

**Dimension Five Technologies Inc.**  
Suite 1450 - 789 W Pender Street  
Vancouver, B.C. V6C 1H2

Dated for reference July 13 , 2020

**Aduro Energy Inc.**

Suite 104, 1086 Modeland Road  
Sarnia, Ontario  
Canada N7S 6L2

Dear Sirs:

**Re: Acquisition by Dimension Five Technologies Inc. ("D5") of 100% of the issued and outstanding shares of Aduro Energy Inc. ("Aduro") from the shareholders of Aduro (the "Shareholders")**

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In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties (as such term is defined herein) agree as follows:

This binding letter of intent (this "**Letter of Intent**") is to set out the essential terms and conditions of the proposed acquisition by D5 of 100% of the issued and outstanding shares of Aduro. Upon execution of this Letter of Intent, the Parties shall instruct their respective legal counsel to prepare and negotiate a definitive agreement (the "**Definitive Agreement**") in respect of the Acquisition (as such term is defined herein) which upon execution shall supersede this Letter of Intent. Until such execution, this Letter of Intent shall continue in full force and effect unless otherwise terminated in accordance with Section 17.

**1. Definitions**

- (a) "\$" means Canadian dollars;
- (b) "**Acquisition**" means the proposed acquisition by D5 of 100% of the issued and outstanding shares of Aduro by way of share exchange, three-cornered amalgamation or such other form of transaction or business combination as the Parties may agree to after considering applicable corporate, tax and securities laws;
- (c) "**Aduro Assets**" means all of the assets of Aduro, including the intellectual property listed in Schedule "A";
- (d) "**Aduro Business**" means the obtaining of Product for sale by application of Technology;
- (e) "**Aduro Convertible Notes**" means convertible promissory notes issued by Aduro which are convertible at the option of the holder into Aduro Shares;
- (f) "**Aduro Financial Statements**" means the audited financial statements of Aduro for the fiscal years ended December 31, 2018 and 2019 and the reviewed interim financial statements of Aduro for the 3 month period ended March 31, 2020, unless the Closing

occurs after August 29, 2020, in which case the reviewed interim financial statements shall be for the 6 month period ended June 30, 2020 or unless the Closing occurs after November 29, 2020, in which case the reviewed interim financial statements shall be for the 9 month period ended September 30, 2020;

- (g) **“Aduro Noteholders”** means the holders of Aduro Convertible Notes;
- (h) **“Aduro Securities”** means Aduro Shares, Aduro Warrants and Aduro Convertible Notes;
- (i) **“Aduro Securityholders”** means the holders of Aduro Securities as named in Schedule “B” hereto;
- (j) **“Aduro Shareholders”** means the holders of Aduro Shares;
- (k) **“Aduro Shares”** means all of the shares of Aduro that are issued and outstanding immediately prior to the Closing including any shares of Aduro that are issued on conversion of Aduro Convertible Notes;
- (l) **“Aduro Special Warrant Trustee”** means Ofer Vicus;
- (m) **“Aduro Warrants”** means share purchase warrants entitling the holder thereof to purchase Aduro Shares;
- (n) **“Closing”** means the closing of the purchase and sale of the Aduro Shares on the Closing Date;
- (o) **“Closing Date”** means that date designated by D5, Aduro and the Principal which is within 3 business days after the receipt of conditional acceptance from the CSE for the Acquisition, or such other date as may be agreed to by such parties in writing;
- (p) **“CSE”** means the Canadian Securities Exchange;
- (q) **“D5 Shares”** means the common shares of D5;
- (r) **“Due Diligence Period”** means a period of 20 business days after receipt of all requested due diligence materials by D5 or Aduro, as applicable;
- (s) **“Business Plan”** means a description of intended or anticipated undertakings by Aduro in respect of Aduro Business development and Milestones.
- (t) **“Effective Date”** means the effective date of the Acquisition as determined in accordance with the Definitive Agreement;
- (u) **“Encumbrances”** means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature, including without limitation, any liability for accrued but unpaid taxes, but excluding royalty interests;

- (v) **“Escrow”** means the escrow agreement in substantially the form of Form 46-201F1 to be entered into between D5 and certain shareholders of Aduro as required by the policies of the CSE;
- (w) **“Existing Aduro Shareholders”** means the current holders of Aduro Shares;
- (x) **“Financing”** means the private placement financing pursuant to which D5 will raise a minimum of \$500,000 by issuing D5 Shares at the Financing Price prior to or contemporaneous with the Closing;
- (y) **“Financing Price”** means the offering price of \$0.05 per D5 Share offered in connection with the Financing or such other price as the CSE may require;
- (z) **“First Milestone”**, means within 2 years of the Closing Date, the operation of a Show Room Unit to successfully obtain Product by application of Technology and validation of the same by an independent third party agreed upon by D5 and Aduro;
- (aa) **“Fundamental Change”** has the meaning given to such term under the policies of the CSE;
- (bb) **“Loan”** means an amount of \$150,000 lent by D5 to Aduro prior to Closing;
- (cc) **“Milestones”** means, collectively, the First Milestone and the Second Milestone;
- (dd) **“Parties”** means D5, Aduro, the Principal and the Aduro Securityholders;
- (ee) **“Principal”** means Ofer Vicus, the principal shareholder of Aduro executing this Letter of Intent;
- (ff) **“Pro Forma Financial Statement”** means the pro forma financial statements of D5 and Aduro giving effect to the Acquisition;
- (gg) **“Product”** means, lighter petroleum oil obtained by upgrading heavier petroleum feedstocks or components thereof, or deoxygenated hydrocarbons obtained from upgrading renewable oil feedstocks, or liquid hydrocarbons obtained by upgrading of certain plastic or rubber feedstocks, where the upgrading is achieved by means of Technology;
- (hh) **“Purchase Price”** means the purchase price to be paid by D5 for the Acquisition of the Aduro Securities, consisting of 40,000,000 D5 Shares and the Residual Rights;
- (ii) **“Residual Rights”** are the rights of the Existing Aduro Shareholders and the Aduro Noteholders to receive their pro-rata portion of up to an additional 80,000,000 Resulting Issuer Shares upon achievement of the Milestones, which Residual Rights shall be represented by Special Warrants issued at Closing which automatically convert into an aggregate of up to 80,000,000 Resulting Issuer Shares upon achievement of the Milestones;
- (jj) **“Resulting Issuer”** means D5, immediately following completion of the Acquisition;

- (kk) **“Resulting Issuer Shares”** means common shares of the Resulting Issuer;
- (ll) **“Second Milestone”** means any one or more of the following within 4 years of Closing:
- (1) A completed financial transaction with an institution which clearly has the capacity to finance the Aduro majority owned commercial operation of a manufacturing plant producing Product for commercial sale;
  - (2) Product produced by a manufacturing plant owned in part by Aduro where The Aduro portion of the plant’s equity is at least \$2,000,000 greater than the Aduro investment;
  - (3) A third party entering into a licence agreement with Aduro in respect of the Technology which Aduro and such third party estimate will generate at least \$5,000,000 in revenue for Aduro over a three year period;
  - (4) A third party equity investment in the Resulting Issuer of at least \$3,000,000 at a company pre-money valuation of \$40,000,000 or more;
  - (5) The total market capitalization of the Resulting Issuer remaining at or above \$65,000,000 for 19 out of any 20 consecutive trading days;
  - (6) The Resulting Issuer having completed a public offering or private placement raising at least \$4,000,000 at a minimum price per share of \$0.35, or a combination of grants, \$0.35 share offering and other financing transaction raising at least \$4,000,000; or
  - (7) A third party enters into an agreement to acquire all of the issued and outstanding Resulting Issuer Shares at a minimum value of \$1.00 per share;
- (mm) **“Securities Laws”** means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;
- (nn) **“Show Room Unit”** means a pre-pilot reactor system as described in Schedule “C” capable of successfully demonstrating the obtaining of Product by application Technology as validated by an independent third party;
- (oo) **“Special Warrants”** means special warrants of the Resulting Issuer issued to the Aduro Special Warrant Trustee in trust for the benefit of the Existing Aduro Shareholders and the Aduro Noteholders at Closing which are convertible for no additional consideration into Resulting Issuer Shares on a one for one basis upon achievement of the Milestones; and
- (pp) **“Technology”** means all technology owned, licensed, and used by Aduro for its processes and designs in respect of hydrochemolysis applied to obtain Products; and

## 2. List of Schedules

<u>Schedule</u>	<u>Title</u>
<b>"A"</b>	<b>List of INTELLECTUAL PROPERTY Assets of Aduro</b>
<b>"B"</b>	<b>List of Aduro Securityholders</b>
<b>"C"</b>	<b>Technology Development Stages</b>

## 3. Purchase and Sale

- (a) Relying upon the representations and warranties herein contained, and subject to the terms and conditions hereof, at the Closing, D5 shall will purchase all of the issued and outstanding Aduro Shares (including Aduro Shares issuable upon exercise of Aduro Warrants) from the Aduro Shareholders in exchange for a portion of the Purchase Price.
- (b) Immediately prior to Closing, all Aduro Warrants would be exercised into Aduro Shares, so that at the Closing, there are no rights outstanding which are convertible into Aduro Shares.
- (c) On Closing, all of the holders of Aduro Convertible Notes shall have agreed to amend the terms of their Aduro Convertible Notes such that such notes shall automatically convert into Special Warrants on the achievement of the First Milestone. The number of Special Warrants to be received by each Aduro Noteholder shall be determined based on a formula to be agreed between Aduro, the Aduro Noteholders and the Aduro Special Warrant Trustee based on their proportionate ownership in Aduro as of the achievement of the First Milestone.
- (d) On Closing all Aduro Shares that are issued and outstanding would be exchanged for 40,000,000 Resulting Issuer Shares, which D5 Shares shall be issued pro-rata to the Aduro Shareholders, plus a proportionate interest in the Special Warrants (other than those Special Warrants to be delivered on conversion of the Aduro Convertible Notes).
- (e) On Closing all of the Special Warrants shall be issued to the Aduro Special Warrant Trustee to be held in trust until distributed to the Existing Aduro Shareholders and Aduro Noteholders upon achievement of the First Milestone.
- (f) On achievement of the First Milestone, the Resulting Issuer shall issue an additional 40,000,000 Resulting Issuer Shares to the holders of the Special Warrants upon conversion of the Special Warrants on a pro-rata basis in partial satisfaction of the Residual Rights.
- (g) On achievement of the Second Milestone, the Resulting Issuer would issue an additional 40,000,000 Resulting Issuer Shares to the holders of Special Warrants on a pro-rata basis to fully satisfy the Residual Rights.

#### 4. The Acquisition

The Acquisition is to be a share exchange or three-cornered amalgamation pursuant to which D5 will purchase all of the Aduro Shares from the Aduro Shareholders, in exchange for an aggregate of 40,000,000 D5 Shares and a portion of 80,000,000 Special Warrants. In addition, the Aduro Convertible Notes will be amended such that such notes shall automatically convert into Special Warrants on the achievement of the First Milestone. The Parties are hereafter to negotiate the Definitive Agreement and to use all commercially reasonable efforts to complete ancillary agreements, apply for and obtain CSE approval of the Acquisition and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Acquisition, and, in particular, shall take the following steps:

- (a) as soon as is reasonably practicable, D5 will apply to the CSE for the consent to complete the Acquisition described in this Letter of Intent and to issue the Loan to Aduro pending Closing ;
- (b) as soon as is reasonably practicable, and before or contemporaneous with Closing, D5 will complete the Financing and on Closing will have at least \$500,000 of net working capital, including any outstanding Loan;
- (c) D5 will, subject to CSE approval, and within 30 days of the execution of this Letter of Intent, lend the Loan until Closing for Aduro's working capital needs; the Loan will carry interest at 6% per annum, calculated half yearly not in advance and will have a maturity date of the earlier of one year from the date of advance or six months following the termination of this Letter of Intent;
- (d) Coincident with the receipt of the Loan, Aduro shall execute and deliver a general security agreement as security for the Loan which security will be registered on all the assets of Aduro at the Personal Property Registry in Ontario and released upon the achievement of the First Milestone;
- (e) as soon as is reasonably practicable, and before or contemporaneous with Closing, Aduro will ensure that all options, Aduro Warrants, and any other rights to acquire Aduro Shares (other than the Aduro Convertible Notes) are converted or exercised, so that no such rights (other than the Aduro Convertible Notes) exist as at the Closing to acquire Aduro Shares, and the Purchase Price is full payment for any interest whatsoever in Aduro, including, upon achievement of the First Milestone, the Aduro Convertible Notes;
- (f) at the Closing Date, the respective conditions precedent of the Parties to be set out in the Definitive Agreement are to be satisfied, waived or released; and
- (g) as soon as is reasonably practicable upon receipt of CSE approval of the Acquisition, D5 and the Aduro Shareholders shall promptly complete any steps for the exchange of certificates representing the Resulting Issuer Shares for certificates representing the Aduro Shares necessary for giving effect to the Acquisition.

**5. Disclosure respecting D5**

- (a) The Principal and Aduro acknowledge that the Acquisition will be subject to the acceptance of the CSE, which will be contingent on satisfaction of a number of regulatory requirements including:
  - (1) the CSE accepting the Acquisition as a Reverse Takeover in accordance with the rules and policies of the CSE;
  - (2) the preparation and filing with the CSE of a listing statement or information circular which describes the Acquisition and the resulting company after completion of the Acquisition;
  - (3) if required by the CSE, approval of D5 shareholders;
  - (4) the filing with the CSE of, among other things, the Aduro Financial Statements and the Pro Forma Financial Statements which comply with the financial statement requirements of the CSE and the B.C. Securities Commission as they apply to Reverse Takeovers;
- (b) as a condition to completion of the Acquisition, D5 will be required to meet the applicable minimum listing requirements of the CSE under the rules and policies of the CSE; and
- (c) the Resulting Issuer Shares to be issued to the Aduro Shareholders may be subject to resale restrictions, including escrow requirements, under the policies of the CSE.

**6. Due Diligence**

- (a) Within 5 business days from the date of execution of this Letter of Intent, D5 will provide a complete, final and commercially reasonable request for due diligence materials, including financial statements and Business Plan and corporate disclosure that complies with the CSE Form 3D1 and 3D2. Aduro shall provide to D5 the requested due diligence materials within 15 days of receipt or the request for such due diligence materials or as soon as practicable thereafter.
- (b) The Principal and Aduro will fully cooperate with D5 in complying with the reasonable requirements of D5, and with any valuator, auditor or advisor appointed by D5 and agreeable to Aduro Energy, which valuator, auditor or advisor shall be paid for by D5.
- (c) D5 shall have the Due Diligence Period to determine whether its review has uncovered materially adverse information which makes it commercially unfeasible to complete the Acquisition as originally contemplated by the Parties.
- (d) Within 5 business days from the date of execution of this Letter Agreement, Aduro will provide a complete, final and commercially reasonable request for due diligence materials, including financial statements. D5 shall provide to Aduro the requested due diligence materials within 15 days of receipt of the request for such due diligence materials or as soon as practicable thereafter.

- (e) D5 will fully cooperate with Aduro in complying with the reasonable requirements of Aduro, and with any valuator, auditor or advisor appointed by Aduro.
- (f) Aduro shall have the Due Diligence Period to determine whether its review has uncovered materially adverse information which makes it commercially unfeasible to complete the Acquisition as originally contemplated by the Parties.

## **7. Standstill**

From the date of execution of this Letter of Intent until date the parties have executed the Definitive Agreement (which shall occur on or before August 31, 2020) or such later date as may be agreed upon by D5, Aduro and the Principal or the earlier termination hereof, D5 and Aduro will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with or provide information relating to the securities, business, operations, affairs or financial condition of D5 or Aduro to any persons, entity or group in connection with the acquisition or distribution of any securities of D5 and Aduro, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets or part thereof, unless such action, matter or transaction is part of the transactions contemplated in this Letter of Intent or is satisfactory to, and is approved in writing in advance by the other Parties hereto or is necessary to carry on the normal course of business.

## **8. Representations and Warranties by the Principal**

The Principal represents, warrants and agrees as of the date hereof that such Principal owns of record its Aduro Shares and has the full and lawful right and authority to sell the Aduro Shares or, in the event that the Principal assigns his legal and beneficial ownership to his designated assignees for the purposes of completing the transactions contemplated under this Agreement, the Principal shall empower such assignees with the full and lawful right and authority to sell the Aduro Shares to D5 and upon payment of the Purchase Price, D5 will own such Aduro Shares free and clear of all Encumbrances.

## **9. Representations and Warranties by Aduro**

Aduro represents and warrants as of the date hereof and at the Closing that:

- (a) Aduro is a corporation duly incorporated, validly existing and in good standing under the laws of Canada, has the power and capacity to enter into this Letter of Intent and to carry out its terms, and has no subsidiaries;
- (b) the execution and delivery of this Letter of Intent, the Definitive Agreement and all other related agreements or documents, and the completion of the transactions contemplated hereby, will by Closing have been duly and validly authorized by all necessary corporate acts on the part of Aduro, and this Letter of Intent constitutes a legal, valid and binding obligation of Aduro;
- (c) the authorized share capital of Aduro will at Closing consist of an unlimited number of common shares without par value and which 1,398,605 common shares which are issued and outstanding have been issued as fully paid and non-assessable shares;



- (d) except as agreed to by D5 in writing prior to Closing, there will at Closing be no outstanding share purchase options, rights to acquire shares or other contractual rights pursuant to which Aduro is obligated to issue additional Aduro Shares;
- (e) at Closing no person other than D5 will have any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase of any Aduro Shares; and Schedule "B" sets out a list of all persons who currently have any such rights;
- (f) except for permitted Encumbrances as disclosed to and agreed to by D5 prior to Closing, Aduro owns its assets free and clear of all Encumbrances whatsoever and Aduro is not aware of any adverse claim or claims which may affect title to or possession and use of such assets, with the exception in respect of the proposed joint venture with Greenfield Energy;
- (g) neither the execution and delivery of this Letter of Intent, nor the completion of the purchase and sale contemplated herein and in the Definitive Agreement will conflict with or result in any material breach of any of the terms and provisions of the constating documents or articles of Aduro or any order, decree, statute, regulation, covenant or restriction applicable to Aduro;
- (h) there are no material actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Aduro) pending or threatened by or against Aduro or affecting any of the Aduro Assets (including the intellectual property assets described in Schedule "A" to this Letter of Intent) at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Aduro is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (i) Aduro is not in material default or breach of its obligations under any one or more material contracts to which it is a party and to the knowledge of Aduro, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such material contracts are now in good standing and in full force and effect without amendment thereto and Aduro is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Letter of Intent. Aduro is not aware of any other party having an intention to terminate, either by notice or breach, any material contract made with Aduro;
- (j) Aduro has filed with the applicable federal, state, provincial and local tax authorities, all returns, reports and declarations which are required to be filed by it and has paid, or made arrangements for the payment of all taxes which have become due and no taxing authority is asserting or has, to the knowledge of Aduro threatened to assert, or has any basis for asserting against Aduro any claim for additional taxes or interest thereon or penalty;

- (k) the Aduro Financial Statements, when available, will be based on the books and records of Aduro and will fairly present the financial condition of Aduro at the date thereof and the results of the operations for such periods;
- (l) Aduro have no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) which will not be disclosed in the Aduro Financial Statements, except for those incurred in the ordinary course of business, and those incurred in connection with the transactions contemplated by this Letter of Intent, or otherwise disclosed to and agreed to by D5 prior to the Closing;
- (m) as soon as possible following the execution of this Letter of Intent, Aduro shall use its commercially reasonable efforts to prepare the Aduro Financial Statements and Business Plan and corporate disclosure that complies with the CSE Form 3D1 and 3D2 and deliver same to D5;
- (n) Aduro and the Principal shall use their commercially reasonable efforts to cause 100% of the Aduro Shares to be tendered for sale and purchase at the Closing.
- (o) as of the date of this Letter of Intent, Aduro is the registered and beneficial owner of all its intellectual property used in the Aduro Business, its properties and assets;
- (p) to the best of its knowledge, all past and current operations of the Aduro Business carried on by or on behalf of Aduro was and is in compliance with all applicable federal and provincial laws;
- (q) to the best of its knowledge, the Aduro Technology does not infringe on the intellectual property rights of any other party, and no person has claimed that the Technology infringes on their intellectual property rights in any way;
- (r) all Aduro assets (including its patents and Technology) and its interest therein is free and clear of any and all encumbrances (including, without limitation, any order or judgment relating to the property or any legal proceedings in process, pending or threatened which might result in any such order or judgment), royalties or other payments in the nature of a rent or royalty (other than to applicable government entities), or other interests of whatsoever nature or kind, recorded or unrecorded;
- (s) there are no adverse claims against or challenges to the ownership of or title to any part of Aduro assets or patents nor to its knowledge, is there any basis therefor; and
- (t) there are no outstanding or, to the best of its knowledge, pending actions, suits or claims affecting all or any part of Aduro assets.

#### **10. Representations and Warranties by D5**

D5 represents and warrants to Aduro, the Principal and the Aduro Securityholders as of the date hereof and on the Closing that:

- (a) D5 is a company duly incorporated and validly existing under the laws of British Columbia and is in good standing under the laws of British Columbia, and has the power, authority and capacity to enter into this Letter Agreement and to carry out its terms;
- (b) D5 is a “reporting issuer” within the meaning of securities laws in British Columbia and Ontario, is not in default of any requirement of any applicable securities laws and neither the CSE or any other regulatory authority having jurisdiction has issued any order preventing or suspending trading of any securities of D5 except a halt in trading as a result of D5 not having a business as required by the CSE and D5 is entitled to avail itself of the applicable prospectus and registration exemptions available under applicable securities laws in Canada in respect of the issuances of securities contemplated by this Letter of Intent;
- (c) as of their respective dates, all information and materials filed by D5 with the applicable securities regulatory authorities and which are available on SEDAR did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and complied in all material respects with all applicable legal and stock exchange requirements;
- (d) the common shares of D5 are listed for trading on the CSE and the Acquisition will constitute a Reverse Takeover for D5 under the policies of the CSE;
- (e) subject to the CSE requirements listed above and shareholder approval, the execution and delivery of this Letter of Intent and the Definitive Agreement and all other related agreements or documents, and the completion of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate acts on the part of D5 and do not require D5 to obtain any other authorization, approval, order, license, permit, consent, certificate or registration and this Letter of Intent constitutes a legal, valid and binding obligation of D5;
- (f) the authorized share structure of D5 consists of an unlimited number of common shares without par value of which as of the date of this Letter of Intent, 23,078,001 common shares are issued and outstanding as fully paid and non-assessable shares, of which 8,580,002 common shares are currently escrowed to be released pursuant to the terms of the Escrow Agreement dated September 27, 2018;
- (g) D5 has the full and lawful right and authority to issue the D5 Shares to the Aduoro Shareholders for the Aduoro Shares and upon payment of the Purchase Price, the D5 Shares will be validly issued as fully paid and non-assessable common shares in the authorized share structure of D5 and the Aduoro Shareholders will own the D5 Shares free and clear of all Encumbrances. Further, D5 has the full and lawful right and authority to issue the shares and any convertible securities necessary for the completion of the Financing and such shares will be validly issued as fully paid and non-assessable common shares in the capital of D5;
- (h) except as disclosed in publicly filed documents on SEDAR , no person other than Aduoro and the Principal has any agreement, option, understanding or commitment, or any right

or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase or other acquisition of any D5 shares;

- (i) neither the execution and delivery of this Letter of Intent nor consummation of the transactions contemplated hereby will conflict with or result in the breach of any of the terms or provisions of, or constitute a default under, the constating documents of D5 or any indenture, mortgage or other agreement or instrument to which D5 is a party or by which it or its assets are bound or any order, decree, statute, regulation, covenant or restriction applicable to D5;
- (j) to the knowledge of D5, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of D5) pending or, to the knowledge of D5, threatened by or against D5, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and D5 is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (k) D5 has filed with the applicable federal, provincial and local tax authorities, all returns, reports and declarations which are required to be filed by it, and has paid all taxes which have become due and no taxing authority is asserting or has, to the knowledge of D5 threatened to assert, or has any basis for asserting against D5 any claim for additional taxes or interest thereon or penalty;
- (l) the financial statements of D5 available on SEDAR, including the D5 Financial Statements, are based on the books and records of D5 and fairly present the financial condition or D5 at the date thereof and the results of the operations for such periods;
- (m) D5 has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) which are not disclosed in the financial statements available on SEDAR, except for those incurred in connection with the transactions contemplated by this Letter of Intent or otherwise incurred in the ordinary course of business since the date of its latest financial statements filed on SEDAR;
- (n) D5 has never had any reportable disagreement (within the meaning of applicable Securities Laws) with the present or any former auditor of D5;
- (o) D5 has no employment, consulting, managerial or similar agreement which cannot be terminated on notice of 30 days or less, without further liability or obligation to D5;
- (p) as soon as possible following the execution of this Letter of Intent D5 shall use its commercially reasonable efforts to complete and file its application with the CSE for acceptance for filing of the Acquisition and the Financing by the filing of all documentation required, including but not limited to the Aduro Financial Statements and the Business Plan and corporate disclosure that complies with the CSE Form 3D1 and 3D2 and the filing statement;

- (q) D5 is in material compliance with all policies and requirements of the CSE, except that it does not have an operating business and its stock trading has been halted;
- (r) if required, D5 will obtain shareholder approval of the Acquisition in accordance with applicable corporate and securities laws and the applicable policies of the CSE. D5 will use its commercially reasonable efforts to encourage all D5 shareholders to vote in favour of the Acquisition and to not taken any action contrary to or in opposition to the Acquisition;
- (s) there are no amounts payable to the directors, officers or employees of D5 (of any nature whatsoever) arising from a “change of control” of D5 pursuant to the Acquisition; and
- (t) at the time of Closing, D5 will have obtained all consents, approvals, permits, authorizations or filings as may be required under Securities Laws and the by-laws, rules and regulations of the CSE necessary for the performance by D5 of its obligations under this Letter Agreement.

#### 11. **General Conditions Precedent**

The respective obligations of the Parties hereto to consummate the transactions contemplated hereby are to be subject to the satisfaction, on the Closing Date, of the following conditions (which will also be contained in the Definitive Agreement), any of which may be waived by the mutual consent of such Parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) the Acquisition and this Letter of Intent and the Definitive Agreement shall have been consented to or otherwise approved in writing by the CSE;
- (b) the D5 Shares to be issued upon the completion of the Acquisition, any incentive stock options granted by D5 in connection with and concurrently with the Closing, any finder’s fees payable in D5 Shares and the D5 Shares issuable upon exercise of any D5 convertible securities described in this Letter Agreement shall have been accepted for listing or approved by the CSE, subject to D5 fulfilling the CSE's listing requirements;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Letter of Intent, including, without limitation, the Acquisition; and all consents, orders and approvals required or necessary or desirable for the completion of the transactions provided for in this Letter of Intent shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties hereto, acting reasonably;
- (d) D5 and Aduro shall have received from each other any legal opinions from counsel and certificates from officers with respect to such matters as counsel of D5 and Aduro may require, acting reasonably;
- (e) D5 receiving a funding commitment in an aggregate amount of not less than \$500,000 from investors on or before the completion of the Acquisition, which funding commitment shall be obtained on or before August 31, 2020;

- (f) All Aduro Convertible Notes shall have been amended as contemplated by this Letter of Intent and the Definitive Agreement pursuant to and amending agreement in a form satisfactory to D5, acting reasonably, and
- (g) D5 and Aduro having a consolidated net and unallocated working capital of not less than \$100,000 in satisfaction of the Qualifications for Listing requirements of the CSE, after giving effect to the expenditures required by the Business Plan in the first 12 months going forward, including without limitation completion of TECHNOLOGY demonstration in respect of the Show Room Unit.

## 12. Conditions Precedent in favour of D5

D5 obligation to complete the Acquisition is subject to the following conditions precedent (which will also be set out in the Definitive Agreement) which are to be satisfied, as applicable, on or before the Closing:

- (a) D5 having obtained the consent or approval of any parties from whom consent to the Acquisition is required, including without limitation its shareholders and the CSE;
- (b) D5 and its counsel having had a reasonable opportunity to prepare, review and approve all material documentation in connection with the Acquisition, including without limitation, the Aduro Financial Statements, Business Plan and corporate disclosure that complies with the CSE Form 2A;
- (c) Aduro having furnished D5 with certified copies of the resolutions passed by the Board of Directors of Aduro approving the Acquisition and the Definitive Agreement and the consummation of the transactions contemplated herein;
- (d) the representations and warranties of Aduro contained herein and in the Definitive Agreement being true and correct in all material respects at and as of the Closing;
- (e) there shall not be any legal proceedings or regulatory actions or proceedings against or threatened against Aduro at the Closing Date which may, if determined against the interest of Aduro, have a material adverse effect on Aduro;
- (f) all covenants, agreements and obligations hereunder on the part of Aduro and the Principal to be performed or complied with at or prior to the Closing contained herein will have been performed and complied with in all material respects;
- (g) Aduro auditors having completed all necessary audits and review of the Aduro Financial Statements and audits or review of any subsequent period required by regulatory authorities and such statements showing no material adverse matters; and
- (h) 100% of the Aduro Shares shall have been tendered for the sale and purchase under the Acquisition.

The conditions set forth above and which are to be set out in the Definitive Agreement are to be for the exclusive benefit of D5 and may be unilaterally waived by D5 to the extent permitted by applicable laws or regulatory requirements in whole or in part at any time.

### 13. Conditions Precedent in favour of Aduro and the Principal

The respective obligations of the Principal, the Aduro Securityholders and Aduro to complete the Acquisition are subject to the following conditions precedent (which are also to be set out in the Definitive Agreement), which are to be satisfied, as applicable, on or before the Closing, or such earlier date as may be indicated:

- (a) D5 shall have completed the Financing on or before the Closing by raising not less than \$500,000 at the Financing Price;
- (b) D5 shall use its commercially reasonable efforts to complete and file its application with the CSE for acceptance for filing of the Acquisition and the Financing by the filing of all documentation required, including but not limited to the Aduro Financial Statements and the Business Plan and corporate disclosure that complies with CSE Form 2A;
- (c) Aduro, the Principal and their counsel having had a reasonable opportunity to approve of all documentation (including filings with the CSE) in connection with the transactions contemplated herein;
- (d) Aduro, the Principal and their counsel having had a reasonable opportunity to perform and satisfy themselves with the results of the searches and other due diligence reasonable or customary in a transaction of a similar nature to that contemplated herein, to be completed within the Due Diligence Period in accordance with Section 7 hereof;
- (e) D5 shall have furnished the Principal and Aduro with:
  - (1) certified copies of the resolutions passed by the Board of Directors of D5 approving this Letter of Intent and the Definitive Agreement and the consummation of the transactions contemplated herein and therein; and
  - (2) letter from the CSE conditionally approving the Acquisition and the closing of the Financing subject to customary conditions;
- (f) D5 shall not have incurred any liabilities other than those reasonably incurred in connection with the transactions contemplated in this Letter of Intent and shall have spent its cash on hand at the date of this Letter of Intent exclusively in the ordinary course of business and for the purpose of completing the Acquisition;
- (g) the representations and warranties of D5 contained herein and in the Definitive Agreement being true and correct in all material respects at and as of the Closing;
- (h) all covenants, agreements and obligations hereunder and in the Definitive Agreement on the part of D5 to be performed or complied with at or prior to the Closing will have been performed and complied with in all material respects;
- (i) D5 will be in good standing under the laws of British Columbia;

- (j) there shall not be any legal proceedings or regulatory actions or proceedings against D5 at the Closing Date which may, if determined against the interest of D5, have a material adverse effect on D5;
- (k) D5 shall have issued no further common shares or securities convertible into common shares and shall have paid no dividends or made any other distributions whatsoever to its Shareholders, except where rights to acquire common shares were previously outstanding and except as may be approved by Aduro; and
- (l) D5 having previously or concurrently closed the Financing.

The conditions set forth above and which are to be set out in the Definitive Agreement are for the exclusive benefit of the Principal, Aduro Securityholders and Aduro and may be unilaterally waived by the Principal, the Aduro Securityholders and Aduro in whole or in part at any time.

#### **14. Ordinary Course**

Until the Closing of the Acquisition, neither D5 nor Aduro shall, without the prior written consent of the other, enter into any contract in respect of its business or assets, other than in the ordinary course of business, or as otherwise contemplated by this Letter of Intent, or in the Definitive Agreement, and each Party shall continue to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Acquisition and the Financing; and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions and shall not make or commit to make distributions, dividends or special bonuses, shall not repay or commit to repay any shareholders' loans, or enter into or renegotiate or commit to enter into or renegotiate any employment, management or consulting agreement with any senior officer, in each case without the prior written consent of the other Parties.

#### **15. Public Disclosure**

- (a) No disclosure or announcement, public or otherwise, in respect of this Letter of Intent or the transactions contemplated herein will be made by either of D5 or Aduro without the prior written agreement of the other as to timing, content and method, provided that the obligations herein will not prevent either Party from making, after consultation with the other, such disclosure as its counsel advises is required by applicable laws or the rules and policies of the CSE or other regulatory bodies; and
- (b) Unless and until the transactions contemplated in this Letter of Intent have been completed, except with the prior written consent of the other Parties, each of D5 and Aduro and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all confidential information received from the other in confidence.



## 16. Post-Closing

Effective at the Closing:

- (a) Ofer Vicus and three nominees of Aduro shall be appointed to the five person board of directors of the Resulting Issuer (which board shall include current director, David Hodge), and Ofer Vicus shall be appointed as Chief Executive Officer of the Resulting Issuer. On achievement of the Second Milestone, D5 shall have the right to nominate a second member to the board of directors of the Resulting Issuer;
- (b) The same number of directors of the Resulting Issuer as appointed in section 16(a) shall concurrently resign as directors of the Resulting Issuer;
- (c) The Resulting Issuer's name shall be changed to "Aduro Energy Inc." and the Resulting Issuer shall adopt the business of Aduro; and
- (d) The Resulting Issuer shall grant a total of 10,000,000 stock options valid for 3 years to directors, officers and consultants of D5 as determined by D5 prior to Closing, which options shall vest and become exercisable as follows:
  - (1) one-third will vest on Closing and be exercisable at a price of \$0.10 per share;
  - (2) one-third will vest on closing of the first financing of at least \$2,500,000 completed after the Financing (the "Second Financing") with the exercise price equal to the share or unit price of said Second Financing, and
  - (3) one-third will vest on closing of the first financing of at least \$4,500,000 completed after the Second Financing (the "Third Financing") with the exercise price equal to the share or unit price of said Third Financing.

## 17. Termination

This Letter of Intent may be terminated by mutual agreement of the respective Parties hereto. Unless otherwise agreed in writing by D5, the Principal, Aduro Securityholders and Aduro, this Letter of Intent shall terminate without further notice or agreement in the event that:

- (a) The full amount of the Loan not being advanced in immediately available funds to Aduro on or before the 30th day following the date of execution of this Letter of Intent;
- (b) the Acquisition is rejected by the CSE and all recourse or rights of appeal have been exhausted;
- (c) any conditions precedent set out in Sections 11, 12, and 13 hereof are not satisfied, released or waived (including, without limitation, the failure of D5 to complete the Financing) on or before September 21, 2020;

- (d) the Effective Date has not occurred on or before December 31, 2020, or such later date as may be approved in writing by D5, the Principal and Aduro;
- (e) upon written notice being delivered by D5 to the other Parties upon completion of the Due Diligence Period stating that D5 is not prepared to complete the Acquisition as a result of its due diligence review;
- (f) upon written notice being delivered by Aduro to the other Parties upon completion of the Due Diligence Period stating that Aduro is not prepared to complete the Acquisition as a result of its due diligence review; or
- (g) upon written notice by a Party hereto of termination of this Letter of Intent due to a breach of the terms of this Letter of Intent by another Party hereto, provided such breach has not been cured to the reasonable satisfaction of the terminating Party within 30 days of such other Parties receiving written notice thereof.

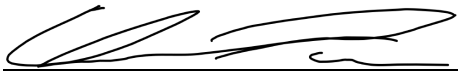
**18. General**

- (a) Commencing upon execution of this Letter of Intent and continuing until the completion of the Acquisition, the Principal will not in any manner transfer, encumber or otherwise deal with their Aduro Shares in a manner contrary to or in hindrance of the transactions contemplated herein. Unless otherwise provided, all dollar amounts referred to in this Letter of Intent are in lawful money of Canada.
- (b) The representations, warranties and covenants made by D5, Aduro and the Principal in this Letter of Intent will survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of either D5, Aduro and the Principal or any other person acting on their behalf will continue in full force and effect for a period of one year.
- (c) This Letter of Intent will enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Letter of Intent may not be assigned by any Party without the prior written consent of the other Parties.
- (d) This Letter of Intent may be executed in several counterparts, each of which will be deemed to be an original and all of which will together constitute one and the same instrument. Delivery of a copy by facsimile or other electronic means will be deemed to be delivery of an original.
- (e) Each party shall bear their respective all costs in connection with the transactions contemplated in this Letter of Intent, including legal and accounting costs, whether or not the Acquisition is completed.
- (f) This Letter of Intent is intended to be a binding agreement between the Parties subject to the terms and conditions hereof.

- (g) Time is of the essence of this Letter of Intent.
- (h) This Letter of Intent will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- (i) If any provision of this Letter of Intent is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, then such provision will be severed from and will not affect any other provision of this Letter of Intent. Upon such determination, the Parties will negotiate in good faith to modify such terms or provisions so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible. All other provisions of this Letter of Intent will, nevertheless, remain in full force and effect and no provision will be deemed dependent upon any other provision unless so expressed.
- (j) If you agree to the above terms, kindly sign two copies of this letter signifying your approval and acceptance and return one fully executed letter to the writer at your earliest convenience. Upon acceptance this offer becomes a binding agreement subject to its terms.

Yours truly,

**Dimension Five Technologies Inc.**

Per:  \_\_\_\_\_

Chris Parr, CEO

The undersigned hereby agree to the foregoing terms and conditions of this Letter of Intent this 10th day of July, 2020.

**Aduro Energy Inc.**

**Principal**

Per:  \_\_\_\_\_

 \_\_\_\_\_

Ofer Vicus, CEO

Ofer Vicus

## SCHEDULE "A"

### LIST OF INTELLECTUAL PROPERTY ASSETS OF ADURO

The intellectual property assets of Aduro (including patents and patents pending) are set out on the pages that follow.

1. SYSTEM AND METHOD FOR CONTROLLING AND OPTIMIZING THE HYDROTHERMAL UPGRADING OF HEAVY CRUDE OIL AND BITUMEN

US Patent No.	9,783,742 B2
Type	Original filing
Inventor(s)	W. Marcus Trygstad
Assignee	Aduro Energy, Inc.
Filed	Oct. 28, 2013
Issued	Oct. 10, 2017
Expires	Dec. 8, 2035 (anticipated)
Foreign <sup>1</sup>	Canada, Germany, France, Italy, Russian Federation, United Kingdom

2. SYSTEM AND METHOD FOR CONTROLLING AND OPTIMIZING THE HYDROTHERMAL UPGRADING OF HEAVY CRUDE OIL AND BITUMEN

US Patent No.	9,64,455 B2
Type	Continuation in part from US 9,783,742 B2
Inventor(s)	W. Marcus Trygstad
Assignee	Aduro Energy, Inc.
Filed	Mar. 18, 2014
Issued	May 9, 2017
Expires	Nov. 4, 2034 (anticipated)
Foreign*	Canada, Germany, France, Italy, Russian Federation, United Kingdom

3. SYSTEM AND METHOD FOR HYDROTHERMAL UPGRADING OF FATTY ACID FEEDSTOCK

US Appl. No.	US15/818,274
Type	Continuation in part from US 9,783,742 B2
Inventor(s)	W. Marcus Trygstad
Assignee	Aduro Energy, Inc.
Filed	Nov. 20, 2017
Issued	n/a
Expires	n/a
Foreign	n/a

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<sup>1</sup> Jurisdictions in which the patent is pending or has been issued or allowed.

4. SYSTEM AND METHOD FOR PRODUCING HYDROTHERMAL RENEWABLE DIESEL AND SATURATED FATTY ACIDS

US Appl. No.	US16/676636
Type	Continuation in part from US 9,783,742 B2
Inventor(s)	W. Marcus Trygstad, Anil K. Jhawar, Muhammad B. I. Chowdhury, and Shaun J. Fraser
Assignee	Aduro Energy, Inc.
Filed	Nov. 7, 2019
Issued	n/a
Expires	n/a
Foreign	n/a

5. HYDROCHEMOLYTIC UPGRADING OF MACROMOLECULES COMPRISING SYNTHETIC POLYMERS AND HEAVY OIL COMPONENTS

US Appl. No.	n/a <sup>2</sup>
Type	Continuation in part from US 9,783,742 B2
Inventor(s)	W. Marcus Trygstad and Anil K. Jhawar
Assignee	Aduro Energy, Inc.
Filed	Jul. 31, 2020
Issued	n/a
Expires	n/a
Foreign	n/a

6. METHOD FOR EXTRACTING AND UPGRADING OF HEAVY AND SEMI-HEAVY OILS AND BITUMENS

US Patent No.	8,372,347 B2
Type	Original filing
Inventor(s)	Brian Berkowitz, Stephen R. Dunn, and Ishai Dror
Orig. Assignee	Yeda Research and Development Co Ltd.
Owner	Aduro Energy, Inc. (by legal agreement)
Filed	Apr. 11, 2011
Issued	Feb. 12, 2013
Expires	Nov. 14, 2025 (anticipated)
Foreign	Canada

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<sup>2</sup> This is a Provisional patent application in the final stages of being prepared for filing. "Filed" date given is the approximate anticipated date by which it will be filed with the United States Patent and Trademark Office.

**SCHEDULE "B"**

**LIST OF ADURO SHAREHOLDERS, WARRANT HOLDERS, AND CONVERTIBLE NOTE ("CN") HOLDERS**

<b>Name</b>	<b>Shares</b>	<b>Warrants/Convertible Notes (\$)</b>
Ofer Vicus	1,061,867	
Marc Trygstad	135,500	\$16,000 (CN)
Richard Sampson	13,170	
Erez Shemesh	13,170	3,500 warrants and \$16,104 (CN)
Zeev Yonovsky	6,585	
Golan Wiess	13,170	
Ronny Shtang	13,170	5,000 warrants and \$44,108 (CN)
Pam Covens	13,170	\$25,081 (CN)
Nemo International Enterprises	26,340	
Yehuda Habet	6,585	
Brian Berkowitz		11,350 warrants and \$16,198 (CN)

<b>Name</b>	<b>Shares</b>	<b>Warrants/Convertible Notes (\$)</b>
Ishai Dror		1,150 warrants and \$6,081 (CN)
Jane Karen		9,878 warrants
Anil Jhavar		28,000 warrants
Dave Shook		7,500 warrants
Abe Dyck		21,000 warrants
Alon Hasdai		8,500 warrants
Lizi Bitton		\$40,360 (CN)
Nir Orbach		\$148,211 (CN)
Gilbert Leduc		\$147,077 (CN)
Louis Covens		\$10,361 (CN)
Cari Covens		\$10,361 (CN)
Stefanie Covens		\$10,361 (CN)

## SCHEDULE "C"

### TECHNOLOGY DEVELOPMENT STAGES

Table C-I presents stages of technology development that correlate with provisions of the the Business Plan and with the Milestones.

**Table C-I. Technology Development Stages for Upgrading<sup>1</sup> Bitumen, Renewables, and Plastics by HBU, HRU, and HPU.**

Description	Reactor Designation	Reactor Size/Rate	Typical Time (Yr)	Est. Total Budget
<b>Lab R&amp;D:</b> batch reactor to study chemistry and scope process conditions	R-I	<0.5 L	0.5 - 1	\$200k
<b>Lab Pre-Pilot<sup>2</sup>:</b> further define process conditions and develop process models	R-II	0.5 – 2 L/hr	2	\$500k
<b>Pilot<sup>3</sup>:</b> full demonstration of technology and commercial viability	R-III	1 – 4 bbl/da	2	\$3MM
<b>Commercial Scaleup<sup>4</sup>:</b> technology transition from Pilot to full production	R-IV+	10 – 100 bbl/da	2	Variable

<sup>1</sup> HBU, HRU, and HPU are Hydrochemolytic Upgrading of, respectively, Bitumen, Renewable oils, and Plastics, where Bitumen is a representative member of a broad class of materials that also includes heavy oils, asphaltenes, and residua from refinery vacuum distillation units; and Plastics is a representative member of a broad class of materials that also includes foams and tire rubber.

<sup>2</sup> Same as a Show Room Unit in respect of First Milestone.

<sup>3</sup> Undertaken in respect of Second Milestone.

<sup>4</sup> The step-up from Pilot scale to a commercial scale operation is in accordance with established principles of chemical engineering. Although Aduro methods involve unique, patented chemical technology, their implementation does not depend on exotic engineering, but leverages well-established process principles and off-the-shelf process designs. This largely eliminates uncertainty and risk in commercial scaleup, which instead is anticipated to be highly predictable and efficient.