

**CRYSTAL BRIDGE ENTERPRISES INC.**

439 Helmcken Street  
Vancouver, BC V6B 2E6

**MANAGEMENT INFORMATION CIRCULAR**

as at **November 13, 2020**

**This management information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Crystal Bridge Enterprises Inc. (the “Company”) for use at the special meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on December 17, 2020 and any adjournment or postponement thereof, for the purposes set forth in the attached notice of Meeting. Except where otherwise indicated, the information contained herein is stated as of November 13, 2020.**

In this Information Circular, references to the “**Company**” and “**we**” refer to Crystal Bridge Enterprises Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

**INTRODUCTION**

In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, Shareholders, and other stakeholders, unless we advise otherwise by way of news release, **the Meeting will be held by way of video conference only.** Registered shareholders and validly appointed proxyholders may attend the Meeting by contacting Rob Bakshi at (604) 761-2100 to obtain a web link that will permit them to attend the Meeting by video conference.

**Due to the COVID-19 pandemic and issues related to the verification of Shareholder identity, in person voting will not be permitted at the Meeting.** If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return, in the envelope provided for that purpose, the accompanying form of proxy (“**Proxy**”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“**VIF**”) provided to you in accordance with the instructions provided therein.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

## **Appointment and Revocation of Proxies**

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

If you are a Registered Shareholder and wish to have your shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic and issues related to the verification of shareholder identity, in person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

**The Proxy must be received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.**

Registered Shareholders electing to submit a Proxy may do so by:

- (i) **Internet:** Vote online at [www.investorvote.com](http://www.investorvote.com) using the Proxy Control Number found in the enclosed Proxy;
- (ii) **Mail:** Completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (iii) **Telephone:** Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder's account number and the Proxy Control Number.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Registered Shareholder or by his/her attorney authorized in writing or, where the Registered Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see "Voting by Non-Registered Shareholders" below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

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

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

**Given the fact that voting will only be permitted by proxy due to the COVID-19 pandemic, Management does not intend to allow matters not contemplated in the Notice of Meeting to be considered at the Meeting.**

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

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

Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the VIF received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The VIF supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The VIF sent by Computershare or Broadridge will name the same persons as the Company's Proxy to represent you at the Meeting. As a Non-Registered Shareholder you may not be recognized directly at the Meeting. In order to attend the meeting or appoint a proxyholder of your own choosing to attend the meeting, you should insert your own name or the name of the desired representative in the blank space provided in the VIF. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as proxyholder for your Intermediary. The completed VIF should be returned in accordance with the instructions on the form.

**If you receive a VIF from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed and returned in accordance with its instructions well in advance of the voting deadline in order to have your Common Shares voted at the Meeting.**

## **Voting by Proxy Generally**

**Proxies will not be accepted at the Meeting.** All Proxies must be submitted to Computershare by 10:00 a.m. (*Pacific Standard time*) on Tuesday, December 15, 2020 (the “**Proxy Deadline**”). Registered shareholders and validly appointed proxyholders may attend the Meeting by contacting Rob Bakshi at (604) 761-2100 to obtain a web link that will permit them to attend the Meeting by video conference.

As there will be no in person attendance or voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy report (the “**Proxy Report**”). The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, **no ballots will be permitted at the Meeting.** All results will be determined by reference to the Proxy Report. Management of the Company will advise at the Meeting the voting results for each matter set out in the Proxy Report and Shareholders will be entitled to request a copy of the Proxy Report from Management after the Meeting.

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

## **RECORD DATE AND QUORUM**

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on November 13, 2020 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at a meeting of Shareholders is two persons who are, or who represent by Proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of preferred share without par value. On the Record Date, there were 11,710,000 Common Shares issued and outstanding, with each Common Share carrying the right to one vote, and no preferred shares outstanding. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, there are no beneficial owners or persons exercising control or direction over Common Shares carrying 10% or more of the outstanding voting rights as of the Record Date.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying notice of Meeting and more particularly discussed below.

## Creation of Restricted Voting Shares

On October 27, 2020, the Company entered into an agreement with Alpha Cognition Inc. (“**Alpha**”), pursuant to which the parties propose to complete a business combination by way of a plan of arrangement (the “**Arrangement**”). The Arrangement is intended to constitute the Company’s Qualifying Transaction, as that term is defined in the TSX Venture Exchange Corporate Finance policy manual. Pursuant to the Arrangement, the Company will acquire all of the issued and outstanding securities of Alpha, and will carry on the business of Alpha.

A condition to closing of the Arrangement is that the Company obtain Shareholder approval of, and create, a class of restricted voting shares (the “**Restricted Voting Shares**”) with special rights and restrictions attached. The authorized capital of the Company currently consists of an unlimited number of Common Shares, each carrying the right to one vote and an unlimited number of preferred shares, none of which are issued. The Company also proposes to create a new class of preferred shares as described below under “Creation of Preferred Shares”, which will each have the right to one vote and will vote together with the holders of Common Shares and Restricted Voting Shares.

It is proposed that the articles of the Company be amended to create the Restricted Voting Shares, to be designated as “Class A Restricted Voting Shares”. The restrictions on conversion of the Restricted Voting Shares are designed to allow the Company to maintain its status as a “foreign private issuer”, as determined in accordance with the United States Securities Exchange Act of 1934 (“**Foreign Private Issuer**”), on completion of the Arrangement. If a company loses its status as a Foreign Private Issuer, it will be a “domestic issuer” under the United States Securities Exchange Act of 1934 (“**Domestic Issuer**”), and subject to the reporting requirements of United States securities laws.

A company will be a Domestic Issuer if: (A) 50% or more of the holders of voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (B) any of the following apply: (i) the majority of the executive officers or directors of the Company are United States citizens or residents; (ii) the Company has 50% or more of its assets located in the United States; or (iii) the business of the Company is principally administered in the United States. It is proposed that the new Restricted Voting Shares initially will be issued to certain Shareholders who are resident in the United States. Unlike the Common Shares, the Restricted Voting Shares will not entitle the holder to exercise voting rights in respect of the election of directors of the Company. Issuing Restricted Voting Shares to these U.S. Persons reduces the likelihood that the Company will become a Domestic Issuer on completion of the Arrangement.

On closing of the Arrangement, following completion of a consolidation of the Company’s Common Shares on the basis of one post-consolidated Common Share (a “**Post-Consolidated Share**”) for each 7.14 Common Shares outstanding, it is expected that the Restricted Voting Shares will account for approximately 12% of the Company’s voting securities. As there are no restrictions on issue or transfer of the Post-Consolidated Shares, and there is no restriction on the holders of Restricted Voting Shares converting their Restricted Voting Shares to Post-Consolidated Shares after June 30, 2021, there is no guarantee that the Company will not become a Domestic Issuer in the future.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to authorize and approve the creation of the Restricted Voting Shares and the special rights and restrictions (the “**RVS Special Rights**”) to be attached to the Restricted Voting Shares. The proposed RVS Special Rights include the following restrictions, conditions and limitations:

- (1) The holders of the Restricted Voting Shares will be entitled to receive notice of and attend all meetings of the shareholders of the Company and will be entitled to vote at meetings of the holders of Post-Consolidated Shares of the Company, except that **holders of Restricted Voting Shares will not be entitled to vote for the election or removal of directors of the Company.**
- (2) The holders of Restricted Voting Shares will be entitled to receive dividends as and when declared by the Board, provided that no dividend may be declared or paid in respect of Restricted Voting Shares unless concurrently therewith the same dividend is declared or paid on the Post-Consolidated Shares.

- (3) The holders of Restricted Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, to share rateably, together with the holders of the Post-Consolidated Shares, in such assets of the Company as are available for distribution.
- (4) Restricted Voting Shares may only be transferred pursuant to an offer to purchase Restricted Voting Shares made to all of the holders of Restricted Voting Shares.
- (5) If an offer is made to purchase all or substantially all of the Post-Consolidated Shares, each Restricted Voting Share shall be deemed converted into one Post-Consolidated Shares concurrent with closing of the offer.
- (6) Each Restricted Voting Share will be convertible into one Post-Consolidated Share at the option of the holder of the Restricted Voting Share: (i) at any time, provided that on or before June 30, 2021 the approval of the Board is required, which approval may be refused if the Company would cease to qualify as a Foreign Private Issuer; (ii) if the Company enters into a binding agreement that would result in a change of control; or (iii) if a meeting of shareholders is called to elect directors who are not nominees of the Company or management of the Company or if a meeting of shareholders is called at which a contested election of directors will be considered.

Shareholders are directed to the full text of the rights and restrictions of the Restricted Voting Shares set out in Article 27.1.1 of the proposed amendment to the Articles of the Company attached to this Information Circular as Schedule "A".

The ordinary resolution approving the Restricted Voting Shares permits the Board, without further approval by the Shareholders, to choose not to proceed with the creation of the Restricted Voting Shares and RVS Special Rights if, in the discretion of the Board, it is deemed desirable to do so. Management of the Company and the Board believe that the creation of the Restricted Voting Shares and RVS Special Rights is in the best interests of the Company as it will facilitate the completion of the Arrangement. **The Board recommends that Shareholders vote FOR the approval of the ordinary resolution authorizing the creation of the Restricted Voting Shares and RVS Special Rights.**

#### Restricted Voting Shares Resolution

Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED that:

- (a) there be created a class of Class A restricted voting shares (the "**Restricted Voting Shares**") of the Company with no par value;
- (b) there be no maximum number of Restricted Voting Shares that the Company is authorized to issue;
- (c) there be created and attached to the Restricted Voting Shares the special rights and restrictions (the "**RVS Special Rights**"), substantially in the form set out in the information circular in respect of this shareholders' meeting;
- (d) the Articles of the Company be altered by the addition of Article 27.1.1, substantially in the form set out in the information circular in respect of this shareholders' meeting, to create and attach the RVS Special Rights to the Restricted Voting Shares;
- (e) the alteration to the Articles of the Company referred to above will not take effect until the Notice of Alteration has been filed with the Registrar of Companies and takes effect;
- (f) the Notice of Articles of the Company be altered to reflect the alterations authorized by the foregoing resolutions;
- (g) notwithstanding that the foregoing resolution been duly passed by the Shareholders, the board of directors of the Company be and is hereby authorized and empowered, without further approval or authorization of the Shareholders, to revoke such resolution at any time prior to it being acted upon; and

- (h) any one director or officer of the Company is hereby authorized for and on behalf of the Company to take all such action, do all such things and execute under seal or otherwise and deliver or cause to be delivered all such documents that such director or officer deems necessary or desirable in furtherance of the foregoing resolution.”

### **Approval of New Preferred Shares**

A condition to closing of the Arrangement is that the Company obtain Shareholder approval of, and create, a class and series of preferred shares (the “**New Preferred Shares**”) with special rights and restrictions attached. It is proposed that the articles of the Company be amended to replace the current preferred shares of the Company (none of which are issued) with the New Preferred Shares, to be designated as “Series A, Class B Preferred Shares”. On closing of the Arrangement, the New Preferred Shares will be issued in exchange for preferred shares of Alpha, being the “Series A, Class C Preferred Shares” which are held by certain founders of Alpha. On closing of the Arrangement, it is expected that 7,916,380 New Preferred Shares will be issued.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to authorize and approve the elimination of the Company’s current preferred shares, the creation of the New Preferred Shares, and the creation of the special rights and restrictions (the “**Preferred Share Special Rights**”) to be attached to the New Preferred Shares. The proposed Preferred Share Special Rights include the following restrictions, conditions and limitations:

- (1) The New Preferred Shares have a deemed issue price of \$0.25 (“**Deemed Issue Price**”).
- (2) The holders of the New Preferred Shares will be entitled to receive notice of and attend all meetings of the shareholders of the Company and will be entitled to vote at meetings of the holders of Post-Consolidated Shares of the Company. The holders of New Preferred Shares will vote together with holders of Post-Consolidated Shares and Restricted Voting Shares as a single class.
- (3) The holders of New Preferred Shares will be entitled to receive dividends as and when declared by the Board. The New Preferred Shares rank in priority to the Post-Consolidated Shares and Restricted Voting Shares for payment of dividends. Dividends on the New Preferred Shares are non-cumulative. If the holders of the New Preferred Shares receive dividends in an aggregate amount equal to or greater than the Deemed Issue Price, the New Preferred Shares shall be automatically converted to Post-Consolidated Shares.
- (4) In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the New Preferred Shares shall be entitled to receive out of the assets and funds of the Company, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Post-Consolidated Shares and Restricted Voting Shares, an amount per New Preferred Share equal to two times the Deemed Issue Price of the New Preferred Shares (as appropriately adjusted for any stock dividends, combinations or splits) plus all accrued or declared but unpaid dividends on such New Preferred Shares (the “**Liquidation Preference**”). After payment in full of the Liquidation Preference has been made to the holders of the New Preferred Shares, all remaining assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the New Preferred Shares, Post-Consolidated Shares and Restricted Voting Shares. Upon payment of the Liquidation Preference, each New Preferred Share will convert into one Post-Consolidated Share.
- (5) Each New Preferred Share shall, at the option of the holder, be convertible into Post-Consolidated Shares at the rate of one Post-Consolidated Share for each New Preferred Share. All of the New Preferred Shares will be automatically converted to Post-Consolidated Shares if any of the following events occur:
  - (a) upon the completion of an initial public offering, or a reverse take-over with a qualifying secondary offering, pursuant to which the Post-Consolidated Shares are listed for trading on the New York Stock Exchange, NYSE Amex, the NASDAQ National Market or SmallCap Quotation System or a successor to any of the foregoing, raising at least US\$40 million, and a price per share which values the Company at US\$160 million or more, prior to listing;

- (b) A third party makes a bona fide offer to acquire 100% of the Company's shares, or execute a merger or amalgamation in which effective control of the Company is transferred, and such offer has been approved by the Board and its shareholders, such that shareholders receive proceeds from the transaction of at least US\$160 million in the form of shares or cash or a combination of both;
- (c) A third party makes a bona fide offer to acquire all or substantially all of the Company's assets, for sale proceeds of at least US\$180 million and such offer has been approved by the Board and its shareholders, and provided that the shareholders on closing receive proceeds from the transaction by way of dividend and return of capital or otherwise of at least US\$160 million; or
- (d) A third party makes a bona fide offer to acquire certain specific Company asset(s), for sale proceeds of at least US\$180 million, and provided that the provision of subsection (c) is not triggered, and such offer has been approved by the Board and provided that the shareholders on closing receive proceeds from the transaction by way of dividend, return of capital or otherwise of at least US\$160 million,

(collectively, a "**Qualified Transaction**"). If the New Preferred Shares are subject to automatic conversion as a result of a Qualified Transaction, prior to such conversion they shall be entitled to receive a dividend per New Preferred Share equal to the Deemed Issue Price.

Shareholders are directed to the full text of the rights and restrictions of the New Preferred Shares set out in Articles 27.2 and 27.3 of the proposed amendment to the Articles of the Company attached to this Information Circular as Schedule "B".

The ordinary resolution approving the New Preferred Shares permits the Board, without further approval by the Shareholders, to choose not to proceed with the creation of the New Preferred Shares and Preferred Share Special Rights if, in the discretion of the Board, it is deemed desirable to do so. Management of the Company and the Board believe that the creation of the New Preferred Shares and Preferred Share Special Rights is in the best interests of the Company as it will facilitate the completion of the Arrangement. **The Board recommends that Shareholders vote FOR the approval of the ordinary resolution authorizing the creation of the New Preferred Shares and Preferred Share Special Rights.**

#### New Preferred Shares Resolution

Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED that:

- (a) the class of preferred shares with no par value, none of which is allotted or issued, be eliminated, and the special rights and restrictions attached thereto be deleted;
- (b) there be created a class and series of preferred shares of the Company, being the Series A, Class B preferred shares (the "**New Preferred Shares**") with no par value;
- (c) there be no maximum number of New Preferred Shares that the Company is authorized to issue;
- (d) there be created and attached to the New Preferred Shares the special rights and restrictions (the "**Preferred Share Special Rights**"), substantially in the form set out in the information circular in respect of this shareholders' meeting;
- (e) the Articles of the Company be altered by deleting the current Article 27.2 and adopting Article 27.2 and 27.3, substantially in the form set out in the information circular in respect of this shareholders' meeting, to create and attach the Preferred Share Special Rights to the New Preferred Shares;
- (f) the alteration to the Articles of the Company referred to above will not take effect until the Notice of Alteration has been filed with the Registrar of Companies and takes effect;

- (g) the Notice of Articles of the Company be altered to reflect the alterations authorized by the foregoing resolutions;
- (h) notwithstanding that the foregoing resolution has been duly passed by the Shareholders, the board of directors of the Company be and is hereby authorized and empowered, without further approval or authorization of the Shareholders, to revoke such resolution at any time prior to it being acted upon; and
- (i) any one director or officer of the Company is hereby authorized for and on behalf of the Company to take all such action, do all such things and execute under seal or otherwise and deliver or cause to be delivered all such documents that such director or officer deems necessary or desirable in furtherance of the foregoing resolutions.”

### **Approval of Transfer to the NEX Board of the TSX Venture Exchange**

The Company is a Capital Pool Company (“CPC”) under the policies of the TSX Venture Exchange (the “Exchange”). In accordance with the policies of the Exchange, the Company must complete a Qualifying Transaction within 24 months from the date of listing its Common Shares on the Exchange. The Company did not complete a Qualifying Transaction prior to this deadline, but the Arrangement with Alpha is intended to constitute the Company’s Qualifying Transaction.

If the Qualifying Transaction with Alpha is not completed, the Company anticipates that it will be delisted from trading on the Exchange unless it receives Shareholder approval for transfer of the listing of its Common Shares to the NEX. In order to transfer to the NEX, the Company must obtain majority Shareholder approval, exclusive of the votes of non-arm’s length parties, for such transfer. In addition, pursuant to the policies of the Exchange, the Company must also either: (a) cancel all Common Shares issued prior to the Company’s initial public offering (the “IPO”) at a price less than \$0.10 per share, being the price at which the Company conducted the IPO, as if the Company had delisted from the Exchange; or (b) subject to the approval of a majority of Shareholders, cancel an amount of Common Shares issued prior to the IPO (“Seed Shares”) purchased by parties that are non-arm’s length to the Company (being certain directors, officers and insiders of the Company) such that the average cost of the remaining Seed Shares is at least equal to \$0.10, the price at which the Company conducted its IPO.

The NEX is a distinct trading board of the Exchange designed for listed issuers which were previously listed on the Exchange or the Toronto Stock Exchange that have been unable to meet the ongoing listing requirements of those markets. The NEX provides a trading forum for publicly listed shell companies while they seek to undertake transactions which will result in their carrying on an active business. A CPC that transfers to the NEX must continue to comply with all of the requirements and restrictions of the Exchange Policy 2.4 – *Capital Pool Companies*, and continue searching for and evaluating potential assets and/or businesses to acquire.

In order to be effective, the resolutions approving the transfer to the NEX must be passed by a majority of votes cast by the Shareholders at the Meeting, other than Shareholders who are non-arm’s length to the Company. Parties who are “non-arm’s length” to the Company include its directors, officers, promoters and insiders, or their associates and affiliates, as such terms are defined under the policies of the Exchange. **The Board recommends that Shareholders vote FOR the approval of the ordinary resolution authorizing the transfer to the NEX.**

#### NEX Transfer Resolution

Shareholders, other than Shareholders who are non-arm’s length to the Company, will be asked to approve the following ordinary resolution:

“BE IT RESOLVED that:

- (a) the Company is authorized to make an application to the TSX Venture Exchange (the “Exchange”) to transfer its listing to the NEX;
- (b) the Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the Exchange to obtain Exchange acceptance of the transfer to the NEX;

- (c) the Company is authorized to cancel such number of Common Shares issued prior to the IPO (“Seed Shares”) held by non-arm’s length parties to the Company and currently deposited into escrow in accordance with the terms of the Escrow Agreement dated August 30, 2018 between the Company, Computershare Investor Services Inc. and the holders of Seed Shares, such that the average cost of the remaining Seed Shares is at least equal to the Company’s initial public offering price of \$0.10 per share;
- (d) notwithstanding that the foregoing resolution has been duly passed by the Shareholders, the board of directors of the Company be and is hereby authorized and empowered, without further approval or authorization of the Shareholders, to revoke such resolution at any time prior to it being acted upon; and
- (e) any one director or officer of the Company is hereby authorized for and on behalf of the Company to take all such action, do all such things and execute under seal or otherwise and deliver or cause to be delivered all such documents that such director or officer deems necessary or desirable in furtherance of the foregoing resolution.”

#### **OTHER BUSINESS**

As of the date of this Information Circular, the management of the Company knows of no other matters to be acted upon at the Meeting. Given the fact that voting will only be permitted by Proxy due to the COVID-19 pandemic, management does not intend to allow new matters not contemplated in the Notice of Meeting to be considered at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, executive officers, employees of the Company or associates or affiliates of such persons, or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the most recently completed financial year, indebted to the Company or any of its subsidiaries.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Since the commencement of the Company’s most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

#### **AUDITOR**

The auditor of the Company is Manning Elliott LLP, Chartered Professional Accountants, of 1030 W Georgia St #1700, Vancouver, BC V6E 2Y3. Manning Elliott LLP was first appointed as auditor of the Company on April 16, 2018 and was most recently re-appointed as auditor of the Company at the Company’s most recent annual general meeting.

#### **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company or subsidiary.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under their SEDAR profile at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("**MD&A**"), and any other public documents of the Company referred to herein, free of charge, by contacting Cawkell Brodie LLP, the Company's Registered and Records office at 439 Helmcken Street, Vancouver, British Columbia V6B 2E6. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

## **DIRECTORS' APPROVAL**

The contents and the sending of the accompanying notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 13<sup>th</sup> day of November, 2020.

**ON BEHALF OF THE BOARD OF DIRECTORS**

"Rajeev 'Rob' Bakshi"  
President & CEO

## SCHEDULE "A"

### Amendment to Articles of Crystal Bridge Enterprises Inc. (the "Company") Restricted Voting Shares

#### 27.1.1 Class A Restricted Voting Shares

The Class A restricted voting shares (the "**Restricted Voting Shares**") have been created by the Company to ensure that the Company utilize the same in order to maintain its status as a "foreign private issuer" ("**Foreign Private Issuer**") as determined in accordance with Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). The Restricted Voting Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (1) In this Article 27.1.1:
  - (a) "**Business Day**" means a day on which securities may be traded on the TSX Venture Exchange, the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;
  - (b) "**Change in Control**" means the occurrence of any of the following events at any time while the Restricted Voting Shares remain issued and outstanding:
    - (i) the acquisition, directly or indirectly, of more than 50% of the total number of outstanding Common Securities by a person or group of persons acting jointly or in concert, unless each such person was a shareholder of the Company on the effective date of these articles;
    - (ii) an amalgamation, plan of arrangement, share exchange or other business combination between the Company and any other entity, whether or not the Company is the surviving entity in such transaction, except for a transaction in which the holders of the outstanding Common Securities immediately before such transaction hold as a result of holding Common Securities before such transaction, in the aggregate, securities possessing more than 50% of the total combined voting power of the Company or of the surviving entity (or the parent of the surviving entity) immediately after such transaction (solely for purposes of this paragraph, treating Common Shares and Restricted Voting Shares as if they had the same voting power);
    - (iii) the sale, transfer, exchange or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; or
    - (iv) the approval by the shareholders of a plan or proposal for the liquidation, dissolution or winding-up of the Company;
  - (c) "**Common Securities**" means the Common Shares and the Restricted Voting Shares, collectively;
  - (d) "**Common Shares**" means the Common Shares of the Company;
  - (e) "**Conversion Notice**" means a written notice to the Company and the Transfer Agent, in form and substance satisfactory to the Company and the Transfer Agent, executed by a person registered in the records of the Transfer Agent as a holder of Restricted Voting Shares, or by his, her or its attorney duly authorized in writing, and specifying the number of Restricted Voting Shares that the holder thereof desires to have converted into Common Shares and indicating: (i) any event on which such conversion is contingent; and (ii) such holder's name or the names of the nominees in which such holder wishes the certificate(s) for Common Shares to be issued, and accompanied by a written instrument of transfer and such other documentation as is specified by the Company or the Transfer Agent as required to give full effect to the conversion;
  - (f) "**Conversion Right**" has the meaning ascribed thereto in Article 27.1.1(8)(a) or in Article 27.1.1(8)(b);
  - (g) "**Conversion Time**" has the meaning ascribed thereto in Article 27.1.1(8)(a) or in Article 27.1.1(8)(c);
  - (h) "**Exclusionary Offer**" means an offer to purchase Restricted Voting Shares made to all of the holders of Restricted Voting Shares;

- (i) “**Notice**” means a written notice sent from the Company to the holders of Restricted Voting Shares notifying such holders of the right or requirement to convert Restricted Voting Shares into Common Shares;
- (j) “**Offer**” means an offer to purchase Common Shares (not including the Restricted Voting Shares) which, in the case of the Common Shares, must be made, by reason of applicable securities legislation or by the regulations or policies of a stock exchange on which the Common Shares are listed, to all or substantially all of the holders of Common Shares any of whom are in or whose last address as shown on the books of the Company is in a province or territory of Canada to which the relevant requirement applies;
- (k) “**Offer Date**” means the date on which an Offer is made;
- (l) “**Transfer Agent**” means the third party transfer agent of the Restricted Voting Shares or, if the Company then serves as its own transfer agent of such shares, the Company; and
- (m) “**Trigger Date of the Board**” means that date the board of directors of the Company determines that the Restricted Voting Shares be converted into Common Shares.

(2) Voting

- (a) Subject to the Articles, the holders of Restricted Voting Shares shall be entitled to (i) receive notice of and to attend all meetings of shareholders of the Company; and (ii) except as provided otherwise herein, exercise one vote for each Restricted Voting Share held at all such meetings of shareholders, except meetings at which only holders of another specific class or series of shares are entitled to vote separately as a class or series. Except as provided otherwise herein or as required by law, holders of Restricted Voting Shares and Common Shares shall vote as one class at all meetings of shareholders.
- (b) A holder of Restricted Voting Shares shall not be entitled to vote any such shares for the purpose of electing or removing directors of the Company.

(3) Dividends

Subject to the rights of holders of any other class of shares ranking senior to the Restricted Voting Shares with respect to priority in the payment of dividends, the holders of Restricted Voting Shares shall be entitled to receive dividends, and the Company shall pay dividends thereon, as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine; provided, however, that no dividend on the Restricted Voting Shares shall be declared unless contemporaneously therewith the board of directors shall declare a dividend, payable at the same time as such dividend on the Restricted Voting Shares, on each Common Share. All dividends which the directors may declare on the Restricted Voting Shares and the Common Shares shall be declared and paid in equal amounts per share on all Restricted Voting Shares and Common Shares at the time outstanding.

(4) Dissolution

In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior rights of holders of any other class of shares ranking senior to the Restricted Voting Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of Restricted Voting Shares and the holders of Common Shares shall participate rateably in equal amounts per share, without preference or distinction, in the remaining assets of the Company.

(5) Restrictions on Transfer

Restricted Voting Shares may be transferred by holders thereof only pursuant to an Exclusionary Offer.

(6) Foreign Private Issuer Review

The board of directors of the Company shall determine whether the Company qualifies as a Foreign Private Issuer as of the last business day of the second quarter of any fiscal year of the Company when Restricted Voting Shares are outstanding.

If the Company determines that the Company has ceased to qualify as a Foreign Private Issuer as of that date, then the Company shall give prompt Notice to the holders of Restricted Voting Shares in respect of such determination and, thereafter, each Restricted Voting Share may be so converted at any time and from time to time in accordance with the procedures set forth in Article 27.1.1(8).

(7) Deemed Conversion on Offer

If an Offer is made, each outstanding Restricted Voting Share shall be deemed converted into one (1) Common Share contemporaneously with the closing of the Offer, which will be the Trigger Date of the Board, conversion to occur in accordance with Article 27.1.1(8)(a).

(8) Conversion

- (a) Each Restricted Voting Share shall be deemed surrendered for conversion into one Common Share, without payment of any additional consideration (the “**Conversion Right**”), on the Trigger Date of the Board. Following the Trigger Date of the Board, Notice thereof shall be delivered to the holders of Restricted Voting Shares and the holder of Restricted Voting Shares shall only have the right to receive the relevant number of Common Shares resulting from such conversion and any accrued and unpaid dividends on the Restricted Voting Shares so converted upon compliance with the terms of the Notice. The effective time of conversion (the “**Conversion Time**”) shall be the close of business on the Trigger Date of the Board and the Common Shares issuable upon conversion of such Restricted Voting Shares shall be deemed to be issued and outstanding of record as of such time and the applicable Restricted Voting Shares shall be deemed cancelled.
- (b) Each Restricted Voting Share may be converted into one Common Share, without payment of any additional consideration, at the election of the holder thereof (the “**Conversion Right**”), as follows:
  - (i) at any time and from time to time in accordance with the procedures set forth in Article 27.1.1(8)(c);
  - (ii) if the Company enters into a binding agreement that provides for or would, if given effect, result in a Change in Control of the Company, or the Company determines that a Change in Control may occur, the Company shall give prompt Notice thereof to the holders of Restricted Voting Shares and, commencing on the date of such Notice, each Restricted Voting Share shall be so convertible in accordance with the procedures set forth in Article 27.1.1(8)(c); or
  - (iii) if a meeting of shareholders is called to elect directors who are not nominees of the Company or management of the Company or if a meeting of shareholders is called at which a contested election of directors will be considered, then the Company shall give prompt Notice to the holders of Restricted Voting Shares and, commencing on the date that is 10 Business Days before the record date for determining shareholders entitled to vote at such meeting, such Restricted Voting Shares shall be so convertible at any time and from time to time in accordance with the procedures set forth in Article 27.1.1(8)(c).
- (c) A holder of Restricted Voting Shares may voluntarily convert all or any number of Restricted Voting Shares held by such holder into Common Shares by surrendering the certificate(s), if applicable, representing such Restricted Voting Shares (or if such holder alleges that such certificate(s) has been lost, stolen or destroyed, a declaration of lost certificate and an agreement acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate(s)), at the office of the Transfer Agent, together with the Conversion Notice. Notwithstanding the foregoing, if the board of directors of the Company determines, prior to effecting such conversion, that as a result of effecting such conversion the Company would cease to qualify as a Foreign Private Issuer, the Company may elect to refuse such conversion and cause the Transfer Agent to not register such conversion; provided, however, that the Company’s ability to refuse conversions as provided in this sentence shall apply only through June 30, 2021 and shall no longer apply on or after July 1, 2021. If required by the Company, certificates representing Restricted Voting Shares surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the holder or his, her or its attorney duly authorized in writing. The effective time of any conversion hereunder shall be the close of business on the date of receipt by the Transfer Agent of the surrendered certificate(s) (or declaration of lost certificate and agreement) and the Conversion Notice (the “**Conversion Time**”), and the Common Shares issuable upon conversion of such Restricted Voting Shares represented by such certificate(s) shall be deemed to be issued and outstanding of record as of such time. The Company shall, as soon as

practicable after the Conversion Time issue and deliver to such holder of Restricted Voting Shares, or to his, her or its nominees, one or more certificates for the aggregate number of Common Shares issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the Restricted Voting Shares represented by the surrendered certificate(s) that were not converted into Common Shares.

- (d) In the event of a liquidation, dissolution or winding-up of the Company, the Conversion Rights of holders of Restricted Voting Shares shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Restricted Voting Shares.
- (e) The Company shall at all times while the Restricted Voting Shares are outstanding, reserve and keep available out of its authorized but unissued share capital, for the purpose of effecting the conversion of Restricted Voting Shares, such number of its duly authorized Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Restricted Voting Shares; and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all then outstanding Restricted Voting Shares, the Company shall take such corporate and other action as may be necessary to increase the number of its authorized but unissued Common Shares as shall be sufficient for such purposes, including, without limitation, obtaining the requisite shareholder approval to any necessary amendment to its articles.
- (f) All Restricted Voting Shares which have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only for the rights of the holders thereof to receive Common Shares in exchange therefor and to receive payment of any dividends declared but unpaid thereon.
- (g) If there shall occur any reorganization, recapitalization, reclassification, merger, consolidation or amalgamation involving the Company in which the Common Shares (but not the Restricted Voting Shares) are converted into or exchanged for securities, cash or other property then, following such reorganization, recapitalization, reclassification, merger, consolidation or amalgamation, each Restricted Voting Share shall thereafter be convertible, in lieu of the Common Share into which it was convertible before such event, into the kind and amount of securities, cash or other property which a holder of the number of Common Shares issuable upon conversion of one Restricted Voting Share immediately before such reorganization, recapitalization, reclassification, merger, consolidation or amalgamation would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the board of directors) shall be made in the application of the provisions of this Article 27.1.1(8)(g) with respect to the rights and interests thereafter of the holders of the Restricted Voting Shares, to the end that the provisions set forth in this Article 27.1.1(8)(g) shall thereafter be applicable, as nearly as reasonably may be possible, in relation to any securities or other property thereafter deliverable upon the conversion of the Restricted Voting Shares.
- (h) A holder of Restricted Voting Shares on the record date for the determination of holders of Restricted Voting Shares entitled to receive a dividend declared payable on the Restricted Voting Shares will be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend, and the holders of any Common Shares resulting from any conversion shall be entitled to rank equally with the holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date on or after the date of conversion.
- (i) Despite any other provision hereof, a holder of Restricted Voting Shares that has duly presented a Conversion Notice may, at any time before such Restricted Voting Shares are converted and Common Shares are issued, by irrevocable written notice to the Company, advise the Company that the holder no longer desires that such Restricted Voting Shares be converted into Common Shares and, upon receipt of such written notice, the Company shall return to the holder the certificate(s) representing such Restricted Voting Shares, if any, and thereupon the Company shall cease to have any obligation to convert such Restricted Voting Shares hereunder unless such Restricted Voting Shares are again tendered for conversion by the holder in accordance with the provisions hereof.

(9) Changes to Restricted Voting Shares

- (a) The rights, privileges, restrictions and conditions attaching to the Restricted Voting Shares as a class may be added to, changed or removed only with the approval of the holders of Restricted Voting Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of Restricted Voting Shares duly called for such purpose and held upon at least 21 days' notice at which a quorum is present comprising one or more persons holding or representing by proxy at least 10% of the outstanding Restricted Voting Shares. However, the rights, privileges, restrictions and conditions attached to the Restricted Voting Shares shall not be added to, changed or removed without the prior approval of holders of Common Shares at a meeting of shareholders called for the purpose in accordance with the preceding rules. If any such quorum is not present within 30 minutes after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Company with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting, each holder of a Restricted Voting Share shall be entitled to one vote in respect of each Restricted Voting Share held.
- (b) The Restricted Voting Shares shall not be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the Common Shares are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner as the Restricted Voting Shares.

## SCHEDULE "B"

### Amendment to Articles of Crystal Bridge Enterprises Inc. (the "Company") Preferred Shares

#### 27.2 Class B Preferred Shares

- (1) There are attached to the Class B Preferred Shares (the "**Class B Preferred Shares**") as special rights and restrictions, the following:
  - (a) The Class B Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time, by resolution passed before the issue of any Class B Preferred Shares of any particular series, fix the number of Class B Preferred Shares in, and determine the designation of the Class B Preferred Shares of, that series and create, define and attach special rights, privileges, restrictions and conditions to the Class B Preferred Shares of that series, including, but without limiting the generality of the foregoing, the voting rights, if any, attached to the Class B Preferred Shares of any series, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund; and that the directors shall be authorized to alter the Notice of Articles and Articles accordingly, PROVIDED HOWEVER THAT no special right, privilege, restriction or condition so created, defined or attached shall contravene the provisions of sub-clause (1)(b) hereof; and
  - (b) the Class B Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital, in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company among its shareholder for the purpose of winding up its affairs, rank on a parity with the Class B Preferred Shares of every other series and be entitled to preference over the Common Shares and Restricted Voting Shares and over any other shares of the Company ranking junior to the Class B Preferred Shares. The Class B Preferred Shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common Shares and Restricted Voting Shares, and any other shares of the Company ranking junior to such Class B Preferred Shares as may be fixed in accordance with clause (1)(a).

#### 27.3 Series A Preferred Shares

There are attached to the Series A Class B Preferred Shares (the "**Series A Preferred Shares**") as special rights and restrictions, the following:

The deemed issue price of Series A Preferred Shares shall be C\$0.25 per share (the "**Deemed Issue Price**").

##### (1) **DIVIDEND RIGHTS**

- (a) The holders of the then outstanding Series A Preferred Shares shall be entitled to receive, out of any assets of the Company legally available therefore, such dividends as may be declared on shares of the Series A Preferred Shares from time to time by the board of directors.
- (b) No dividend shall be paid with respect to any Common Shares, Restricted Voting Shares or any other shares of capital stock of the Company ranking junior to the Series A Preferred Shares with respect to the payment of dividends (the "**Junior Shares**") unless;
  - (i) the holders of the Series A Preferred Shares are first paid;
    - (A) all declared and unpaid dividends, and

- (B) a dividend per share of Series A Preferred Share equal to the dividend that would be payable on the number of shares of common stock of the Company into which each share of Series A Preferred Share is then convertible pursuant to Section 4.1. For clarity, any dividends paid under this subsection 1(b)(i)(B) are excluded from the aggregate dividend calculations for the purposes of subsection 1(c); and
- (ii) the holders of any other series of preferred shares of this Company having a preferential right to dividends equal or superior to the rights of the holders of Series A Preferred Shares are paid dividends per share in accordance with their dividend rights.

The right to such dividends on the Series A Preferred Shares shall not be cumulative, and no rights shall accrue to the holders of Series A Preferred Shares by reason of the fact that dividends on such shares are not declared or paid in any prior year.

- (c) In the event that Series A Preferred Share receive dividends pursuant to sub-sections 1(a) in an aggregate amount equal to or greater than the Deemed Issue Price each Series A Preferred Share shall be automatically converted pursuant to Section 4.2(a), effective immediately prior to any distribution of a dividend to the Common Shares.
- (d) In the event that Series A Preferred Shares are subject to automatic conversion pursuant to sub-sections 4.2(b) then each Series A Preferred Share shall be entitled to receive a dividend equal to the Deemed Issue Price, prior to conversion the Common Shares.
- (e) Each holder of an outstanding share of Series A Preferred Shares shall be deemed to have consented to distributions made by the Company in connection with its repurchase of shares of common stock issued to or held by officers, directors, stockholders or employees of, or consultants to, this Company or its subsidiaries pursuant to agreements (whether now existing or hereafter entered into) providing for the right of repurchase between this Company and such persons.

## (2) VOTING RIGHTS

Except as expressly provided by the Articles of the Company or as required by law, the holders of the Series A Preferred Shares shall have the same voting rights as the holders of Common Shares and shall be entitled to notice of any shareholders' meeting in accordance with the Articles of the Company, and, subject to Article 27.1.1, the holders of Common Shares, Restricted Voting Shares and the Series A Preferred Shares shall vote together as a single class on all matters. Each holder of Series A Preferred Shares shall be entitled to the number of votes equal to the number of shares of Common Shares into which such Series A Preferred Shares could then be converted. Fractional votes shall not be permitted. Any fractional voting rights resulting from the above formula (after aggregating all shares into which Series A Preferred Shares held by each holder could be converted) shall be rounded down to the nearest whole number.

## (3) LIQUIDATION

- (a) In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series A Preferred Shares shall be entitled to receive out of the assets and funds of the Company, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Junior Shares, an amount per Series A Preferred Share equal to two times the Deemed Issue Price of the Series A Preferred Shares (as appropriately adjusted for any stock dividends, combinations or splits) plus all accrued or declared but unpaid dividends on such shares (the "**Liquidation Preference**"). If the assets and funds available for distribution to the holders of the Series A Preferred Shares shall be insufficient to pay the Liquidation Preference in full, then the entire assets and funds of the Company legally available for distribution shall be distributed to the holders of the Series A Preferred Shares in proportion to the Liquidation Preference amount each such holder is otherwise entitled to receive.
- (b) After payment in full of the Liquidation Preference has been made to the holders of the Series A Preferred Shares, all remaining assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Shares and Junior Shares in proportion to the number of Common Shares that would be held by each such holder, if all Series A Preferred Shares were converted into Common Shares pursuant to Section 4 hereof and all Restricted Voting Shares were converted into Common Shares pursuant to Article 27.1.1(8).

- (c) Upon payment of the Liquidation Preference each Series A Preferred Share shall, as a condition of the payment, be convertible into Common Shares at the rate of one Common Share for each Series A Preferred Share (1 : 1) and the provisions of section 4.3 shall apply.
- (d) For purposes of this Section 3, a liquidation, dissolution or winding up of the Company shall not include the acquisition of the Company by another entity or reincorporation solely for the purpose of changing the Company's domicile.

#### (4) **CONVERSION**

##### **4.1 Shareholder Right to Convert**

Subject to Section 4.3, each Series A Preferred Share shall, at the option of the holder, at any time after issuance, be convertible into Common Shares at the rate of one Common Share for each Series A Preferred Share (1 : 1).

##### **4.2 Automatic Conversion**

- (a) Subject to Section 1, in the event that Series A Preferred Share receive dividends pursuant to sub-sections 1(a) in an aggregate amount equal to or greater than the Deemed Issue Price then each Series A Preferred Share shall be automatically converted into Common Shares at the rate of one Common Share for each Series A Preferred Share (1 : 1).
- (b) All of the issued and outstanding Series A Preferred Shares will be automatically converted into Common Shares on the basis of one Common Share for each Series A Preferred Share (1 : 1) or such number of Common Shares as required by anti-dilution provisions in the following events:
  - (i) Upon the completion of an initial public offering, or a reverse take-over with a qualifying secondary offering, pursuant to which the Common Shares are listed for trading on the New York Stock Exchange, NYSE Amex, the NASDAQ National Market or SmallCap Quotation System or a successor to any of the foregoing, raising at least US\$40 million, and a price per share which values the Company at US\$160 million or more, prior to listing (the "**Qualified IPO**");
  - (ii) A third party makes a bona fide offer to acquire 100% of the Company's shares, or execute a merger or amalgamation in which effective control of the Company is transferred, and such offer has been approved by the board of directors and its shareholders, such that shareholders receive proceeds from the transaction of at least US\$160 million in the form of shares or cash or a combination of both ("**Qualified Share Sale or Merger**");
  - (iii) A third party makes a bona fide offer to acquire all or substantially all of the Company's assets, for sale proceeds of at least US\$180 million and such offer has been approved by the board of directors and its shareholders, and provided that the shareholders on closing receive proceeds from the transaction by way of dividend and return of capital or otherwise of at least US\$160 million ("**Qualified Asset Sale**"); or
  - (iv) A third party makes a bona fide offer to acquire certain specific Company asset(s), for sale proceeds of at least US\$180 million, and provided that the provision of subsection (iii) is not triggered, and such offer has been approved by the board of directors and provided that the shareholders on closing receive proceeds from the transaction by way of dividend, return of capital or otherwise of at least US\$160 million ("**Qualified Specific Asset Sale**"),

(a Qualified IPO or a Qualified Share Sale or Merger or a Qualified Asset Sale or a Qualified Specific Asset Sale shall be collectively referred to as a "**Qualified Transaction**").
- (c) In the event that the Series A Preferred Shares are automatically converted pursuant to sub-section 4.2(b), then each Series A Preferred Share shall be entitled to receive a dividend pursuant to sub-section 1(d).
- (d) Should the consideration received by the Company be other than cash, its value will be deemed its fair market value as determined in good faith by the board of directors.

#### **4.3 Mechanics of Conversion**

- (a) *Shareholder Right to Convert* - Before any holder of Series A Preferred Shares shall be entitled to convert the same into Common Shares of the Company, such holder shall surrender the certificate or certificates therefore, duly endorsed, at the registered office of the Company or of any transfer agent for the Series A Preferred Shares, and shall give written notice by mail, postage prepaid, to the Company at its principal corporate office, of the election to convert the same. The Company shall, as soon as practicable, issue and deliver at such office to such holder of Series A Preferred Shares or to the nominee or nominees of such holder, a certificate or certificates for the number of Common Shares of the Company to which such holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Series A Preferred Shares to be converted, and the person or persons entitled to receive the Common Shares of the Company issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares as of such date.
- (b) *Automatic Conversion* - If the conversion is in connection with a Qualified Transaction, pursuant to Section 4.2 the conversion of the Series A Preference Shares into Common Shares shall occur until immediately prior to the closing of Qualified Transaction, provided that the holder of any Series A Preferred Shares may tender their shares for conversion, conditionally upon the closing of such Qualified Transaction, in which event the person(s) entitled to receive the Common Shares of the Company issuable upon such conversion of the Series A Preferred Shares shall not be deemed to have converted such stock until immediately prior to the closing of Qualified Transaction.

In the event some but not all of the Series A Preferred Shares represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute and deliver to or on the order of the holder, at the expense of the Company, a new certificate representing the Series A Preferred Shares that were not converted.

#### **4.4 Distributions**

In the event the Company shall declare a distribution payable in cash or securities of the Company, or assets, options or rights, then, in each such case for the purpose of this Section 4.4, the holders of the Series A Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Common Shares of the Company into which their Series A Preferred Shares are convertible as of the record date fixed for the determination of the holders of the Common Shares of the Company entitled to receive such distribution.

#### **4.5 No Fractional Shares; Certificates as to Adjustment**

No fractional Common Shares of the Company shall be issued upon the conversion of Series A Preferred Shares, but the Company pay to the holder of such shares a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Shares (as determined in a reasonable manner prescribed by the board of directors) at the close of business on the applicable conversion date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of Series A Preferred Shares being converted at any one time by any holder, not upon each Series A Preferred Share being converted.

#### **4.6 Notices of Record Date**

In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or other securities or property, or to receive any other right, the Company shall mail to each holder of Series A Preferred Shares, at least five (5) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

#### **(5) RECAPITALIZATIONS**

If the Common Shares of the Company issuable upon the conversion of Series A Preferred Shares shall be changed into the same or a different number of shares of any class or classes of shares of the Company, whether by capital reorganization, reclassification or otherwise), then and in each such event each Series A Preferred Share shall be convertible into the kind and amount of shares and other securities and property receivable upon such reorganization, reclassification or other change by the number of Common Shares of the Company into which such Series A Preferred Shares might have been converted immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

**(6) NOTICES**

Any notice required by the provisions of this Section 6 to be given to the holders of Series A Preferred Shares shall be deemed given if delivered by prepaid courier to each holder's address appearing on the books of the Company.