

## AMALGAMATION AGREEMENT

**DATED** as of August 25, 2020

**BETWEEN:**

**YUKOTERRE RESOURCES INC.**, a company existing under the laws of Ontario (“**Yukoterre**”)

**AND:**

**1261466 B.C. LTD.**, a company existing under the laws of British Columbia (“**Yukoterre Subco**”)

**AND:**

**FLYOVERTURE EQUITY INC.**, a company incorporated under the laws of British Columbia;  
 (“**Silo Wellness**”)

**WHEREAS:**

- A. Yukoterre desires to acquire all of the issued and outstanding shares of Silo Wellness pursuant to the terms and conditions herein;
- B. Yukoterre has incorporated Yukoterre Subco as a newly formed, wholly-owned subsidiary that has not carried on any active business solely for the purpose of effecting a three-cornered amalgamation among Yukoterre, Yukoterre Subco and Silo Wellness;
- C. In order to most efficiently effect the terms of the Transaction, Silo Wellness and Yukoterre Subco have agreed to amalgamate under the provisions of the *Business Corporations Act* (British Columbia) on the terms and conditions described in this Agreement so that the shareholders of Silo Wellness become shareholders of Yukoterre and Yukoterre Subco and Silo Wellness continue as one corporation, which shall be a wholly-owned subsidiary of Yukoterre.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual agreements and covenants herein contained (the receipt and adequacy of such consideration being mutually acknowledged by each party), the parties covenant and agree as follows:

### **ARTICLE 1 INTERPRETATION**

1.1 **Definitions:** In this Agreement the following words and phrases shall have the following meanings:

- (a) “**Amalco**” means the corporation resulting from the Amalgamation;
- (b) “**Amalgamating Corporations**” means, together, Yukoterre Subco, and Silo Wellness;
- (c) “**Amalgamation**” means the amalgamation of Yukoterre Subco, and Silo Wellness under Section 269 of the BCBCA and in accordance with the terms and conditions of this Agreement;
- (d) “**Assets**” means all property or assets of any nature or kind, whether real or personal, tangible or intangible, corporeal or incorporeal, and includes any interest therein;
- (e) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (f) “**Business Day**” means any day other than a Saturday, Sunday or any statutory holiday in the Provinces of Ontario or British Columbia;
- (g) “**Claim**” means (a) any suit, action, proceeding, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative; or (b) any audit, reassessment, appeal or application for review, at law or in equity or by any Governmental Body;
- (h) “**Closing**” means the closing of the Transaction;
- (i) “**Closing Date**” means such date on or before November 30, 2020, which is five Business Days after the date on which all conditions precedent hereunder have been satisfied or waived and all necessary approvals are received, or waived, by Yukoterre, Yukoterre shareholders, Silo Wellness and Silo Wellness Class A shareholders with respect to the Transaction, to the extent such party has the right hereunder to waive such approval, or such other time or date as may be agreed upon in writing by the parties;
- (j) “**Closing Time**” means 5:00 p.m. (Toronto time) on the Closing Date or such other time as agreed to in writing by the parties;
- (k) “**Consolidation**” means the consolidation of the issued and outstanding Yukoterre Shares on the basis of one half (0.50) of a post-Consolidation Yukoterre Share for every one (1) pre-Consolidation Yukoterre Share held;
- (l) “**CSE**” means the Canadian Securities Exchange;
- (m) “**Dissent Rights**” means the rights of dissent in respect of the Amalgamation provided pursuant to Section 272 and Division 2 of Part 8 of the BCBCA to Silo Wellness shareholders; and the rights of dissent in respect of the Amalgamation, the Consolidation and the Name Change pursuant to Section 185 of the OBCA to Yukoterre shareholders, as applicable;
- (n) “**Effective Date**” means the effective date indicated upon the certificate issued pursuant to the Amalgamation;

- (o) “**Effective Time**” means 12:01 a.m. (Toronto Time) on the Effective Date;
- (p) “**Environmental Laws**” means all applicable international, federal, provincial, state, municipal and local treaties, conventions, laws, statutes, ordinances, by-laws, codes, regulations, and all policies, guidelines, standards, orders, directives and decisions rendered or promulgated by any ministry, department or administrative or regulatory agency or body whatsoever (including international organizations formed by or participated in by any national, provincial or state government or representatives thereof) relating to health and safety, the protection or preservation of the environment or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of any product or any Hazardous Substances;
- (q) “**Governmental Body**” means any domestic or foreign (a) federal, provincial, state, municipal, local or other government, (b) governmental or quasi-governmental authority of any nature, including any governmental ministry, agency, branch, department, commission, court, board, tribunal, bureau or instrumentality, or (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature;
- (r) “**Hazardous Substances**” means any contaminant, pollutant, dangerous substance, liquid waste, industrial waste, hauled liquid waste, toxic substance, special waste, hazardous waste, hazardous material or hazardous substance as defined in or pursuant to any Environmental Laws, law, judgment, decree, order, injunction, rule, statute or regulation of any court, arbitrator or Governmental Body;
- (s) “**Losses**” or “**Loss**” in respect of any matter, means any and all costs, expenses, penalties, fines, losses, damages, liabilities and deficiencies (including all amounts paid in settlement, all interest and penalties and all legal and other professional fees and disbursements, including those incurred in defending any Claim) arising directly or indirectly as a consequence of such matter;
- (t) “**Material Adverse Change**” or “**Material Adverse Effect**” with respect to Yukoterre or Silo Wellness, as the case may be, means any event, change or effect (including a decision to implement any such event or change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), that is or would reasonably be expected to be materially adverse to the business, assets, liabilities, capitalization, ownership, financial condition or operations of Yukoterre or Silo Wellness, considered with respect to the entity taken as a whole, provided however that a “Material Adverse Change” or “Material Adverse Effect” shall not include an adverse change or effect resulting from: (i) a matter that has been publicly disclosed or otherwise disclosed in writing by either party to the other parties prior to the date of this Agreement; (ii) conditions affecting the psychedelics industry generally in Canada, the United States and Jamaica, including changes in laws, government policies or programs or taxes; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or Jamaica; or (iv) any

natural disaster or the commencement or continuation of any war, armed hostilities, acts of terrorism or pandemics including the current global COVID-19 pandemic;

- (u) “**Material Contracts**” means any commitments, contracts, instruments, leases and other agreements, oral or written, entered into by a party hereto, by which a party hereto is bound or to which it or its Assets are subject that have total payment obligations on the part of that party that exceed \$50,000 or are for a term of or in excess of twelve months;
- (v) “**Name Change**” means the name change of Yukoterre to “Silo Wellness Inc.” or such other name acceptable to Yukoterre and Silo Wellness, with such name change to be completed on or prior to the Effective Date;
- (w) “**OBCA**” means the *Business Corporations Act* (Ontario);
- (x) “**Silo Operating Agreements**” means those leases and other agreements relating to the business of Silo Wellness that have been disclosed to Yukoterre on or before the date of this Agreement;
- (y) “**Person**” includes an individual, corporation, body corporate, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative thereof;
- (z) “**Private Placement**” means the private placement of subscription receipts of Silo Wellness for minimum gross proceeds of \$2,500,000, with each subscription receipt to be sold at a price no less than \$0.25 and which shall be automatically exchanged in accordance with its terms for a Silo Wellness Class A Common Share;
- (aa) “**Resulting Issuer**” means Yukoterre upon completion of the Transaction;
- (bb) “**Resulting Issuer Shares**” means common shares in the capital of the Resulting Issuer following the completion of the Transaction;
- (cc) “**Silo Wellness**” means FlyOverture Equity Inc. and any successor or assignee thereof;
- (dd) “**Silo Wellness Class A Common Shares**” means the 32,791,730 issued and outstanding Class A common shares of Silo Wellness;
- (ee) “**Silo Wellness Meeting**” means the special meeting, including any adjournments or postponements thereof, of the shareholders of Silo Wellness to be held to consider and; if deemed advisable, approve, among other things, the Amalgamation;
- (ff) “**SW Holdings**” means SW Holdings Inc., a wholly-owned subsidiary of Silo Wellness incorporated pursuant to the laws of Oregon;
- (gg) “**Tax Act**” means the *Income Tax Act* (Canada);

- (hh) **“Taxes”** has the meaning ascribed to it in Section **Error! Reference source not found.**;
- (ii) **“Transaction”** means the completion of the Amalgamation, the Consolidation and the Name Change, which will result in a reverse take-over of Yukoterre by Silo Wellness and its securityholders and the listing of the shares of the Resulting Issuer on the CSE;
- (jj) **“Yukoterre”** has the meaning ascribed to it above;
- (kk) **“Yukoterre Meeting”** means the annual general and special meeting to be held on September 21, 2020, including any adjournments or postponements thereof, of the shareholders of Yukoterre to be held to consider, and, if deemed advisable, approve, among other things, the appointment of auditors, election of directors, renewal of Yukoterre’s stock option plan and the approval of the Transaction as described herein;
- (ll) **“Yukoterre Options”** means options to purchase Yukoterre Shares;
- (mm) **“Yukoterre Spin-Out”** means the disposition of the Division Mountain Property by Yukoterre by the earlier of September 30, 2020 or immediately prior to Closing;
- (nn) **“Yukoterre Shares”** means the 10,520,541 issued and outstanding common shares in the capital of Yukoterre; and
- (oo) **“Yukoterre Subco”** has the meaning ascribed to it above.

1.2 **Schedules:** The following are the schedules to this Agreement:

Schedule A Liabilities of Yukoterre and Silo Wellness

Schedule B Draft Articles of Amalgamation

1.3 **Interpretation:** For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) **“this Agreement”** means this Agreement, including the Schedules hereto, as it may from time to time be supplemented or amended;
- (b) all references in this Agreement to a designated Article, section, subsection, paragraph, or other subdivision, or to a Schedule, is to the designated Article, section, subsection, paragraph or other subdivision of, or Schedule to, this Agreement unless otherwise specifically stated;
- (c) the words **“herein”**, **“hereof”** and **“hereunder”** and other words of similar import refer to this Agreement as a whole and not to any particular Article, clause, subsection or other subdivision or Schedule;
- (d) **“the parties”** means the parties to this Agreement, being Yukoterre, Yukoterre Subco, Silo Wellness, and **“a party”** means any one of them;

- (e) the singular of any term includes the plural and *vice versa* and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (f) the word “including” is not limiting (whether or not non-limiting language such as “without limitation”, “but not limited to” and other words of similar import are used with reference thereto);
- (g) the headings to the Articles and clauses of this Agreement are inserted for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (h) the parties acknowledge that this Agreement is the product of arm’s length negotiation between the parties, each having obtained its own independent legal advice, and that this Agreement shall be construed neither strictly for nor strictly against either party irrespective of which party was responsible for drafting this Agreement; and
- (i) unless otherwise specifically noted, all references to money in this Agreement are or shall be to lawful money of Canada. If it is necessary to convert money from another currency to lawful money of Canada, such money shall be converted to lawful money of Canada using the exchange rates in effect at the close of business on the Business Day prior to the Closing Date.

## **ARTICLE 2 THE TRANSACTION**

### **2.1 Implementation Steps**

- (a) Silo Wellness shall complete the Private Placement.
- (b) Yukoterre shall call and convene the Yukoterre Meeting at which the Yukoterre shareholders will be asked to approve the Transaction, and any ancillary matters.
- (c) Silo Wellness shall call and convene the Silo Wellness Meeting at which the Silo Wellness Class A Shareholders will be asked to approve the Amalgamation and any ancillary matters.
- (d) Yukoterre covenants in favour of the other parties hereto that it shall, in its capacity as the sole shareholder of Yukoterre Subco, approve and execute a special resolution approving the Amalgamation as soon as reasonably practicable following the approval of the Transaction at the Yukoterre Meeting.
- (e) Yukoterre shall complete the Yukoterre Spin-Out in accordance with all applicable laws.
- (f) Yukoterre shall file articles of amendment for Yukoterre for the name change and share consolidation to occur pursuant to the terms of the Transaction.

- (g) Following receipt of the requisite approvals set forth above in accordance with the terms of and subject to the satisfaction or waiver of all conditions precedent set forth in this Agreement, the Amalgamating Corporations shall jointly file the Articles of Amalgamation as set out in Schedule “B” hereto with the director, as provided under the BCBCA, and such other documents as are required to be filed under the BCBCA.

## 2.2 Effects of the Amalgamation

At the Effective Time, the following shall occur and shall be deemed to occur without any further act or formality:

- (a) Yukoterre Subco and Silo Wellness shall amalgamate to form Amalco and shall continue as one company under the BCBCA in the manner set out in Section 2.7 hereof and with the effect as of the Effective Time;
- (b) immediately upon the Amalgamation:
  - (i) each Silo Wellness Class A Common Share shall be exchanged for one fully-paid and non-assessable Resulting Issuer Share, following which all the Silo Wellness Class A Common Shares shall be cancelled;
  - (ii) Silo Wellness Class A Common Shares which are held by dissenting shareholders who have validly exercised their Dissent Rights in strict compliance with the provisions thereof shall not be converted as prescribed by section 2.2(b)(i). However, if any such dissenting Silo Wellness Class A shareholder fails to perfect or effectively withdraws its claim under Section 238 of the BCBCA or forfeits its right to make a claim under Section 238 of the BCBCA or if its rights as a shareholder of Silo Wellness are otherwise reinstated, such dissenting shareholder’s Silo Wellness Class A Common Shares shall thereupon be deemed to have been exchanged as of the Effective Time as prescribed by section 2.2(b)(i);
  - (iii) each post-Consolidation Yukoterre Share shall be exchanged for one fully-paid and non-assessable Resulting Issuer Share, following which all the Yukoterre Shares shall be cancelled;
  - (iv) Yukoterre Shares which are held by dissenting shareholders who have validly exercised their Dissent Rights in strict compliance with the provisions thereof shall not be converted as prescribed by section 2.2(b)(iii). However, if any such dissenting Yukoterre shareholder fails to perfect or effectively withdraws its claim under Section 185 of the OBCA or forfeits its right to make a claim under Section 185 of the OBCA or if its rights as a shareholder of Yukoterre are otherwise reinstated, such dissenting shareholder’s Yukoterre Shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by section 2.2(b)(iii);
  - (v) the outstanding common shares of Yukoterre Subco will be cancelled and replaced by common shares in the capital of Amalco on a one for one basis;

- (vi) holders of Yukoterre Options shall be entitled to receive that number of options to purchase Resulting Issuer Shares equal to the number of Yukoterre Options held by such holder, subject to applicable adjustment in connection with the Consolidation, and the pre-Consolidation Yukoterre Options shall thereafter be cancelled;
- (vii) all of the property and assets of each of Yukoterre Subco, and Silo Wellness shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of Yukoterre Subco and Silo Wellness; and
- (viii) Amalco shall be a wholly-owned subsidiary of the Resulting Issuer.

### 2.3 Consultation

Upon execution of this Agreement, Yukoterre and Silo Wellness shall issue a press release that announces that the parties have entered into this Agreement and providing such further information concerning the Transaction as the parties may agree or as is otherwise required by the CSE. The parties shall consult with each other in respect to issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction, its business or operations and in making any filing with any Governmental Body, securities regulatory authority or stock exchange with respect thereto. Each of Yukoterre and Silo Wellness shall use commercially reasonable efforts to enable the other party to review and comment on all such press releases, public statements and filings prior to the release or filing, respectively, thereof, provided, however, that the obligations herein shall not prevent a party from making, after consultation with the other party, such disclosure as is required by applicable laws or the rules and policies of any applicable stock exchange. Reasonable consideration shall be given to any comments made by the other party and its counsel.

### 2.4 Yukoterre Circular

- (a) As promptly as reasonably practicable following execution of this Agreement, Yukoterre shall prepare the information circular for the Yukoterre Meeting together with any other documents required by applicable laws. Yukoterre shall ensure that this information circular complies in all material respects with all applicable laws and that it contains sufficient detail to permit the Yukoterre shareholders to form a reasoned judgment concerning the matters to be placed before them at the Yukoterre Meeting.
- (b) Yukoterre and Silo Wellness shall each use reasonable commercial efforts to obtain any necessary consents from their respective auditors and any other advisors for the use of any financial, technical or other expert information required to be included in the information circular for the Yukoterre Meeting.
- (c) Yukoterre and Silo Wellness shall each promptly notify each other if, at any time before the Effective Time, either becomes aware that the information circular for the Yukoterre Meeting contains a misrepresentation, or that otherwise requires an amendment or supplement to the information circular and the parties shall co-operate in the preparation of any amendment or supplement as required or appropriate, and Yukoterre shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Yukoterre



shareholders and, if required by applicable laws, file the same with any Governmental Body or stock exchange and as otherwise required.

- (d) The foregoing matters to be approved at the Yukoterre Meeting may be obtained by written resolution provided that such approval complies with both the OBCA and the applicable policies of the CSE.

## 2.5 **Silo Wellness Circular**

- (a) As promptly as reasonably practicable following execution of this Agreement, Silo Wellness shall prepare the information circular for the Silo Wellness Meeting together with any other documents required by applicable laws. Silo Wellness shall each ensure that this information circular complies in all material respects with all applicable laws and that it contains sufficient detail to permit the Silo Wellness shareholders to form a reasoned judgment concerning the matters to be placed before them at the Silo Wellness Meeting.
- (b) Silo Wellness shall use reasonable commercial efforts to obtain any necessary consents from its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the information circular for the Silo Wellness Meeting.
- (c) Yukoterre and Silo Wellness shall each promptly notify each other if at any time before the Effective Time either becomes aware that the information circular for the Silo Wellness Meeting contains a misrepresentation, or that otherwise requires an amendment or supplement to the information circular and the parties shall co-operate in the preparation of any amendment or supplement as required or appropriate, and Silo Wellness shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Silo Wellness shareholders and, if required by applicable laws, file the same with any Governmental Body or stock exchange and as otherwise required.
- (d) The foregoing matters to be approved at the Silo Wellness Meeting may be obtained by written resolution provided that such approval complies with the applicable provisions of the BCBCA.

## 2.6 **CSE Listing Statement**

- (a) As promptly as reasonably practicable following execution of this Agreement, Yukoterre shall prepare (with Silo Wellness' input as required) the listing statement substantially in the form as provided by the CSE's Form 2A and in accordance with the policies of the CSE, which shall form part of the information circular for the Yukoterre Meeting. The parties shall ensure that any information related to itself does not include any misrepresentation.
- (b) Yukoterre and Silo Wellness shall each use reasonable commercial efforts to obtain any necessary consents from their respective auditors and any other advisors for the use of any financial, technical or other expert information required to be included in the CSE listing statement.

## 2.7 Amalco

Following the Amalgamation, Amalco shall be organized as follows:

- (a) The name of Amalco shall be “Silo Psychedelics Inc.” or such other name as may be jointly approved by Silo Wellness and Yukoterre.
- (b) The registered office of Amalco shall be 1800 - 510 West Georgia Street, Vancouver, British Columbia V6B 0M3.
- (c) There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.
- (d) The authorized capital of Amalco shall be an unlimited number of common shares without par value.
- (e) The capital account in the records of Amalco for Amalco shares shall be equal to the aggregate of the capital determined immediately before the Effective Time, attributed to the shares of each of the companies amalgamating to create Amalco.
- (f) The first directors of Amalco shall be the persons whose names and addresses for service appear below:

<b>Name</b>	<b>Address for Service</b>	<b>Resident</b>
Fred Leigh	65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5	Canada
Maurice Colson	65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5	Canada
Mike Arnold	234 Eglinton Avenue East, Suite 501, Toronto, Ontario M4P 1K7	United States of America
Mo Yang	234 Eglinton Avenue East, Suite 501, Toronto, Ontario M4P 1K7	Canada
Winfield Yongbiao Ding	200 Consumers Road, Suite 702, Toronto, Ontario, M2J 4R4	Canada

Each of the first directors named above shall hold office from the Effective Time until the later of the close of the first annual meeting of shareholders of Amalco and the date on which a successor is elected or appointed.

- (g) The first auditors of Amalco shall be McGovern Hurley LLP, Chartered Accountants. The first auditors of Amalco shall hold office until the first annual meeting of shareholders of Amalco following the Amalgamation, or until their successor is appointed.

- (h) The fiscal year end of Amalco shall be October 31.
- (i) The articles of Amalco, until repealed, amended or altered, shall be substantially in the form set forth in Schedule B hereto.
- (j) All of the property and assets of each of Yukoterre Subco, and Silo Wellness shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of Yukoterre Subco and Silo Wellness.

## 2.8 Structuring

The parties and their advisors shall in good faith consider and investigate whether the transactions contemplated by this Agreement may be effected in a manner that is more tax efficient than that set out herein. If, following such investigation, the parties deem it necessary or advisable, the parties shall amend this Agreement in order to provide for a more tax efficient structure.

## 2.9 Withholding Tax Rights

Notwithstanding any other provision of this Agreement, if any party identifies that a withholding may apply to any payment or consideration contemplated herein, such person shall notify the other parties to this Agreement of such withholding. The parties shall, acting reasonably, cooperate in doing all things to reduce or eliminate such withholding. In the event that withholding taxes cannot be eliminated, the parties and any other applicable withholding agent shall be entitled to deduct and withhold from the payment or consideration otherwise payable in connection with any transactions referred to in this Agreement such amounts as such withholding agent determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such payment or consideration in accordance with the Tax Act or any provision of federal, provincial, territorial, state, local, or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such withholding was made. Each such withholding agent shall be authorized to sell or otherwise dispose of such portion of the payment or consideration payable hereunder as is necessary to provide sufficient funds to enable it to implement such deduction or withholding.

## ARTICLE 3 YUKOTERRE REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties.** In order to induce the other parties to enter into and to consummate the transactions contemplated hereunder, Yukoterre represents and warrants to the other parties as follows:

- (a) Organization and Good Standing: Each of Yukoterre and Yukoterre Subco are companies duly incorporated and validly existing under the laws of the provinces of Ontario and British Columbia, respectively. Yukoterre has not registered to conduct business in any jurisdiction other than the Province of Ontario and Yukon Territory and Yukoterre Subco has not registered to conduct business in any jurisdiction other than the Province of British Columbia and neither the nature of the business of Yukoterre, nor the location or character of the respective Assets

owned or leased by Yukoterre requires that Yukoterre be registered in any other jurisdiction.

- (b) Corporate Power and Authority: Each of Yukoterre and Yukoterre Subco has the corporate power, capacity and authority to carry on its business as currently conducted and to own, lease and operate its respective property and assets. Neither Yukoterre nor, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing Yukoterre's dissolution or winding up of Yukoterre or Yukoterre Subco.
- (c) Corporate Structure: The authorized capital of Yukoterre Subco consists of an unlimited number of common shares. Yukoterre holds a 100% direct interest in Yukoterre Subco. Other than Yukoterre Subco, Yukoterre has no other direct or indirect subsidiaries, nor any investment in any Person or any agreement, option or commitment to acquire any such investment. All of the issued and outstanding securities of Yukoterre Subco (being one common share of Yukoterre Subco) are held by Yukoterre. Yukoterre Subco is not a party to any contract and no assets and no liabilities.
- (d) Authority: Each of Yukoterre and Yukoterre Subco has all necessary corporate power, authority and capacity to complete the Transaction and to perform its obligations hereunder, subject to the receipt of requisite regulatory and shareholder approval, pursuant to the terms hereof. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action on the part of Yukoterre and Yukoterre Subco and this Agreement has been duly executed and delivered by Yukoterre and Yukoterre Subco and constitutes a valid and binding obligation of Yukoterre, except as such enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws and judicial decisions affecting the rights of creditors generally.
- (e) Compliance: The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Yukoterre and Yukoterre Subco, and the completion of the transactions contemplated hereby, will not conflict with nor constitute or result in a violation or breach of or default under or cause the acceleration of any obligations of Yukoterre or Yukoterre Subco under:
  - (i) any term or provision of any of its notice of articles, articles or other constating documents of Yukoterre or Yukoterre Subco or any director or shareholder minutes;
  - (ii) the terms of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which Yukoterre is a party or by which it is bound; or
  - (iii) any term or provision of any licenses, registrations or qualification of Yukoterre or Yukoterre Subco or any order of any court, Governmental Body or regulatory body or any applicable law or regulation of any jurisdiction.

- (f) Minute Books: The minute books of Yukoterre are true and correct in all material respects, contain the duly signed minutes of all meetings of the board of directors, shareholders and board committees of Yukoterre, as applicable.
- (g) Absence of Undisclosed Liabilities: Except as disclosed in Schedule A, each of Yukoterre and Yukoterre Subco does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise) other than those provided for historically in the financial statements or incurred in the ordinary course of business in accordance with past practice.
- (h) Material Contracts: Yukoterre is not a party to nor bound by any Material Contract, whether oral or written.
- (i) Copies of Agreements: True, correct and complete copies of any material mortgages, leases, agreements, instruments, licences, permits, authorizations and other documents related to the business of Yukoterre have been provided to Silo Wellness.
- (j) Absence of Guarantees: Each of Yukoterre and Yukoterre Subco is not subject to any guarantees, indemnities or contingent or indirect obligations with respect to the liabilities or obligations of any other Person (including any obligation to service the debt of or otherwise acquire an obligation of another Person or to supply funds to, or otherwise maintain any working capital or other statement of financial position condition of any other Person).
- (k) Financial Condition: The financial statements of Yukoterre for its most recently completed financial year and its most recently completed interim period contained on its public disclosure record available at [www.sedar.com](http://www.sedar.com): (i) complied as to form in all material respects with the published rules and regulations under the applicable securities laws; (ii) were reported in accordance with International Financial Reporting Standards; and (iii) present fairly the consolidated financial position of Yukoterre and its subsidiaries, on a consolidated basis, as of the respective dates thereof and the consolidated results of operations of Yukoterre and its subsidiaries, if any, for the periods covered thereby, and there has been no Material Adverse Change to Yukoterre 's financial condition since October 31, 2019.
- (l) Filings: Yukoterre:
  - (i) has duly filed in a timely manner all income tax returns, sales tax returns and remittances, and election forms in all jurisdictions where such tax returns or election forms are required to be filed and to the best of Yukoterre's knowledge all such returns and forms have been completed accurately and correctly in all material respects;
  - (ii) has paid all taxes and all interest and penalties thereon for all previous years and all required quarterly instalments due for the current fiscal year have been paid; and

- (iii) has not requested and is not the subject of or bound by any technical advice memorandum or similar ruling or memorandum with any Governmental Body with respect to any taxes, nor is any such request outstanding;

and there is no agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return, or payment of any tax, governmental charge or deficiency, nor is there any action, suit, litigation, arbitration, proceeding, governmental proceeding, investigation or claim, including appeals and applications for review, in progress, or to the best of Yukoterre's knowledge, threatened or pending against or in relation to Yukoterre or any of its assets in respect of, or discussions underway with any Governmental Body relating to, any such tax or governmental charge or deficiency.

- (m) Capitalization: The authorized capital of Yukoterre consists of an unlimited number of common shares, of which 10,520,541 are issued and outstanding as at the date hereof as fully paid and non-assessable shares in the capital of Yukoterre. Other than the 10,520,541 common shares and 1,295,000 stock options to purchase common shares and 245,000 Yukoterre Options issued to the agent pursuant to its initial public offering, there are no authorized, outstanding or existing securities of Yukoterre outstanding, including pursuant to any stock option plan, share purchase warrants or other convertible securities.
- (n) Absence of Options: Other than as disclosed above, no Person has any agreement, right or option, present or future, contingent, absolute or capable of becoming an agreement, right or option or which with the passage of time or the occurrence of any event could become an agreement, right or option to acquire any securities of Yukoterre or Yukoterre Subco, or any interest therein.
- (o) Indebtedness: Except as disclosed in Schedule A, Yukoterre is not indebted to any directors, officers, consultants or creditors of Yukoterre or any affiliate or associate of any of them, on any account whatsoever, and Yukoterre covenants not to incur such indebtedness, unless required to do so by applicable law.
- (p) Tax Status: Each of Yukoterre and Yukoterre Subco is a "taxable Canadian corporation" for the purposes of the Tax Act.
- (q) Absence of Contingent Tax Liabilities: All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any arrears, penalty and interest payable with respect thereto (collectively, "Taxes") due and payable or required to be collected or withheld and remitted, by Yukoterre and its subsidiaries have been paid, collected or withheld and remitted, as applicable. There are no contingent tax liabilities against Yukoterre or its subsidiaries nor to the best of Yukoterre's knowledge, any grounds that could prompt a reassessment and there are no examinations currently in progress or issues or disputes outstanding with any Governmental Body respecting any taxes that have been paid or may be payable by Yukoterre or any of its subsidiaries.

- (r) Absence of Certain Tax Circumstances: There are no circumstances which exist that would result in, or which have existed and resulted in, Sections 17, 78, and 79 to 80.04 (inclusive) of the Tax Act or any corresponding or similar provision of provincial, local, or foreign income tax law applying to Yukoterre.
- (s) Tax Credits and Refunds: All tax credits and refunds, including refundable and non-refundable investment tax credits in respect of scientific research and experimental development, claimed by Yukoterre were claimed and calculated in accordance with the Tax Act and accepted practices of the applicable Governmental Body.
- (t) Environmental: To the best knowledge of Yukoterre and other than any violation or other matter referred to in this subparagraph:
  - (i) Yukoterre is and has been in material compliance with all Environmental Laws;
  - (ii) At all times Yukoterre has operated its business and has received, handled, used, stored, treated, shipped and disposed of all materials regulated by Environmental Laws, in compliance with Environmental Laws;
  - (iii) There have been no spills, releases, deposits or discharges of Hazardous Substances into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Yukoterre or its subsidiary, or any properties currently, or formerly, owned, managed or controlled by Yukoterre or its subsidiary or upon which Yukoterre or its subsidiary has engaged in any activity;
  - (iv) No order, directions or notices have been issued and remain outstanding alleging any violation of Environmental Laws relating to the consolidated business or assets of Yukoterre or any properties currently or formerly owned, managed or controlled by Yukoterre or its subsidiary or upon which Yukoterre has engaged in any activity;
  - (v) Yukoterre has not failed to report to any Governmental Body the occurrence of any event which is required to be so reported by an Environmental Law;
  - (vi) Yukoterre has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
  - (vii) Yukoterre has not been requested or directed by a Governmental Body to post funds, or some other funds of security, in order to secure the delivery of a closure plan or the restoration of any part of the property upon which Yukoterre has engaged in any activity;

- (viii) Yukoterre has not received, nor been made aware of, any correspondence from a Governmental Body requesting and / or directing the delivery of a closure plan in relation to, or the restoration of any part of, any property upon which Yukoterre has engaged in any activity;
- (ix) Yukoterre does not possess or is aware of, a cost estimate in respect of the preparation of a closure plan and / or the restoration of any part of any property upon which Yukoterre has engaged in any activity
- (u) Conduct of Business: Yukoterre has been conducting its business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on business, and has not received a notice of noncompliance, and there are no facts that would give rise to a notice of non-compliance with any such laws and regulations, including Environmental Laws.
- (v) Employment Agreements:
  - (i) Yukoterre is not: (a) to the best of Yukoterre's knowledge, subject to any application for certification or threatened or apparent union organizing campaigns for employees not covered under a collective bargaining agreement, or (b) subject to any current, or to the best of Yukoterre's knowledge, pending or threatened strike or lockout;
  - (ii) Yukoterre is not subject to any claim for wrongful dismissal, constructive dismissal or any tort claim, actual or, to the best of Yukoterre's knowledge, pending or threatened, or any litigation, actual or, to the best of Yukoterre's knowledge, pending or threatened, relating to employment or termination of employment of employees or independent contractors; and
  - (iii) Yukoterre has operated in all material respects in accordance with all applicable law with respect to employment and labour, including, but not limited to, employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations and there are no current, or, to the best of Yukoterre's knowledge, pending or threatened, material proceedings before any board or tribunal with respect to any of the above.
- (w) Litigation: There is no Claim in progress or pending or, to the best of Yukoterre's knowledge, threatened against or relating to it, any of its subsidiaries or their respective assets that, if determined adversely to Yukoterre or its subsidiaries, would prevent it from fulfilling all of its obligations set out in this Agreement or arising from this Agreement or that would be expected to have a materially adverse effect upon Yukoterre , its subsidiaries, their respective financial condition, results of operations or business prospects, and, to the best of Yukoterre's knowledge, there are no existing grounds on which any such action, suit, litigation or proceeding might be commenced with any likelihood of success.
- (x) Anti-Corruption. Neither Yukoterre nor its subsidiaries, nor any of their respective directors, officers, agents, consultants, employees or any other Person acting on



Yukoterre's behalf has, in connection with the operation of its respective business, used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to government officials, candidates or members of political parties or organizations, or established or maintained any unlawful or unrecorded funds in violation in any material respect of the *Corruption of Foreign Public Officials Act* (Canada) or any other similar applicable law.

- (y) Reporting Issuer. Yukoterre is a "reporting issuer" as such term is defined under the securities legislation of British Columbia, Alberta and Ontario and has been a reporting issuer for more than four months prior to the Effective Time and is not in default of applicable securities legislation.
- (z) Public Filings. Yukoterre has filed all material documents and information required to be filed by it pursuant to applicable securities laws, with the applicable securities commissions (the "**Disclosure Documents**"), except where non-compliance has not had, and would not reasonable be expected to have, a Material Adverse Effect, and Yukoterre does not have any confidential filings with any securities authorities. As of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of applicable securities laws in the jurisdictions they were filed; and (ii) none of the Disclosure Documents contained any untrue statement of a material fact regarding Yukoterre or omitted to state a material fact regarding Yukoterre required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.
- (aa) Party to Agreements. Other than this Agreement, neither Yukoterre nor Yukoterre Subco is currently party to any agreement in respect of: (i) the purchase of any property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Yukoterre or Yukoterre Subco whether by asset sale, transfer of shares or otherwise; or (ii) the change of control of Yukoterre or Yukoterre Subco (whether by sale or transfer of shares or otherwise).
- (bb) Auditors: Yukoterre's auditors are independent public accountants.
- (cc) Performance Default: Neither Yukoterre nor Yukoterre Subco is in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which it is a party or by which it or its property may be bound.
- (dd) Material Interest: None of the directors or officers of Yukoterre has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Yukoterre that materially affects, is material to or will materially affect Yukoterre, including the Transaction.

- (ee) Insurance: Yukoterre maintains a commercial and general liability policy that provides \$1,000,000 in coverage for general liability and environmental matters. All insurance policies maintained in respect of Yukoterre and its Assets are in full force and effect and in good standing, and Silo Wellness is not in default of the payment of any premium or otherwise in respect thereof nor has Yukoterre failed to give notice or present any material claim under such insurance in a due and timely fashion or received notice or otherwise become aware of any intent of the insurer to either claim any default on the part of or not to renew the policy of insurance on substantially similar terms.
- (ff) Permits and Licenses: Yukoterre holds all material authorizations, approvals, orders, licences, permits or consents issued by any Governmental Body that are necessary or desirable in connection with the conduct and operation of its business as currently being conducted and the ownership, leasing or use of its Assets as the same are now owned, leased, used, conducted or operated, and Yukoterre is not in material breach of or in default under any of the terms or conditions thereof. Yukoterre is not aware of any intention of any Governmental Body to revoke, rescind or terminate any such authorizations, approvals, orders, licenses, permits or consents.
- (gg) Consents and Approvals: No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Body is required by or with respect to Yukoterre in connection with the execution and delivery of this Agreement by Yukoterre, the performance of its obligations hereunder or the consummation of the transactions contemplated hereby other than:
  - (i) the approval of the Yukoterre shareholders at the Yukoterre Meeting;
  - (ii) the approval of the CSE;
  - (iii) the filing of the articles of amalgamation under the BCBCA and the issuance of the Certificate of Amalgamation;
  - (iv) the filing of articles of amendment under the OBCA in respect of Yukoterre; and
  - (v) the approval of the majority of the minority of holders of Yukoterre Shares pursuant to the policies of the CSE.

3.2 **Reliance**: Yukoterre acknowledges and agrees that the other parties have entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement notwithstanding any independent searches or investigations that have been or may be undertaken by or on behalf of the other parties.

#### **ARTICLE 4**

#### **SILO WELLNESS REPRESENTATIONS AND WARRANTIES**

4.1 **Silo Wellness Representations and Warranties**: In order to induce the other parties to enter into and to consummate the transactions contemplated hereunder, Silo Wellness represents and warrants as follows:

- (a) Organization and Good Standing: Silo Wellness is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to own its Assets and to carry on its business as presently conducted. Silo Wellness has not registered to conduct

business in any jurisdiction other than British Columbia and neither the nature of the business of Silo Wellness, nor the location or character of the respective Assets owned or leased by Silo Wellness requires that Silo Wellness be registered in any other jurisdiction.

- (b) Corporate Power and Authority: Silo Wellness has the corporate power, capacity and authority to carry on its business as currently conducted and to own, lease and operate its property and assets. Neither Silo Wellness nor any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing Silo Wellness' dissolution or winding up of Silo Wellness.
- (c) Corporate Structure: The authorized capital of Silo Wellness consists of (a) an unlimited number of Silo Wellness Class A Common Shares. Other than SW Holdings, Silo Wellness has no other direct or indirect subsidiaries, nor any investment in any Person or any agreement, option or commitment to acquire any such investment. All of the issued and outstanding securities of SW Holdings are held by Silo Wellness.
- (d) Title: The Silo Wellness shareholders, a list of which has been provided to Yukoterre in writing, are the registered holders of all of the issued and outstanding common shares in the capital of Silo Wellness. Each Silo Wellness common share has been duly and validly issued and is outstanding as fully paid and non-assessable shares in the capital of Silo Wellness.
- (e) Authority: Subject to the receipt of requisite shareholder approval, Silo Wellness has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder including the completion of the Amalgamation. Subject to the receipt of requisite shareholder approval, the execution and delivery of this Agreement has been duly authorized by all necessary corporate action on the part of Silo Wellness and this Agreement has been duly executed and delivered by Silo Wellness and constitutes a valid, binding and enforceable obligation of Silo Wellness, except as such enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws and judicial decisions affecting the rights of creditors generally.
- (f) Tax Status: Silo Wellness is a "taxable Canadian corporation" for the purposes of the Tax Act.
- (g) Agreement Valid: Silo Wellness is not a party to, bound by or subject to any indenture, mortgage, lease, agreement, instrument, statute, regulation, order, judgment, decree or law that would be violated, contravened or breached by, or under which any default would occur as a result of, the authorization, execution and delivery of this Agreement by Silo Wellness or the performance by it of any of the terms hereof. None of the authorization, execution or delivery of this Agreement by Silo Wellness, nor the performance of its obligations hereunder will violate, conflict with or breach its articles or by-laws or other organizational documents,

any permit by which Silo Wellness, SW Holdings or their respective Assets are bound, or the Silo Operating Agreements.

- (h) Stock Options: As of the date hereof, there are no outstanding convertible securities of Silo Wellness.
- (i) Financial Statements: The financial statements to be delivered by Silo Wellness will present fairly the financial position of Silo Wellness as at the date set out therein and the results of such company's operations and the changes in such company's financial position for the period then ended and reflect any reserves that are required to be included under the accounting standards used by Silo Wellness in the preparation of its financial statements. Since October 31, 2019, there has been no material change in respect of Silo Wellness's operations, financial condition or business.
- (j) Minute Books: The minute books of Silo Wellness are true and correct in all material respects; contain the duly signed minutes of all meetings of the board of directors, shareholders and board committees of Silo Wellness, as applicable, and all resolutions passed by the board of directors, shareholders and board committees of Silo Wellness, as applicable.
- (k) Absence of Undisclosed Liabilities: Except as disclosed in Schedule A, Silo Wellness does not have any outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise) other than those provided for historically in the financial statements or incurred in the ordinary course of business in accordance with past practice.
- (l) Material Contracts: Silo Wellness is not a party to nor bound by any Material Contract, whether oral or written.
- (m) Silo Operating Agreements: The Silo Operating Agreements are all valid and subsisting, in full force and effect and unamended, no material default exists in respect thereof on the part of Silo Wellness or, to the best of Silo Wellness's knowledge, on the part of any of the other parties thereto. Silo Wellness is not aware of any intention on the part of any of the other parties thereto to terminate or materially alter any of the Silo Operating Agreements.
- (n) Absence of Guarantees: Silo Wellness is not subject to any guarantees, indemnities or contingent or indirect obligations with respect to the liabilities or obligations of any other Person (including any obligation to service the debt of or otherwise acquire an obligation of another Person or to supply funds to, or otherwise maintain any working capital or other statement of financial position condition of any other Person).
- (o) Copies of Agreements: True, correct and complete copies of any material mortgages, leases, agreements, instruments, licences, permits, authorizations and other documents related to the business of Silo Wellness, including, in particular, the Silo Operating Agreements and patent application number 62/870,722 filed with the United States Patent and Trademark Office on July 4, 2019 and renewal

application submitted on July 3, 2020 (the “**Formulation Patent**”) have been provided to Yukoterre.

- (p) Absence of Approvals Required: No authorization, approval, order, license, permit or consent of any Governmental Body and no registration, declaration or filing by Silo Wellness with any such Governmental Body is required to be obtained by Silo Wellness in order to consummate the transactions contemplated hereunder, to execute and deliver all of the documents and instruments to be delivered by Silo Wellness under this Agreement, to duly perform and observe the terms and provisions of this Agreement, or to render this Agreement legal, valid, binding and enforceable.
- (q) Permits and Licenses: Silo Wellness holds all material authorizations, approvals, orders, licences, permits or consents issued by any Governmental Body that are necessary or desirable in connection with the conduct and operation of its business as currently being conducted and the ownership, leasing or use of its Assets as the same are now owned, leased, used, conducted or operated, and Silo Wellness is not in material breach of or in default under any of the terms or conditions thereof. Silo Wellness is not aware of any intention of any Governmental Body to revoke, rescind or terminate any such authorizations, approvals, orders, licenses, permits or consents.
- (r) Filings: Silo Wellness:
  - (i) has duly filed in a timely manner all income tax returns and election forms in all jurisdictions where such tax returns or election forms are required to be filed and to the best of Silo Wellness’s knowledge all such returns and forms have been completed accurately and correctly in all material respects; and
  - (ii) has paid all taxes and all interest and penalties thereon for all previous years and all required quarterly instalments due for the current fiscal year have been paid;

and there is no agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return, or payment of any tax, governmental charge or deficiency, nor is there any action, suit, litigation, arbitration, proceeding, governmental proceeding, investigation or claim, including appeals and applications for review, in progress, or to the best of Silo Wellness’s knowledge, threatened or pending against or in relation to Silo Wellness or any of its Assets in respect of, or discussions underway with any Governmental Body relating to, any such tax or governmental charge or deficiency.

- (s) Capitalization: The authorized capital of Silo Wellness consists of an unlimited number of Class A common shares, of which 35,066,730 Class A common shares are issued and outstanding as at the date hereof as fully paid and non-assessable shares in the capital of Silo Wellness. Other than the Silo Wellness Class A Common Shares, there are no authorized, outstanding or existing securities of Silo

Wellness outstanding, including pursuant to any stock option plan, share purchase warrants or other convertible securities.

- (t) Absence of Contingent Tax Liabilities: All Taxes due and payable or required to be collected or withheld and remitted, by Silo Wellness and its subsidiaries have been paid, collected or withheld and remitted, as applicable. There are no contingent tax liabilities against Silo Wellness or its subsidiaries nor to the best of Silo Wellness' knowledge, any grounds that could prompt a reassessment and there are no examinations currently in progress or issues or disputes outstanding with any Governmental Body respecting any taxes that have been paid or may be payable by Silo Wellness or any of its subsidiaries.
- (u) Condition of Assets: All machinery, facilities, equipment and other Assets in connection with the business of Silo Wellness are owned by Silo Wellness or used by it under valid and subsisting leases, licences, operating agreements or other arrangements; and all Assets are in good working order subject to standard wear and tear.
- (v) Patents: The Formulation Patent has been validly assigned to Silo Wellness by the co-inventors thereof, and Silo Wellness owns and possesses adequate and enforceable rights to use the Formulation Patent as used or proposed to be used in the conduct of its business.
- (w) Indebtedness to Silo Wellness: Except as set forth in Schedule A hereto, Silo Wellness is not indebted to any directors, officers, consultants or employees of Silo Wellness or any affiliate or associate of any of them, on any account whatsoever.
- (x) Employment Agreements:
  - (i) Silo Wellness is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Silo Wellness that cannot be terminated with payment of no more than one times such individual's monthly salary, recognizing that a court of competent jurisdiction in an action for wrongful dismissal or otherwise has the authority to award damages in an amount greater than one times an individual's monthly salary;
  - (ii) Except as disclosed in Schedule A, there are no employees or consultants whose employment or contract with Silo Wellness cannot be terminated with delivery of less than one months' notice;
  - (iii) Silo Wellness is not: (a) to the best of Silo Wellness's knowledge, subject to any application for certification or threatened or apparent union organizing campaigns for employees not covered under a collective bargaining agreement, or (b) subject to any current, or to the best of Silo Wellness's knowledge, pending or threatened strike or lockout;

- (iv) There are no change of control payments, severance payments or termination payments that Silo Wellness is obligated to pay, including without limitation, to any consultants, directors, officers, employees or agents, that are triggered by the Transaction;
  - (v) Silo Wellness is not subject to any claim for wrongful dismissal, constructive dismissal or any tort claim, actual or, to the best of Silo Wellness' s knowledge, pending or threatened, or any litigation, actual or, to the best of Silo Wellness' s knowledge, pending or threatened, relating to employment or termination of employment of employees or independent contractors; and
  - (vi) Silo Wellness has operated in all material respects in accordance with all applicable law with respect to employment and labour, including, but not limited to, employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations and there are no current, or, to the best of Silo Wellness' s knowledge, pending or threatened, material proceedings before any board or tribunal with respect to any of the above.
- (y) Litigation: There is no Claim in progress or pending or, to the best of Silo Wellness' s knowledge, threatened against or relating to it, its assets that, if determined adversely, would prevent it from fulfilling all of its obligations set out in this Agreement or arising from this Agreement or that would be expected to have a materially adverse effect upon Silo Wellness, its respective financial condition, results of operations or business prospects, and, to the best of Silo Wellness's knowledge, there are no existing grounds on which any such action, suit, litigation or proceeding might be commenced with any likelihood of success.
- (z) Due Diligence: All information provided to Yukoterre in relation to Yukoterre' s due diligence of Silo Wellness, is, to the best of Silo Wellness' s knowledge, true and correct in all material respects and does not contain any material omissions as at the respective date as stated therein and has not been amended except as provided to Yukoterre.
- (aa) Anti-Corruption: Silo Wellness has not, and none of its respective directors, officers, agents, consultants, employees or any other Person acting on its behalf has, in connection with the operation of its respective business, used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to government officials, candidates or members of political parties or organizations, or established or maintained any unlawful or unrecorded funds in violation in any material respect of the *Corruption of Foreign Public Officials Act* (Canada) or any other similar applicable law.
- (bb) Auditors: Silo Wellness' auditors are independent public accountants.

- (cc) Performance Default: Silo Wellness is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract to which it is a party or by which it or its property may be bound.
- (dd) Material Interest: None of the directors or officers of Silo Wellness has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Silo Wellness that materially affects, is material to or will materially affect Silo Wellness, including the Transaction.
- (ee) Consents and Approvals: No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Body is required by or with respect to Silo Wellness in connection with the execution and delivery of this Agreement by Silo Wellness, the performance of its obligations hereunder or the consummation of the transactions contemplated hereby other than the approval of the Silo Wellness shareholders at the Silo Wellness Meeting.

4.2 **Reliance**: Silo Wellness acknowledges and agrees that the other parties have entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement notwithstanding any independent searches or investigations that have been or may be undertaken by or on behalf of the other parties.

## **ARTICLE 5 INTERIM COVENANTS**

5.1 From the date of this Agreement until the earlier of (i) the Closing Date, and (ii) the termination of this Agreement in accordance with Article 12, the parties will use reasonable commercial efforts to complete the Transaction and take the following steps in furtherance thereof within the following time periods:

- (a) Yukoterre shall set the record and meeting dates for a meeting of the shareholders of Yukoterre, which meeting shall occur no later than September 30, 2020 or such later date as may be mutually agreed upon in writing by the parties;
- (b) Silo Wellness shall set the record and meeting dates for a meeting of the shareholders of Silo Wellness, which meeting shall occur no later than September 30, 2020 or such later time as may be agreed upon by the parties, or coordination of a written shareholders resolution in accordance with the provisions of the BCBCA;
- (c) Yukoterre shall prepare and mail an information circular Yukoterre shareholders seeking approval of the Transaction, such mailing to occur on or before September 1, 2020 or such later time as may be agreed upon by the parties;
- (d) Silo Wellness shall prepare and provide an information statement to Silo Wellness shareholders seeking approval of the Transaction, such mailing to occur on or before September 20, 2020 or such later time as may be agreed upon by the parties;



- (e) Yukoterre's board of directors shall unanimously recommend that Yukoterre's shareholders vote in favour of the Transaction;
- (f) Silo Wellness's board of directors shall unanimously recommend that its shareholders vote in favour of the Transaction;
- (g) Yukoterre shall obtain any third party approvals required in respect of the Transaction, including the conditional approval of the CSE with respect to the Transaction;
- (h) Silo Wellness shall obtain a commercial and general liability insurance policy that provides a commercially reasonable level of coverage for commercial general liability in respect of its activities; and
- (i) The parties shall work in good faith toward closing the Transaction on or before November 30, 2020, unless such date has been extended by mutual agreement of the parties in writing.

## **ARTICLE 6 CLOSING**

6.1 **Closing Date and Location:** The transactions contemplated by this Agreement shall be completed in person or by electronic delivery at 5:00 P.M. (Toronto time) on the Closing Date, or at such other time or at such other location as may be mutually agreed upon in writing by the parties.

## **ARTICLE 7 CONDITIONS**

7.1 **Mutual Conditions:** The respective obligations of the parties hereto to consummate the transactions contemplated hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions, any of which may be waived only by the mutual consent of the parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) the receipt of the CSE conditional approval with respect to the Transaction;
- (b) Yukoterre having received the requisite approval of its shareholders, including majority of the minority approval pursuant to the policies of the CSE;
- (c) Silo Wellness having received the requisite approval of its shareholders;
- (d) no injunction or restraining order of any court or administrative tribunal of competent jurisdiction shall be in effect prohibiting the transactions contemplated by this Agreement and no action or proceeding shall have been instituted or be pending before any court or administrative tribunal to restrain or prohibit the transactions between the parties contemplated by this Agreement; and
- (e) this Agreement shall not have been terminated pursuant to Article 11 hereof.

7.2 **Yukoterre's Conditions:** The obligations of Yukoterre to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) **Initial Deliveries:** Silo Wellness will have delivered:
  - (i) such due diligence materials including, but not limited to, the minute books of Silo Wellness, such as directors' resolutions, shareholder ledgers and shareholder registers and such other documents as the Yukoterre 's counsel may request, acting reasonably;
  - (ii) audited financial statements of Silo Wellness for the most recently completed financial year, and any other interim financial statements of Silo Wellness requested by the CSE; and
  - (iii) such other documents as may be required by Yukoterre, acting reasonably;
- (b) **Truth and Accuracy of Representations:** The representations and warranties of Silo Wellness made under this Agreement shall be true and correct at the Closing Time and with the same effect as if made at and as of the Closing Time;
- (c) **Performance of Obligations:** Silo Wellness shall have performed and complied with all the obligations and covenants contained in this Agreement to be performed and complied with by it as at the Closing Time, other than those conditions which are waived by Yukoterre;
- (d) **Absence of Material Adverse Change:** There will have been no Material Adverse Changes, or any development that could reasonably result in a Material Adverse Effect on Silo Wellness; and
- (e) **Closing Documentation:** Yukoterre shall have received the following closing documentation:
  - (i) certificates of good standing (or equivalent) for Silo Wellness duly issued by the Registrar of Companies (British Columbia) on the Closing Date dated no later than two days prior to Closing;
  - (ii) a certified copy of a resolution of the directors of Silo Wellness approving the transactions contemplated hereunder and authorizing the execution of this Agreement;
  - (iii) executed resignations effective as of the Closing Date of all the directors and officers of Silo Wellness;
  - (iv) executed releases effective as at the Closing Date in favour of Yukoterre and Silo Wellness from the resigning directors and officers of Silo Wellness; and
  - (v) such other documents as may be required by Yukoterre, acting reasonably.

- (f) Absence of Additional Liabilities: Silo Wellness will not have incurred any liabilities other than those which are:
  - (i) reasonably incurred in the ordinary course of business; or
  - (ii) incurred with the consent of Yukoterre.
- (g) Legal Opinion: a qualified corporate opinion of Silo Wellness's solicitors or other documentation, satisfactory to Yukoterre, acting reasonably, confirming, among other things, the ownership of the Formulation Patent, and such other corporate matters with respect to Silo Wellness as are customary in similar transactions;
- (h) Insurance: confirmation that the commercial and general insurance of Silo Wellness will be transferred or otherwise continue in place to cover Silo Wellness and its activities following Closing at the sole cost of Silo Wellness or Yukoterre; and
- (i) Private Placement: completion of the Private Placement by Silo Wellness.

7.3 **Waiver**: The conditions set forth in Section 7.2 are for the exclusive benefit of Yukoterre and may be waived by Yukoterre in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, the completion of the Amalgamation contemplated by this Agreement by Yukoterre shall not prejudice or affect in any way the rights of Yukoterre in respect of the representations and warranties of Silo Wellness in this Agreement.

7.4 **Silo Wellness's Conditions**: The obligations of Silo Wellness to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) Truth and Accuracy of Yukoterre Representations at Closing: The representations and warranties of Yukoterre made hereunder shall be true and correct at Closing and with the same effect as if made at and as of Closing;
- (b) Performance of Obligations: Yukoterre shall have performed and complied with all the obligations and covenants contained in this Agreement to be performed and complied with by it;
- (c) Absence of Material Adverse Change: There will have been no Material Adverse Changes, or any development that could reasonably result in a Material Adverse Effect on Yukoterre;
- (d) Lock-Up Agreements: Lock-up agreements shall be received from the applicable insiders of both Yukoterre and Silo Wellness in the form as agreed to by Silo Wellness and Yukoterre;
- (e) CSE Listing: Yukoterre, upon completion of the Transaction, shall meet the listing requirements of the CSE and shall be in compliance with applicable securities laws and the rules and policies of the CSE and there shall be no cease-trade order made or threatened by a Governmental Body in respect of the Resulting Issuer Shares;

- (f) Statute Barred: There shall have been no action taken under any applicable law or by any Governmental Body and there shall not be in force any order or decree restraining or enjoining the consummation of the Transaction;
- (g) New Board of Directors: The nominees of Silo Wellness shall have been duly elected or appointed, as applicable, to the board of directors and management of the Resulting Issuer as of the Closing Time;
- (h) Resulting Issuer Shares: Each of the Resulting Issuer Shares issued in connection with the Amalgamation shall be issued as fully paid and non-assessable shares in the capital of the Resulting Issuer, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those imposed under applicable US securities law, and those applicable under Canadian securities law to “control distributions”;
- (i) Absence of Additional Liabilities: Yukoterre will not have incurred any liabilities other than those which are:
  - (A) reasonably incurred in the ordinary course of business or as set out in Schedule A; or
  - (B) incurred with the consent of Silo Wellness;
- (i) Spin-Out: Yukoterre shall have completed the Yukoterre Spin-Out;
- (j) Closing Documentation: Silo Wellness shall have received from Yukoterre the following closing documentation:
  - (i) the conditional approval of the CSE for the Transaction;
  - (ii) a certificate of status for Yukoterre duly issued by the Registrar of Companies (Ontario) and a certificate of good standing for Yukoterre Subco duly issued by Registrar of Companies (British Columbia) on the Closing Date dated no later than two days prior to Closing;
  - (iii) certificates or other satisfactory evidence of electronic deposit of the Resulting Issuer Shares registered in the name of Silo Wellness shareholders as directed by Silo Wellness in writing;
  - (iv) a certified copy of a resolution of the directors of Yukoterre approving the transactions contemplated hereunder and authorizing the execution of this Agreement;
  - (v) a certified copy of the resolutions of the shareholders of Yukoterre approving the Transaction, if required; and
  - (vi) director and officer resignations and releases as applicable from the existing directors and officers of Yukoterre;

- (vii) a qualified corporate opinion of Yukoterre's solicitors, satisfactory to Silo Wellness and its counsel, acting reasonably, concerning such matters with respect to the Transaction as are customary in similar transactions and as Silo Wellness and its counsel may reasonably request; and
- (viii) such other documents as may be required by Silo Wellness, acting reasonably.

7.5 **Waiver:** The conditions set forth in Section 7.4 are for the exclusive benefit of Silo Wellness and may be waived by it in writing in whole or in part on or before the Closing Date. Notwithstanding any such waiver, completion of the Amalgamation contemplated by this Agreement by Silo Wellness shall not prejudice or affect in any way the rights of Silo Wellness in respect of the warranties and representations of Yukoterre set forth in this Agreement.

## **ARTICLE 8 CONDUCT OF BUSINESS PRIOR TO CLOSING**

8.1 **Silo Wellness Conduct:** Except as otherwise contemplated or permitted by this Agreement, during the period from the date of this Agreement to the Closing Time, Silo Wellness shall do the following:

- (a) **Conduct Business in Ordinary and Usual Course:** Conduct the Silo Wellness business in the ordinary and usual course thereof and not, without the prior written consent of Yukoterre, enter into any transaction which would constitute a breach of any of their respective representations, warranties or agreements contained herein. Without limiting the generality of the foregoing:
  - (i) Silo Wellness will not, without Yukoterre's prior consent, acting reasonably, dispose, option, encumber or transfer rights to any assets with a value exceeding US\$10,000 or an aggregate of US\$40,000;
  - (ii) Silo Wellness will not, without Yukoterre's prior consent, acting reasonably, enter into any Material Contracts other than with respect to the Private Placement;
  - (iii) Silo Wellness will not, without Yukoterre's prior consent, acting reasonably, terminate any of the Silo Operating Agreements;
  - (iv) Silo Wellness will not, without Yukoterre's prior consent, grant any bonuses, benefits or other forms of direct or indirect compensation or approve any change of control or other termination benefits to any employee, officer, director or consultant of Silo Wellness;
  - (v) Silo Wellness will not, without Yukoterre's prior consent, issue any equity securities, from treasury or otherwise, or options, warrants, rights or convertible securities other than with respect to the Private Placement;

- (vi) Silo Wellness will not, without Yukoterre's prior consent, pay any dividends, redeem any securities, or otherwise cause assets to be distributed;
  - (vii) Silo Wellness will not, without Yukoterre's prior consent, acting reasonably, terminate any employees that Yukoterre has indicated that it desires to retain subsequent to the closing of the Transaction;
  - (viii) Silo Wellness shall have entered into employment or consulting agreements with each of Mike Arnold and Mo Yang; and
  - (ix) Silo Wellness will not, without Yukoterre's prior consent, borrow any funds, under existing credit lines or otherwise, except as specifically contemplated in this Agreement;
- (b) Alternative Transactions: that it will:
- (i) not, directly or indirectly, through any of its directors, officers, shareholders, employees, consultants, agents, advisors or representatives or otherwise, solicit or encourage offers from, initiate, participate in any negotiations or discussions with, enter into any agreements or understandings with, or furnish any information to any third party regarding or in anticipation of any acquisition, merger, arrangement, amalgamation, other business combination, joint venture or equity financing or similar transaction involving Silo Wellness or any subsidiary or affiliate, their respective common shares or any of their material assets in each case that would be reasonably likely to impede the Transaction (any such transactions being referred to as an "**Alternative Transaction**");
  - (ii) cease and cause any of its subsidiaries and its officers, directors, shareholders, employees, consultants, agents, advisors or representatives or otherwise, to cease and terminate any existing activity, discussion or negotiation with any third party in respect of an Alternative Transaction;
  - (iii) terminate access that any third party has to Silo Wellness's data site, if any, or access to due diligence materials and request the return or destruction of any due diligence materials provided to any third parties immediately; and
  - (iv) not release any person from any standstill covenants or obligations under any confidentiality and/or standstill agreement;
- (c) Perform Obligations: Silo Wellness will comply, in all material respects, with all applicable laws affecting the operation of its respective business and pay all required taxes as and when they become due;
- (d) Pay Liabilities: Silo Wellness will pay and discharge all of its respective liabilities or obligations in the ordinary and usual course of business consistent with past business practice, except for such liabilities or obligations as may be contested by it in good faith;

- (e) No Breach: Not take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of or render untrue any of Silo Wellness's representations, warranties, covenants, or other obligations contained herein;
- (f) Preserve Business: Preserve intact Silo Wellness's business and the Assets, and promote and preserve the goodwill of consultants, suppliers, and others having business relations with Silo Wellness and the Assets; and
- (g) Discharge of Intercompany Debts: Forgive, waive and discharge any and all intercompany debts, advances and liabilities owing by SW Holdings to Silo Wellness, and all of Silo Wellness's rights with respect to such intercompany liability.

8.2 **Yukoterre Conduct**: Except as otherwise contemplated or permitted by this Agreement, during the period from the date of this Agreement to the Closing Time, Yukoterre shall do the following:

- (a) Conduct Business in Ordinary and Usual Course: Conduct the Yukoterre business in the ordinary and usual course thereof and not, without the prior written consent of Silo Wellness, enter into any transaction which would constitute a breach of any of its respective representations, warranties or agreements contained herein. Without limiting the generality of the foregoing:
  - (i) Yukoterre will not, without Silo Wellness's prior consent, acting reasonably, dispose, option, encumber or transfer rights to any assets with a value exceeding US\$10,000 or an aggregate of US\$40,000;
  - (ii) Yukoterre will not, without Silo Wellness's prior consent, acting reasonably, enter into any Material Contracts of which it is a party;
  - (iii) Yukoterre will not, without Silo Wellness's prior consent, grant any bonuses, benefits or other forms of direct or indirect compensation or approve any change of control or other termination benefits to any employee, officer, director or consultant of Yukoterre;
  - (iv) Yukoterre will not, without Silo Wellness's prior consent, issue any equity securities, from treasury or otherwise, or options, warrants, rights or convertible securities;
  - (v) Yukoterre will not, without Silo Wellness's prior consent, pay any dividends, redeem any securities, or otherwise cause assets to be distributed except for the exercise of issued and outstanding Yukoterre Options;
  - (vi) Yukoterre will not, without Silo Wellness's prior consent or in connection with the Transaction, borrow any funds, under existing credit lines or otherwise, except as specifically contemplated in this Agreement;

- (vii) Yukoterre will not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Transaction and, without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal, acquisition of securities or any other form of transaction inconsistent with completion of the Transaction and not to take actions of any kind which may reduce the likelihood of success of the Transaction, except as required by statutory law;
- (viii) Yukoterre will use its reasonable commercial efforts to complete the Transaction and to not take any action contrary to or in opposition to the Transaction, except as required by statutory law;
- (ix) Yukoterre will not to carry on any business except as contemplated herein;
- (x) Yukoterre will not to alter or amend Yukoterre's articles or by-laws except as contemplated herein; and
- (xi) Yukoterre will cooperate fully with Silo Wellness and to use all reasonable commercial efforts to otherwise complete the Transaction, unless such cooperation and efforts would subject Yukoterre to liability or would be in breach of applicable statutory and regulatory requirements.

8.3 **Post-Closing Period:** Promptly after the Closing, Yukoterre shall make, or cause to be made, all filings, and shall pay all fees, required to be given or made to the CSE in order to obtain final approval of the CSE for the transactions contemplated by this Agreement, including the issuance and listing of the Resulting Issuer Shares to be issued and delivered to Silo Wellness pursuant to Section 2.2. Yukoterre shall promptly advise Silo Wellness if final approval of the CSE is not granted for any reason whatsoever.

## ARTICLE 9

[INTENTIONALLY DELETED].

## ARTICLE 10 CONFIDENTIALITY

10.1 **No Disclosure:** No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated hereby will be made by either party or any of its representatives without the prior approval of the other party as to timing, content and method, provided that the provisions of this paragraph will not prevent any party from making, after consultation with the other party, such disclosure as its counsel advises is required by applicable law or the rules and policies of the CSE.

10.2 **Hold Information in Confidence:** Unless and until the transactions contemplated in this Agreement have been completed, or until the termination of this Agreement, except with the prior written consent of the other party, each of the parties and their respective representatives will hold all information received from the other party in the strictest confidence, except such information and documents as are available to the public or



as are required to be disclosed by applicable law or regulation. All such information in written form and documents will be returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not consummated.

## **ARTICLE 11 TERMINATION**

11.1 **Termination:** Notwithstanding any other provision in this Agreement, this Agreement may be terminated at any time prior to the Closing Date as follows:

- (a) by mutual written agreement by the parties;
- (b) By Silo Wellness if:
  - (i) the shareholders of Yukoterre or Silo Wellness have not approved the Transaction on or before October 30, 2020;
  - (ii) Yukoterre has not received the requisite CSE approvals with respect to the Transaction on or before November 30, 2020, or any other applicable regulatory authority having notified either Yukoterre or Silo Wellness that it will not permit the Transaction (or any part thereof) to proceed;
  - (iii) Yukoterre materially breaches any of its representations or warranties or fails to comply with any covenants contained herein, and such default is not remedied within five Business Days of written notice provided to Yukoterre of such default; or
  - (iv) any of the conditions precedent contained herein for the benefit of Silo Wellness or the mutual conditions precedent, has not been complied with, or waived by Silo Wellness.
- (c) by Yukoterre if:
  - (i) Silo Wellness materially breach any of its representations or warranties or fails to comply with any covenants contained herein, and such default is not remedied within five Business Days of written notice provided of such default; or
  - (ii) any of the conditions precedent contained herein for the benefit of Yukoterre have not been complied with, or waived by Yukoterre.

Any party desiring to terminate this Agreement pursuant to this Section 11.1 shall give written notice of such termination to the other party.

This Agreement shall terminate automatically in the event that the Closing Date has not occurred by November 30, 2020, unless such date has been extended by mutual agreement of the parties in writing (the “**Outside Date**”).

11.2 **Post-Termination Obligations:** Upon the termination of this Agreement, the parties shall be released from their obligations hereunder other than as expressly contemplated hereby, excepting those under Article 10, 11, and Section 13.1, provided that nothing herein shall relieve a party from liability arising prior to such termination.

## **ARTICLE 12 DISPUTE RESOLUTION**

12.1 **Disputes:** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof and any claim or request that may be made under any of the provisions of the *Business Corporations Act* (Ontario) shall be determined by arbitration in Toronto before one arbitrator. The parties agree that the arbitrator has the jurisdiction to make any interim or final awards that may be made by a judge of the Ontario Superior Court of Justice. The arbitration shall be conducted in Toronto in accordance with the *Arbitration Act, 1991* (Ontario). The arbitrator's decision will be final and binding on the parties, enforceable in any court of competent jurisdiction, and will not be subject to appeal, except in the circumstances in which a party to an arbitration could appeal to a court under the *Arbitration Act, 1991* (Ontario).

## **ARTICLE 13 GENERAL**

13.1 **Expenses:** All costs and expenses incurred in connection with the preparation of this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such expenses. Notwithstanding the foregoing, the parties agree that Silo Wellness shall be responsible for the payment of all related third party costs and fees with respect to the Transaction, including, without limitation, the Private Placement, all shareholder meetings and the application to the CSE for the listing of the additional Yukoterre Shares to be issued pursuant to the completion of the Transaction, provided that such costs may first be paid by Yukoterre and reimbursed by Silo Wellness thereafter.

13.2 **Time:** Time shall be of the essence hereof.

13.3 **Notices:** Any notice or other writing required or permitted to be given hereunder or for the purposes hereof shall be sufficiently given if delivered, telecopied or electronically transmitted to the party to whom it is given or, if mailed, by prepaid registered mail addressed to such party as set out below or at such other address as the party to whom such writing is to be given shall have last notified to the party giving the same in the manner provided in this clause. Any notice mailed shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing unless at the time of mailing or within five Business Days thereafter there occurs a postal interruption which could have the effect of delaying the mail in the ordinary and usual course, in which case any notice shall only be effectively given if actually delivered or sent by telecopy or electronic transmittal. Any notice delivered, telecopied or electronically transmitted to the party to whom it is addressed shall be deemed to have been given and received on the Business Day next following the day it was delivered, telecopied or electronically transmitted.

Yukoterre:

Kenny Choi, CEO  
65 Queen Street West, Suite 805  
Toronto, Ontario,  
M5H 2M5

E-mail: [kenny.choi@FMRESOURCES.CA](mailto:kenny.choi@FMRESOURCES.CA)>

Silo Wellness:

c/o FlyOverture Equity Inc.  
600 – 777 Hornby Street  
Vancouver, British Columbia  
V6Z 1S4

E-mail: [mo.yang@silowellness.com](mailto:mo.yang@silowellness.com)

13.4 **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and, save and except for matters that are subject to binding arbitration under Article 12 herein, the parties submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

13.5 **Assignment:** The rights of the parties hereunder may not be assigned by any party without the prior written consent of the other party.

13.6 **Severability:** If a court or other tribunal of competent jurisdiction determines that any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

13.7 **Non-Solicitation:** Each of Yukoterre and Silo Wellness agrees that during the period from the date hereof until the Effective Date, it shall not directly or indirectly, through any of its directors, officers, shareholders, employees, consultants, agents, advisors or representatives or otherwise, solicit, encourage or pursue an Alternative Transaction. In the event a party, or any of its officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, such party shall forthwith (and in any event within one Business Day following receipt) notify the other parties of such offer or inquiry and provide the other parties with such details as they may reasonably request.

13.8 **Additional Agreements:** Subject to the terms and conditions of this Agreement and subject to directors' fiduciary duties under applicable laws, each of the parties agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable to consummate and make effective as promptly as practicable the

Transaction contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts to:

- (a) defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the Transaction contemplated hereby;
- (b) cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Transaction contemplated hereby;
- (c) effect all necessary registrations and other filings and submissions of information requested by the CSE, or required under applicable laws;
- (d) effect all necessary registrations and other filings and submissions of information requested by any Governmental Body; and
- (e) fulfill all conditions and satisfy all provisions of this Agreement.

13.9 **Further Assurances:** The parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereunder, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to give effect to the purpose of this Agreement and carry out its provisions whether before or after the Closing Date.

13.10 **Enurement:** This Agreement and each of the terms and provisions hereof shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

13.11 **Amendments and Waiver:** No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.

13.12 **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, oral or written, by and between any of the parties with respect to the subject matter hereof, including the letter agreement dated June 16, 2020 between the parties which is hereby terminated.

13.13 **Counterparts:** This Agreement may be executed in as many counterparts as may be necessary or by facsimile or electronic transmission and each such counterpart agreement or facsimile so executed shall be deemed to be an original and such counterparts and facsimile copies or copies of electronic transmissions together shall constitute one and the same instrument.

*[signature pages follow]*

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the day and year first above written.

**YUKOTERRE RESOURCES INC.**

Per: <signed> Kenny Choi  
Authorized Signatory  
Name: Kenny Choi  
Title: President and Chief Executive Officer

**1261455 B.C. LTD.**

Per: <signed> Kenny Choi  
Authorized Signatory  
Name: Kenny Choi  
Title: President and Chief Executive Officer

**FLYOVERTURE EQUITY INC.**

Per: <signed> Mike Arnold  
Authorized Signatory  
Name: Mike Arnold  
Title: Chief Executive Officer

**SCHEDULE A**  
**TO THE AMALGAMATION AGREEMENT DATED AUGUST 25, 2020**

**Liabilities of Yukoterre**

Loan in favour of Yukoterre for expenses incurred in connection with the Transactions.

**Liabilities of Silo Wellness**

Loan in favour of Silo Wellness for expenses incurred in connection with the Transactions.

**Agreements of Silo Wellness per section 4.1(x)(ii)**

The termination on notice provision for Douglas K. Gordon provides for two months' prior written notice up to February 1, 2021; four months' prior written notice from February 1, 2021 up to August 1, 2022; and four months' prior written notice plus one half month notice for each additional full year of employment, such notice not exceeding an aggregate of twelve months' notice.

**SCHEDULE B  
TO THE AMALGAMATION AGREEMENT DATED AUGUST 25, 2020**

**Articles of Amalgamation**

Attached.

# AMALGAMATION APPLICATION

BUSINESS CORPORATIONS ACT, section 275

Telephone: 1 877 526-1526  
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street  
Victoria BC V8W 3E6

**DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at [www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)**

**Freedom of Information and Protection of Privacy Act (FOIPPA):** Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

**A INITIAL INFORMATION** – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?

(Check all applicable boxes.)

- BC company
- BC unlimited liability company

**B NAME OF COMPANY** – *Choose one of the following:*

The name \_\_\_\_\_ is the name reserved for the amalgamated company. The name reservation number is: \_\_\_\_\_,

**OR**

The company is to be amalgamated with a name created by adding “B.C. Ltd.” after the incorporation number,

**OR**

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

\_\_\_\_\_

The incorporation number of that company is: \_\_\_\_\_

*Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.*

**C AMALGAMATION STATEMENT** – *Please indicate the statement applicable to this amalgamation.*

**With Court Approval:**  
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

**OR**

**Without Court Approval:**  
This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.



**D AMALGAMATION EFFECTIVE DATE** – Choose **one** of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

YYYY / MM / DD

The amalgamation is to take effect at 12:01a.m. Pacific Time on \_\_\_\_\_  
being a date that is not more than ten days after the date of the filing of this application.

YYYY / MM / DD

The amalgamation is to take effect at \_\_\_\_\_  a.m. or  p.m. Pacific Time on \_\_\_\_\_  
being a date and time that is not more than ten days after the date of the filing of this application.

**E AMALGAMATING CORPORATIONS**

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1.		
2.		
3.		
4.		
5.		

**F FORMALITIES TO AMALGAMATION**

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

**G CERTIFIED CORRECT** – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

# NOTICE OF ARTICLES

## A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

## B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

## C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

**D REGISTERED OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

**BC**

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

**BC****E RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

**BC**

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

**BC****F AUTHORIZED SHARE STRUCTURE**

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)

**SCHEDULE A  
FORM 13, AMALGAMATION APPLICATION  
SILO PSYCHEDELICS INC.**

**C DIRECTOR NAME(S) AND ADDRESS(ES) (CONTINUED)**

LAST NAME	FIRST NAME	MIDDLE NAME		
DING	WINFIELD	YONGBIAO		
DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE	
200 CONSUMERS ROAD, SUITE 702, TORONTO	ONTARIO	CANADA	M2J 4R4	
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE	
200 CONSUMERS ROAD, SUITE 702, TORONTO	ONTARIO	CANADA	M2J 4R4	