholder, SpinCo3 Shareholder, SpinCo4 Shareholder, SpinCo5 Shareholder, SpinCo6 Shareholder and SpinCo7 Shareholder, and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of Telferscot, SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 or SpinCo7 respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

7.2 Cessation of Right

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

**ARTICLE 8
NOTICES**

8.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy and in the case of:

TELFERSCOT, addressed to:

Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557404 Canada Corp., addressed to:

Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557501 Canada Corp., addressed to:

Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557510 Canada Corp., addressed to:

Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557536 Canada Corp., addressed to:
Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557544 Canada Corp., addressed to:
Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

10557633 Canada Corp., addressed to:
Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Telecopier: 416 352-0051

10617059 Canada Corp., addressed to:
Suite 2702
401 Bay Street
Toronto, ON M5H 2Y4

Attention: Stephen Coates
Email: info@telferscot.com

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

ARTICLE 9 GENERAL

9.1 Assignment and Enurement

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

9.2 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the

foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

9.3 Costs

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

9.4 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

9.5 Further Assurances

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

9.6 Time of Essence

Time shall be of the essence of this Agreement.

9.7 Governing Law

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

9.8 Waiver

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

9.9 Counterparts

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

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

TELFERSCOT RESOURCES INC.

By: /s/ Stephen Coates

10557404 CANADA CORP.

By: /s/ Stephen Coates

10557501 CANADA CORP.

By: /s/ Stephen Coates

10557510 CANADA CORP.

By: /s/ Stephen Coates

10557536 CANADA CORP.

By: /s/ Stephen Coates

10557544 CANADA CORP.

By: /s/ Stephen Coates

10557633 CANADA CORP.

By: /s/ Stephen Coates

10617059 CANADA CORP.

By: /s/ Stephen Coates

SCHEDULE “A” TO THE ARRANGEMENT AGREEMENT

**PLAN OF ARRANGEMENT UNDER THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
INTERPRETATION**

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

“**Amalco**” means the entity formed on the amalgamation of SubCo and Canntab pursuant to the Amalgamation Transaction in accordance with the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement dated January 12, 2018 among Telferscot, SubCo and Canntab;

“**Amalgamation Transaction**” means the transactions described in the Amalgamation Agreement resulting in the amalgamation between Canntab and SubCo in accordance under the provisions of the terms of the *Business Corporations Act* (Ontario);

“**Arrangement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to the proposed arrangement involving Telferscot Shareholders, the SpinCo1 Shareholders, the SpinCo2 Shareholders, the SpinCo3 Shareholders, the SpinCo4 Shareholders, the SpinCo5 Shareholders, the SpinCo6 Shareholders and the SpinCo7 Shareholders, pursuant to the CBCA on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

“**Arrangement Agreement**” means the arrangement agreement dated effective February 16, 2018, between the Parties with respect to the Arrangement, and all amendments thereto;

“**Assets**” means the assets of Telferscot described in Schedule B to the Arrangement Agreement;

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

“**Canntab**” means Canntab Therapeutics Limited, a company existing under the *Business Corporations Act* (Ontario);

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. 44, as may be amended or replaced from time to time;

“**Consolidated New Shares**” means the common shares of Telferscot issued and outstanding following the consolidation described in Section 3.1(j)(i);

“**Court**” means the Supreme Court of Justice of Ontario;

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

“**Depository**” means Capital Transfer Agency Inc.;

“**Director**” means the Director appointed pursuant to section 260 of the CBCA;

“**Distributed SpinCo1 Shares**” means the SpinCo1 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo2 Shares**” means the SpinCo2 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo3 Shares**” means the SpinCo3 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo4 Shares**” means the SpinCo4 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo5 Shares**” means the SpinCo5 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo6 Shares**” means the SpinCo6 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Distributed SpinCo7 Shares**” means the SpinCo7 Shares that are to be distributed to the Telferscot Shareholders pursuant to Section 3.1;

“**Effective Date**” means the date the Arrangement becomes effective under the CBCA;

“**Exchange Factor**” means the number arrived at by dividing 2,500,000 by the number of issued Telferscot Shares as of the close of business on the Share Distribution Record Date. On the assumption that Telferscot will have 125,000,000 Telferscot Shares outstanding on the Share Distribution Record Date, the Exchange Factor will be 0.02;

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

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

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

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

“**Parties**” means, collectively, Telferscot, SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7 and “**Party**” means any one of them;

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

“Share Distribution Record Date” means the close of business on the day which is four Business Days after the date of the Telferscot Meeting or such other date as agreed to by the Parties, which date establishes the Telferscot Shareholders who will be entitled to receive SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares, pursuant to this Plan of Arrangement;

“SpinCo1” means 10557404 Canada Corp., a private company incorporated under the CBCA;

“SpinCo1 Shares” means the common shares without par value in the authorized share structure of SpinCo1, as constituted on the date of the Arrangement Agreement;

“SpinCo1 Stock Option Plan” means the proposed common share purchase option plan of SpinCo1, which is subject to Telferscot Shareholder approval;

“SpinCo2” means 10557501 Canada Corp., a private company incorporated under the CBCA;

“SpinCo2 Shares” means the common shares without par value in the authorized share structure of SpinCo2, as constituted on the date of the Arrangement Agreement;

“SpinCo2 Stock Option Plan” means the proposed common share purchase option plan of SpinCo2, which is subject to Telferscot Shareholder approval;

“SpinCo3” means 10557510 Canada Corp., a private company incorporated under the CBCA;

“SpinCo3 Shares” means the common shares without par value in the authorized share structure of SpinCo3, as constituted on the date of the Arrangement Agreement;

“SpinCo3 Stock Option Plan” means the proposed common share purchase option plan of SpinCo3, which is subject to Telferscot Shareholder approval;

“SpinCo4” means 10557536 Canada Corp., a private company incorporated under the CBCA;

“SpinCo4 Shares” means the common shares without par value in the authorized share structure of SpinCo4, as constituted on the date of the Arrangement Agreement;

“SpinCo4 Stock Option Plan” means the proposed common share purchase option plan of SpinCo4, which is subject to Telferscot Shareholder approval;

“SpinCo5” means 10557544 Canada Corp., a private company incorporated under the CBCA;

SpinCo5 Shares” means the common shares without par value in the authorized share structure of SpinCo5, as constituted on the date of the Arrangement Agreement;

“SpinCo5 Stock Option Plan” means the proposed common share purchase option plan of SpinCo5, which is subject to Telferscot Shareholder approval;

“SpinCo6” means 10557633 Canada Corp., a private company incorporated under the CBCA;

“SpinCo6 Shares” means the common shares without par value in the authorized share structure of SpinCo6, as constituted on the date of the Arrangement Agreement;

“**SpinCo6 Stock Option Plan**” means the proposed common share purchase option plan of SpinCo6, which is subject to Telferscot Shareholder approval;

“**SpinCo7**” means 10617059 Canada Corp., a private company incorporated under the CBCA;

“**SpinCo7 Shares**” means the common shares without par value in the authorized share structure of SpinCo1, as constituted on the date of the Arrangement Agreement;

“**SpinCo7 Stock Option Plan**” means the proposed common share purchase option plan of SpinCo7, which is subject to Telferscot Shareholder approval;

“**Subco**” means 2611780 Ontario Inc., a wholly-owned subsidiary existing under the *Business Corporations Act* (Ontario) formed for the purposes of completing the Amalgamation Transaction;

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

“**Telferscot**” means Telferscot Resources Inc., a company existing under the CBCA;

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

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

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

“**Telferscot Shares**” means the common shares of Telferscot and “**Telferscot Shareholder**” means the holders from time to time of Telferscot Shares;

“**Transfer Agent**” means Capital Transfer Agency Inc. at its principal office in Toronto, Ontario.

- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

**ARTICLE 2
ARRANGEMENT AGREEMENT**

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

**ARTICLE 3
ARRANGEMENT**

- 3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
- (a) Telferscot will transfer the Assets to each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo 6 and SpinCo 7 in consideration for 12,500,000 shares from each of SpinCo1 and SpinCo5 (the “**Distributed SpinCo1 Shares**” and the “**Distributed SpinCo5 Shares**”), 2,500,000 shares from each of SpinCo2, SpinCo3, SpinCo4, and SpinCo6 (the “**Distributed SpinCo2 Shares**”, the “**Distributed SpinCo3 Shares**”, the “**Distributed SpinCo4 Shares**”, and the “**Distributed SpinCo6 Shares**”), and 25,000,000 SpinCo7 Shares (the “**Distributed SpinCo7 Shares**”). Thereafter, Telferscot will be added to the securities register of each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7 in respect of such SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares;
 - (b) The authorized share capital of Telferscot will be changed by:
 - (i) Altering the identifying name of the Telferscot Shares to class “A” common shares without par value, being the Telferscot Class A Shares;
 - (ii) Creating a class consisting of an unlimited number of common shares without par value (the “**New Shares**”); and
 - (iii) Creating a class consisting of an unlimited number of class “A” preferred shares without par value, having the rights and restrictions described in Schedule “A” to the Plan of Arrangement, being the Telferscot Class A Preferred Shares;
 - (c) Each issued Telferscot Class A Share will be exchanged for one New Share and one Telferscot Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Telferscot Class A Shares will be removed from the securities register of Telferscot and will be added to the securities register as the holders of the number of New Shares and Telferscot Class A Preferred Shares that they have received on the exchange;
 - (d) All of the issued Telferscot Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Telferscot and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the Telferscot Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Telferscot Class A Preferred Shares so that the aggregate paid-up capital of the Telferscot

Class A Preferred Shares is equal to the aggregate fair market value of the Distributed SpinCo1 Shares, the Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and the Distributed SpinCo7 Shares as of the Effective Date, and each Telferscot Class A Preferred Share so issued will be issued by Telferscot at an issue price equal to the aggregate fair market value of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares as of the Effective Date divided by the number of issued Telferscot Class A Preferred Shares, such aggregate fair market value of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares to be determined as at the Effective Date by resolution of the board of directors of Telferscot;

- (e) Telferscot will redeem the issued Telferscot Class A Preferred Shares for consideration consisting solely of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares such that each holder of Telferscot Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive: (i) that number of SpinCo1 Shares and SpinCo5 Shares that is equal to the number of Telferscot Class A Preferred Shares held by such holder multiplied by 5 times the Exchange Factor; (ii) that number of SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, and SpinCo6 Shares that is equal to the number of Telferscot Class A Preferred Shares held by such holder multiplied by the Exchange Factor; and (iii) that number of SpinCo7 Shares that is equal to the number of Telferscot Class A Preferred Shares held by such holder multiplied by 10 times the Exchange Factor;
- (f) The name of each holder of Telferscot Class A Preferred Shares will be removed as such from the central securities register of Telferscot, and all of the issued Telferscot Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of Telferscot;
- (g) The Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares transferred to the holders of the Telferscot Class A Preferred Shares pursuant to step (e) above will be registered in the names of the former holders of Telferscot Class A Preferred Shares and appropriate entries will be made in the central securities registers of each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7;
- (h) The Telferscot Class A Shares and the Telferscot Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps (c) and (e) above are completed, will be cancelled and the authorized share structure of Telferscot will be changed by eliminating the Telferscot Class A Shares and the Telferscot Class A Preferred Shares therefrom;
- (i) The Articles of Telferscot will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement;

- 3.2 After the Effective Date and subsequent to the completion of the Plan of Arrangement and subject to receipt of all necessary approvals, Telferscot will complete the Amalgamation Transaction in accordance with the following:
- (a) The New Shares will be consolidated on the basis of one (1) Consolidated New Share in exchange for every two-hundred (200) New Shares of Telferscot;
 - (b) Concurrent with the completion of the Amalgamation Transaction, shareholders of Canntab will receive four (4) Consolidated New Shares in exchange for each one (1) common share of Canntab, and all the common shares of Canntab will be cancelled; and
 - (c) the attributes of Amalco shall be as described in the Article 2 of the Amalgamation Agreement.
- 3.3 Notwithstanding Section 3.1(e), no fractional SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 or SpinCo7 Shares shall be distributed to the Telferscot Shareholders or the holders of Telferscot Share Commitments and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and Distributed SpinCo7 Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Telferscot in its absolute discretion.
- 3.4 The holders of the Telferscot Class A Shares and the holders of New Shares and Telferscot Class A Preferred Shares referred to in Section 3.1(c), and the holders of the Telferscot Class A Preferred Shares referred to in Section 3.1(e), Section 3.1(f) and Section 3.1(g), shall mean in all cases those persons who are Telferscot Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
- 3.5 In addition to the chronological order in which the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the Telferscot Class A Preferred Shares set out in Section 3.1(e) shall occur and shall be deemed to occur after Telferscot has obtained conditional approval to list its Consolidated New Shares on the CSE.
- 3.6 All New Shares, Telferscot Class A Preferred Shares, SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.
- 3.7 The Arrangement shall become final and conclusively binding on the Telferscot Shareholders, the SpinCo1 Shareholders, the SpinCo2 Shareholders, the SpinCo3 Shareholders, the SpinCo4 Shareholders, the SpinCo5 Shareholders, the SpinCo6 Shareholders, the Spinco7 Shareholders and the Parties on the Effective Date.
- 3.8 Notwithstanding that the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors

authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

ARTICLE 4 CERTIFICATES

- 4.1 Recognizing that the Telferscot Shares shall be redeemed and re-designated as Telferscot Class A Shares pursuant to Section 3.1(b)(i) and that the Telferscot Class A Shares shall be exchanged partially for New Shares pursuant to Section 3.1(c), Telferscot shall not issue replacement share certificates representing the Telferscot Class A Shares.
- 4.2 Recognizing that the Distributed SpinCo1 Shares, the Distributed SpinCo2 Shares, the Distributed SpinCo4 Shares, the Distributed SpinCo5 Shares, the Distributed SpinCo6 Shares and the Distributed SpinCo7 Shares shall be transferred to the Telferscot Shareholders as consideration for the redemption of the Telferscot Class A Preferred Shares pursuant to Section 3.1(e), each of SpinCo1, SpinCo2, SpinCo4, SpinCo5, SpinCo6 and SpinCo7 shall issue one share certificate representing all of the respective Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares registered in the name of Telferscot, which share certificate shall be held by the Depository until the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares are transferred to the Telferscot Shareholders and such certificate shall then be cancelled by the Depository. To facilitate the transfer of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares to the Telferscot Shareholders as of the Share Distribution Record Date, Telferscot shall execute and deliver to the Depository and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares to such Telferscot Shareholders in accordance with the terms of this Plan of Arrangement and each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7 shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.
- 4.3 Recognizing that all of the Telferscot Class A Preferred Shares issued to the Telferscot Shareholders pursuant to Section 3.1(c) will be redeemed by Telferscot as consideration for the distribution and transfer of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares under Section 3.1(e), Telferscot shall issue one share certificate representing all of the Telferscot Class A Preferred Shares issued pursuant to Section 3.1(e) in the name of the Depository, to be held by the Depository for the benefit of the Telferscot Shareholders until such Telferscot Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, each of SpinCo1, SpinCo2, SpinCo3, SpinCo4, SpinCo5, SpinCo6 and SpinCo7 shall cause to be issued to the registered holders of Telferscot Shares as of the Share Distribution Record Date, evidences of ownership representing the respective SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares,

SpinCo6 Shares and SpinCo7 Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such evidence of ownership to be mailed to such registered holders.

- 4.5 From and after the Effective Date, share certificates representing Telferscot Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New Shares, and no new share certificates shall be issued with respect to the New Shares issued in connection with the Arrangement.
- 4.6 Telferscot Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New Shares, and shall not carry any right to receive a portion of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 or Distributed SpinCo7 Shares.

ARTICLE 5 DISSENTING SHAREHOLDERS

- 5.1 Notwithstanding Section 3.1 hereof, holders of Telferscot Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in section 190 of the CBCA (collectively, the “**Dissent Procedures**”).
- 5.2 Telferscot Shareholders who duly exercise Dissent Rights with respect to their Telferscot Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to Telferscot for cancellation immediately before the Effective Date; or
 - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Telferscot Shareholder and shall receive New Shares, SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares on the same basis as every other non-dissenting Telferscot Shareholder, and in no case shall Telferscot be required to recognize such person as holding Telferscot Shares on or after the Effective Date.
- 5.3 If a Telferscot Shareholder exercises the Dissent Right, Telferscot shall on the Effective Date set aside and not distribute that portion of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares that is attributable to the Telferscot Shares for which the Dissent Right has been exercised. If the dissenting Telferscot Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Telferscot shall distribute to such Telferscot Shareholder his, her or its *pro-rata* portion of the respective Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares. If a Telferscot Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Telferscot shall retain the portion of the Distributed SpinCo1 Shares, Distributed SpinCo2 Shares, Distributed SpinCo3 Shares, Distributed SpinCo4 Shares, Distributed SpinCo5 Shares, Distributed SpinCo6 Shares and Distributed SpinCo7 Shares

attributable to such Telferscot Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of Telferscot in its absolute discretion.

ARTICLE 6 AMENDMENTS

- 6.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (i) set out in writing;
 - (ii) filed with the Court and, if made following the Telferscot Meeting, approved by the Court; and
 - (iii) communicated to holders of Telferscot Shares, SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares and SpinCo7 Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Telferscot at any time prior to the Telferscot Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Telferscot Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 6.3 Telferscot, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Telferscot Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of Telferscot Shares, SpinCo1 Shares, SpinCo2 Shares, SpinCo3 Shares, SpinCo4 Shares, SpinCo5 Shares, SpinCo6 Shares or SpinCo7 Shares, as the case may be.

ARTICLE 7 REFERENCE DATE

- 7.1 This plan of arrangement is dated for reference the _____ day of _____, 2018.

SCHEDULE "A" TO THE PLAN OF ARRANGEMENT

SPECIAL RIGHTS AND RESTRICTIONS FOR TELFERSCOT CLASS A PREFERRED SHARES

The class A preferred shares as a class shall have attached to them the following special rights and restrictions:

Definitions

1. In these Special Rights and Restrictions,
 - (a) "**Arrangement**" means the arrangement pursuant to Section 192 of the *Canada Business Corporations Act* as contemplated by the Arrangement Agreement,
 - (b) "**Arrangement Agreement**" means the Arrangement Agreement dated as of February 16, 2018 between Telferscot Resources Inc. (the "**Company**"), 10557404 Canada Corp., 10557501 Canada Corp., 10557510 Canada Corp., 10557536 Canada Corp., 10557544 Canada Corp., 10557633 Canada Corp., and 10617059 Canada Corp.
 - (c) "**Effective Date**" means the date upon which the Arrangement becomes effective,
 - (d) "**New Shares**" means the common shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
 - (e) "**Old Common Shares**" means the common shares in the authorized share structure of the Company that have been re-designated as class A common shares without par value pursuant to the Plan of Arrangement,
 - (f) "**Plan of Arrangement**" means the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement.
2. The holders of the class A preferred shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
3. Class A preferred shares shall only be issued on the exchange of Old Common Shares for New Shares and class A preferred shares pursuant to and in accordance with the Plan of Arrangement.
4. The capital to be allocated to the class A preferred shares shall be the amount determined in accordance with Section 3.1(d) of the Plan of Arrangement.
5. The class A preferred shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
6. Any class A preferred share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.
7. The New Shares shall be identical to the Old Common Shares and shall have the following characteristics:
 - (a) each holder of a New Share shall be entitled to receive notice of and to attend all meetings of shareholders of the Company;

- (b) each holder of a New Share shall be entitled to one vote for each New Share;
- (c) each holder of a New Share shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any class of shares in the capital of the Company having a preference over the New Shares with respect to dividends, to receive dividends if, as and when declared by the board of directors of the Company; and
- (d) the holders of the New Shares are entitled to receive the remaining property of the Company on dissolution.

SCHEDULE "B" TO THE ARRANGEMENT AGREEMENT

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10557404 CANADA CORP.

The Letter of Intent dated as of February 5, 2018 between Telferscot Resources Inc. and Bright Mega Capital Corporation.

All commitments to invest up to \$120,000 in cash to fund the operations of SpinCo1

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10557501 CANADA CORP.

The Letter of Intent dated as of February 12, 2018 between Telferscot Resources Inc. and Horizon Capital Corp.

All commitments to invest up to \$600,000 in cash to fund the operations of SpinCo2

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10557510 CANADA CORP.

The Letter of Intent dated as of October 20, 2017 between Telferscot Resources Inc. and Canada Crypto Exchange Corp.

All commitments to invest up to \$180,000 in cash to fund the operations of SpinCo3

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10557536 CANADA CORP.

The Letter of Intent dated as of February 5, 2018 between Telferscot Resources Inc. and My Wine Canada Inc.

All commitments to invest up to \$120,000 in cash to fund the operations of SpinCo4

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10557544 CANADA CORP.

The Letter of Intent dated as of August 2, 2017 between Telferscot Resources Inc. and New Cornubia Resources Inc.

All commitments to invest up to \$120,000 in cash to fund the operations of SpinCo5

TELFERSCOT ASSETS TO BE TRANSFERRED TO 1055633 CANADA CORP.

The Memorandum of Understanding dated as of January 5, 2018 between Telferscot Resources Inc. and Enviro Resources Limited.

All commitments to invest up to \$126,000 in cash to fund the operations of SpinCo6

TELFERSCOT ASSETS TO BE TRANSFERRED TO 10617059 CANADA CORP.

All rights to the proceeds of the litigation between Telferscot Resources Inc. and Auxico Resources Canada Inc. together with an assumption of liabilities of approximately \$38,280 relating to the transaction with Auxico Resources Canada Inc.

All commitments to invest up to \$12,000 in cash to fund the operations of SpinCo7

SCHEDULE "C" TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557404 CANADA CORP.**

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2018, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

SCHEDULE “D” TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557501 CANADA CORP.**

“BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2108, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

SCHEDULE “E” TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557510 CANADA CORP.**

“BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2018, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

SCHEDULE "F" TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557536 CANADA CORP.**

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2108, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

SCHEDULE "G" TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557544 CANADA CORP.**

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2018, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

SCHEDULE "H" TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10557633 CANADA CORP.**

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2018, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

SCHEDULE "I" TO THE ARRANGEMENT AGREEMENT

**SPECIAL RESOLUTION TO APPROVE THE STOCK OPTION PLAN OF
10617059 CANADA CORP.**

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, as described in the management information circular of the Corporation dated February 21, 2018, be and is hereby ratified and approved for the ensuing year; and

2. Any one (1) director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."