

## AMALGAMATION AGREEMENT

**THIS AGREEMENT** is made effective as of the 20th day of December, 2022.

AMONG:

**NEW LEAF VENTURES INC.**, a company incorporated under the laws of the Province of British Columbia and having an office at 1910 - 1030 W. Georgia Street Vancouver, British Columbia V6E 2Y3

(the "**Issuer**")

AND:

**1392162 B.C. LTD.**, a company incorporated under the laws of British Columbia and having a registered and records office at 550 Burrard St Suite 1008 Vancouver, BC V6C 2B5, Vancouver, British Columbia

(**"Subco"**)

AND:

**HIGH PROFILE HOLDINGS CORP.**, a company incorporated under the laws of the Province of British Columbia and having an office at Suite 306 – 1110 Hamilton Street, Vancouver, BC V6B 2S2

(**"Target"**)

**WHEREAS:**

- A. The Issuer is a reporting issuer in all provinces and territories of Canada whose common shares are listed on the CSE (as defined herein);
- B. Subco is a wholly owned subsidiary of the Issuer;
- C. Target is a retail-focused cannabis company with operations in British Columbia;
- D. The Target Shareholders are the beneficial and legal owners of all of the issued and outstanding shares in the capital of Target;
- E. The Issuer wishes to acquire all the issued and outstanding shares in the capital of Target by means of a three-cornered amalgamation among the Issuer, Subco and Target, upon and subject to the terms and conditions set forth in this Agreement; and
- F. Upon the completion of the Amalgamation, Target and Subco shall continue as the Amalco under the BCBCA, and the Issuer will become the parent company of the Amalco.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the covenants and agreements herein contained, the parties hereto do covenant and agree each with the other as follows:

## 1. INTERPRETATION

1.1 **Defined Terms** - The following terms have the following meanings in this Agreement, including the recitals and any schedules hereto, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) **“Acquisition Proposal”** has the meaning ascribed thereto in Section 12;
- (b) **“Agreement”** means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions “above”, “below”, “herein”, “hereto”, “hereof” and similar expressions refer to this agreement;
- (c) **“Amalco”** means the corporation that will result from the Amalgamation and which will be a wholly-owned subsidiary of the Issuer after giving effect to the Amalgamation;
- (d) **“Amalco Common Shares”** or **“Amalco Shares”** means the common shares in the capital of Amalco;
- (e) **“Amalgamation”** means the amalgamation of Target and Subco pursuant to the provisions of the BCBCA and whereby the Issuer acquires all of the issued and outstanding Target Shares from the Target Shareholders thereof in exchange for the issuance by the Issuer of the Issuer Consideration Shares, all on the terms and conditions set forth herein;
- (f) **“Amalgamation Application”** means the amalgamation application of Target and Subco (including the form of Notice of Articles of Amalco attached thereto) in respect of the Amalgamation, in the form attached hereto as Schedule E, to be filed with the Registrar under the BCBCA;
- (g) **“Applicable Law”** means, with respect to any Person, all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority, regulatory body or stock exchange;
- (h) **“Applicable Securities Laws”** means, collectively, and as the context may require, the applicable securities legislation of each of the Provinces and Territories of Canada, and the rules, regulations, instruments, orders and policies published or promulgated thereunder, as such may be amended from time to time prior to the Effective Time;
- (i) **“BCBCA”** means the *Business Corporations Act* (British Columbia), as amended;
- (j) **“Business”** means the business presently and heretofore carried on by the Issuer or Target, as the case may be, as a going concern and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (k) **“Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar under section 281(a) of the BCBCA giving effect to the Amalgamation;
- (l) **“Closing”** means the completion of the Transaction on the Closing Date pursuant to the terms and conditions contained in this Agreement;

- (m) **“Closing Date”** means the effective date of the Amalgamation shown on the Certificate of Amalgamation;
- (n) **“CSE”** means the Canadian Securities Exchange;
- (o) **“Documents”** means all contracts, agreements, documents, permits, licenses, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, corporate seals and any other documents or information of whatsoever nature relating to the Issuer or Target, as the case may be, and any all rights in relation thereto;
- (p) **“Effective Time”** means effective time on the Closing Date indicated upon the Certificate of Amalgamation;
- (q) **“Encumbrance”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:
  - (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, restriction, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
  - (ii) a claim, interest, or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;
  - (iii) an option or other right to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
  - (iv) a lien or charge for taxes, assessments, duties, fees, premiums, imposts, levies and other charges imposed by any lawful authority;
  - (v) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); or
  - (vi) any agreement to create, or right capable of becoming, any of the foregoing;
- (r) **“Environmental Laws”** means all applicable federal, provincial, state, local and foreign laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, the protection of human health, safety, the environmental or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);
- (s) **“Exchange”** means the CSE or such other stock exchange upon which the Resulting Issuer Shares shall be listed upon completion of the Transaction;
- (t) **“Exclusivity Termination Date”** has the meaning ascribed thereto in Section 12;

- (u) **“Generally Accepted Accounting Principles”** means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (v) **“Governmental Authority”** means any government or governmental, administrative, regulatory or judicial body, department, commission, authority, tribunal, agency or entity;
- (w) **“Governmental Entity”** means and includes any domestic or foreign federal, provincial, regional, state, municipal or other government, governmental department, agency, authority or body (whether administrative, legislative, executive or otherwise), court, tribunal, commission or commissioner, bureau, minister or ministry, board or agency, or other regulatory authority, including any securities regulatory authorities;
- (x) **“IFRS”** means Generally Accepted Accounting Principles set out in the CPA Canada Handbook for an entity that prepares its financial statements in accordance with International Financial Reporting Standards;
- (y) **“Interim Period”** means the period from and including the date hereof though to and including the time of Closing;
- (z) **“Issuer”** means New Leaf Ventures Inc.;
- (aa) **“Issuer Annual Statements”** means the audited financial statements of the Issuer for the years ended December 31, 2021 and 2020, as filed on SEDAR with the applicable Canadian securities regulators;
- (bb) **“Issuer Consideration Shares”** means the Issuer Shares to be issued by the Issuer to the Target Shareholders pursuant to the terms and conditions of this Agreement;
- (cc) **“Issuer Disclosure Record”** means the Issuer’s financial statements, management information circulars, material change reports, press releases and all documents filed publicly by the Issuer on SEDAR;
- (dd) **“Issuer EIP”** means the equity incentive plan of the Issuer dated September 12, 2019, and the agreements entered into thereunder;
- (ee) **“Issuer Interim Statements”** means the unaudited financial statements of the Issuer for the three and nine months ended September 30, 2022, as filed on SEDAR with the applicable Canadian securities regulators;
- (ff) **“Issuer Options”** means the options to purchase Issuer Shares granted pursuant to the Issuer EIP, of which 201,500 exercisable at \$1.70 each, 225,000 exercisable at \$1.40 each and 25,000 exercisable at \$1.25 each are outstanding as of the date hereof;
- (gg) **“Issuer Shares”** means the common shares of the Issuer;

- (hh) **“Issuer Warrants”** means the warrants to acquire Issuer Shares, of which 800,000 management performance warrants exercisable at \$0.10 each subject to the completion of certain revenue milestones, 600,000 warrants exercisable at \$2.00 each, and 84,000 warrants exercisable at \$1.25 each are outstanding as of the date hereof;
- (ii) **“Lock-Up Restrictions”** has the meaning set out in Section 2.10;
- (jj) **“Material Adverse Change”** means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, licences, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the party referred to which is, or would reasonably be expected to be, materially adverse to the Business of such party other than a change: (i) which has prior to the date hereof been publicly disclosed or otherwise disclosed in writing to the other party; or (ii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere;
- (kk) **“Outside Date”** means January 31, 2023 or such other date as agreed to by all parties to this Agreement in writing;
- (ll) **“Permits”** means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for the Issuer or Target, as the case may be, to own and operate their assets and Business or for the status and qualification of the Issuer or Target, as the case may be, to own and operate their assets and to carry on their Business;
- (mm) **“Person”** means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative;
- (nn) **“Propco”** means High Profile Cannabis Corp., a corporation incorporated under the *Business Corporations Act* (Alberta) and a wholly-owned subsidiary of Target;
- (oo) **“Regulatory Approval”** means any required Exchange approval of the Transaction and any required approvals (or exemptive relief) under Applicable Securities Laws in order to complete the Transaction as a private issuer exempt take-over bid;
- (pp) **“Resulting Issuer”** means the Issuer upon completion of the Amalgamation, having Amalco as a wholly-owned subsidiary thereof;
- (qq) **“Resulting Issuer Shares”** means common shares in the capital of the Resulting Issuer;
- (rr) **“Securities Act”** means the *Securities Act* (British Columbia), as amended and restated from time to time;
- (ss) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval developed by the Canadian Securities Administrators;

- (tt) **"Subco"** means 1392162 B.C. Ltd., a corporation incorporated under the BCBCA and a wholly-owned subsidiary of the Issuer;
- (uu) **"Subco Common Shares"** means the common shares in the capital of Subco;
- (vv) **"Target Amalgamation Resolution"** means the resolution of the shareholders of Target approving the Amalgamation and, if required, any of the Transactions (a copy of which is attached hereto as Schedule D);
- (ww) **"Target Debentures"** means the debentures of the Target dated December 15, 2022, in the aggregate principal amount of \$749,000, bearing interest at 20% per annum, due and payable on December 15, 2023 and secured against the Target Property;
- (xx) **"Target Disclosure Letter"** means the disclosure letter executed by Target and delivered to the Issuer concurrently with the execution of this Agreement;
- (yy) **"Target Financial Statements"** means the management prepared financial statements for the 12 months ended August 31, 2022;
- (zz) **"Target Material Contracts"** has the meaning ascribed thereto in Section 8.2(m);
- (aaa) **"Target Promissory Notes"** means the promissory notes of the Target dated December 15, 2022, in the aggregate principal amount of \$155,575.50, due and payable by Target on the earlier of (i) March 31, 2023 and (ii) the date that is 60 days from the Closing;
- (bbb) **"Target Property"** means the real property situated in the Province of Alberta and legally described as Plan 1920963, Block 2, Lot 1, excepting thereout all mines and minerals;
- (ccc) **"Target Shares"** means the issued and outstanding shares in the capital of Target;
- (ddd) **"Target Shareholders"** means the Persons who beneficially and legally own Target Shares;
- (eee) **"Target Warrants"** means the warrants to acquire Target Shares, of which 3,745,000 warrants exercisable at \$0.20 each are outstanding as of the date hereof;
- (fff) **"Target Warrantholders"** means the Persons who beneficially and legally own Target Warrants;
- (ggg) **"Tax Act"** means the *Income Tax Act* (Canada), as amended and restated from time to time; and
- (hhh) **"Transactions"** means the transactions contemplated by this Agreement, including the Amalgamation.

1.2 **Schedules** – The following schedules attached hereto constitute a part of this Agreement:

Schedule A – [Intentionally Deleted]

Schedule B – Pro Forma Capitalization

Schedule C – [Intentionally Deleted]

Schedule D – Amalgamation Resolution

Schedule E – Amalgamation Application

Schedule F – Articles of Amalco

1.3 **Schedule References** – Wherever any provision of any schedule to this Agreement conflicts with any provision in the body of this Agreement, the provisions of the body of this Agreement shall prevail. References herein to a schedule shall mean a reference to a schedule to this Agreement. References in any schedule to this Agreement shall mean a reference to this Agreement. References to any schedule to another schedule shall mean a reference to a schedule to this Agreement.

1.4 **Headings** - The headings in this Agreement are for reference only and do not constitute terms of this Agreement.

1.5 **Interpretation** - Whenever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or the body corporate as the context may require. As used in this Agreement, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.

1.6 **Currency** – Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.7 **Knowledge** – Where a representation or warranty is made in this Agreement on the basis of the knowledge or the awareness of the party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the date of this Agreement, of the senior officers and directors of such party, in their capacity as senior officers and directors of such Party and not in their personal capacity and without personal liability, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed third party knowledge provided that the party making the representation and warranty shall have conducted a reasonable investigation as to the subject matter relating thereto and the level of such investigation shall be that of a reasonably prudent person investigating a material consideration in the context of a material transaction and the use of such phrase shall constitute a representation and warranty by the party making the representation and warranty in each case that such investigation has actually been made.

## 2. **AMALGAMATION**

### 2.1 **Implementation Steps**

- (a) if required by Applicable Law, Target covenants that it shall call a meeting of the Target Shareholders to approve the Target Amalgamation Resolution, or arrange for written approval in lieu of a meeting, as soon as reasonably practicable and, in any event, no later than January 3, 2023, or such other date as may be agreed by the Issuer and Target in writing.

- (b) The Issuer covenants in favour of Target that it shall, in its capacity as the sole shareholder of Subco, approve and execute a written resolution approving the Amalgamation as soon as reasonably practicable and, in any event, no later than January 3, 2023, or such other date as may be agreed to by the Issuer and Target in writing.
- (c) Each of the Issuer, Subco and Target covenants to each other to use their commercially reasonable efforts to perform their respective obligations under this Agreement.

**2.2 Securities Compliance** - The Issuer and Target shall use commercially reasonable efforts to obtain all orders required from the applicable Governmental Authority and the Exchange to permit (subject to escrow or resale conditions imposed by the Exchange) the issuance of the Issuer Consideration Shares issuable pursuant to the Amalgamation without qualification with, or approval of, or the filing of any prospectus or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Governmental Authority under any Canadian, U.S. federal, provincial or territorial securities or other Applicable Laws, or the fulfillment of any other legal requirement in any such jurisdiction other than for any required filings under National Instruments 51-102 or 45-106, Rule 802 under the U.S. Securities Act of 1933, as amended and any filings required by the Exchange.

### **2.3 Preparation of Filings**

- (a) The Issuer and Target shall co-operate in:
  - (i) the preparation of any application for any orders or documents reasonably deemed by the Issuer and Target to be necessary to discharge their respective obligations under Applicable Laws in connection with this Agreement and the Transactions;
  - (ii) the taking of all such action as may be required under any Applicable Laws in connection with the issuance of the Issuer Consideration Shares; and
  - (iii) the taking of all such action as may be required under the BCBCA in connection with the Transactions.
- (b) Each of the Issuer and Target shall promptly furnish to the other all information concerning it and its security holders as may be required for the effectuation of the actions described in Sections 2.1 and 2.2 and the foregoing provisions of this Section 2.3, and each covenants that no information furnished by it (to its knowledge in the case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Amalgamation and the other Transactions will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.

**2.4 Filing of Amalgamation Application** - Subject to the rights of termination contained in Section 11 hereof, upon satisfaction and/or waiver of all conditions precedent, Subco and Target shall jointly file with the Registrar the Amalgamation Application and such other documents as are required to be filed under the BCBCA to give effect to the Amalgamation, pursuant to provisions of the BCBCA.



**2.5 Effect of the Amalgamation** - The following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) at the Effective Time, Subco and Target 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 set out in Section 270 of the BCBCA;
- (b) immediately upon the amalgamation of Subco and Target to form Amalco as set forth in Section 2.5(a):
  - (i) each one (1) Target Share issued and outstanding immediately before the Effective Time shall be exchanged for 0.052548929 Issuer Consideration Shares;
  - (ii) each one (1) Subco Common Share outstanding immediately before the Effective Time shall be exchanged for one (1) Amalco Common Share and the Subco Common Shares shall be deemed to have been cancelled as of the Closing Date;
  - (iii) in consideration of the issuance of the Issuer Consideration Shares pursuant to Section 2.5(b)(i), Amalco shall issue to the Issuer one (1) Amalco Common Share for each Issuer Consideration Share so issued;
  - (iv) the Target Shareholders shall cease to be the holders of the Target Shares and the name of such Target Shareholders shall be removed from the share register of holders of Target Shares;
  - (v) the Target Shares shall be deemed to have been cancelled as of the Closing Date, any and all rights the Target Shareholders may have in or to any securities of Target shall automatically (without any further action) be absolutely terminated and cancelled; and
  - (vi) the Target Shareholders shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange or transfer such securities in accordance with this Section 2.5(b);

provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

**2.6 Fractional Shares and Pro Forma Capitalization** - No fractional Issuer Consideration Shares or Resulting Issuer Shares will be issued. In the event that a securityholder would otherwise be entitled to fractional Issuer Consideration Shares or Resulting Issuer Shares hereunder, the number of Issuer Consideration Shares or Resulting Issuer Shares, as applicable, issued to such securityholder shall be rounded down to the nearest whole number without any additional compensation. In calculating such fractional interests, all Target securities registered in the name of or beneficially held by such Target security holder or their nominee shall be aggregated. The Issuer and Target acknowledge and agree that the transactions contemplated in Sections 2.4 and 2.5 are reflected in the Pro Forma Capitalization table set out in Schedule B hereto, provided that such Schedule B may be revised with the consent of the board of directors of the Issuer and the board of directors of Target.

**2.7 Amalgamated Company** - Unless and until otherwise determined in the manner required by law, by Amalco or by its directors or the holder or holders of the Amalco Shares, the following provisions shall apply:

- (a) *Name*. The name of Amalco shall be “High Profile Holdings Cannabis Corp.” or such other name as may be determined by the Issuer and Target;
- (b) *Registered Office*. The municipality where the registered office of Amalco shall be located is Vancouver. The address of the registered office of Amalco shall be 550 Burrard St., Suite 1008, Vancouver, BC, V6C 2B5;
- (c) *Business and Powers*. There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise;
- (d) *Authorized Share Capital*. Amalco shall be authorized to issue an unlimited number of Amalco Common Shares;
- (e) *Share Restrictions*. Securities of Amalco may not be transferred without the prior written consent of the directors of Amalco;
- (f) *Initial Directors*. The initial directors of Amalco shall be as follows, subject to compliance with all Applicable Laws, including security clearance by Health Canada (as applicable):

Michael Stier	Director
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Jason Garnett	Director
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or such other persons as the Issuer and Target may determine;

- (g) *Articles*. The articles of Amalco shall be as set forth in Schedule F hereto, with such amendments thereto as Target may determine;
- (h) *Fiscal Year*. The fiscal year end of Amalco shall be December 31 in each year, until changed by resolution of the board of directors of Amalco; and
- (i) *Auditors*. The auditors of Amalco, until the first annual general meeting of shareholders of Amalco, shall be Smythe LLP, unless and until such auditors resign or are removed in accordance with the provisions of the BCBCA.

**2.8 Capital** - The amount added to the capital of the Issuer in respect of the Issuer Consideration Shares issuable pursuant to Section 2.5 shall be equal to the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Target Shares converted into Issuer Consideration Shares pursuant to Section 2.5. The amount added to the capital of the Amalco in respect of the Amalco Common Shares shall be equal to the aggregate paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Subco Common Shares and Target Shares.

**2.9 Issuer Consideration Shares** - At the Effective Time and in accordance with the terms of the Amalgamation, the Issuer Consideration Shares shall be issued pro-rata to the Target Shareholders, and certificates or DRS advice for such Issuer Consideration Shares shall be delivered as directed by Target in writing.

**2.10 Restriction on Resale** – Each of the Target Shareholders and Target Warranholders will, if required by the Exchange, enter into an escrow agreement in respect of their Issuer Consideration Shares and/or Target Warrants in the prescribed form or accept their Issuer Consideration Shares with such resale restrictions as may be required by the Exchange. If any Target Shareholder or Target Warranholder is required by the Exchange to enter into an escrow agreement in respect of any Issuer Consideration Shares, the certificates for such Issuer Consideration Shares shall not be delivered in accordance with Section 2.9 and shall be held for delivery subject to the execution of and in accordance with the terms of any such escrow agreement.

In addition to any resale restrictions imposed by the Exchange or Applicable Securities Laws, each Target Shareholder acknowledges and agrees that the Issuer Consideration Shares issued to the Target Shareholder on Closing will be subject to contractual restrictions on resale (the “**Lock-Up Restrictions**”), pursuant to which the Target Shareholder agrees not to, directly or indirectly, sell, pledge, encumber, assign or otherwise dispose of or transfer in any manner such Issuer Consideration Shares until released from Lock-Up Restrictions in accordance with the following release schedule:

<b>Date</b>	<b>Securities Released from Lock-Up Restrictions</b>
On Closing	10% of Issuer Consideration Shares
6 months from Closing	15% of Issuer Consideration Shares
12 months from Closing	20% of Issuer Consideration Shares
18 months from Closing	25% of Issuer Consideration Shares
24 months from Closing	30% of Issuer Consideration Shares

### **3. CHANGE IN DIRECTORS AND OFFICERS OF THE ISSUER;**

**3.1 Resignations** – At the time of Closing and subject to delivery of mutual releases acceptable to the Issuer, Target and the individuals as hereinafter described, the Issuer shall deliver the resignation of Boris Gorodnitsky, who is not continuing as a director of the Resulting Issuer.

**3.2 New directors and officers** - Effective as of the Closing and subject to prior Exchange approval and compliance with all Applicable Laws, including Health Canada security clearance (if applicable), the directors of the Resulting Issuer will include Jason Garnett, or such other nominee of the Target reasonably acceptable to the Issuer.

### **4. COVENANTS AND AGREEMENTS**

**4.1 Given by Target** – Target covenants and agrees with the Issuer that it will:

- (a) permit representatives of the Issuer, at their own cost, reasonable access during normal business hours to Target’s Documents including, without limitation, all of the assets, contracts, financial records and minute books of Target, so as to permit the Issuer to make such investigation of Target as the Issuer deems reasonably necessary;
- (b) assist in the completion of any steps required in any other jurisdictions where Target holds assets, which the Issuer may deem reasonably necessary to complete the Transaction;

- (c) provide to the Issuer all such further documents, instruments and materials and do all such acts and things as may be reasonably required by the Issuer to seek the Regulatory Approval, including, without limiting the foregoing, all relevant information concerning it and its business, assets, operations and financial statements for inclusion in any public disclosure document to be prepared by the Issuer in connection with the Transaction;
- (d) during the Interim Period, preserve and protect the goodwill, assets and undertaking of Target, carry on the Business of Target in the ordinary course in a reasonable and prudent manner consistent with past practice;
- (e) use its commercially reasonable efforts to obtain all required third party consents, Permits, approvals, authorizations, filings, assignments or waivers and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations hereunder and to carry out the transactions contemplated by this Agreement, including obtaining any shareholder approvals, consents or agreements as may be required under applicable corporate laws, securities laws, the rules and policies of the Exchange, Applicable Law and the constating documents of Target to be able to fulfill its obligations hereunder and in connection with the delivery of all of the Target Shares on Closing;
- (f) co-operate with the Issuer, in the Issuer's efforts and at the Issuer's expense, to obtain the Regulatory Approval with respect to:
  - (i) the Transaction; and
  - (ii) such other documents as the Issuer may reasonably request in order to obtain the Regulatory Approval;
- (g) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out Sections 7.1 and 7.2 so as to close the Transaction and all related transactions by the Closing Date;
- (h) during the Interim Period, except in respect of securities of Target that are issuable pursuant to already outstanding convertible securities or arrangements disclosed in the Target Disclosure Letter, not issue any securities of Target or enter into any agreement or understanding with any other party to issue any securities of Target, without the prior written consent of the Issuer, such consent not to be unreasonably withheld;
- (i) during the Interim Period, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into negotiations with, any Person (other than the Issuer), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of Target;
- (j) during the Interim Period, except pursuant to arrangements set forth in the Target Disclosure Letter, not:
  - (i) enter into any material contract;
  - (ii) incur or commit to incur any indebtedness for borrowed money; or

(iii) acquire directly or indirectly, any assets having a value of \$5,000 or more, including but not limited to mineral resource concessions or properties,

without the prior written consent of the Issuer, such consent not to be unreasonably withheld;

- (k) make other necessary filings and applications under applicable, foreign, federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein;
- (l) use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of it contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (m) notify the Issuer immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in all material respects; and
- (n) during the Interim Period, ensure that it complies in all material respects with the foregoing covenants of this Agreement.

4.2 **Given by the Issuer** – the Issuer covenants and agrees with Target that the Issuer will:

- (a) permit representatives of Target reasonable access during normal business hours to the Issuer's Documents including, without limitation, all of the assets, contracts, financial records and minute books of the Issuer, so as to permit such investigation of the Issuer as Target deem reasonably necessary;
- (b) take all corporate action necessary to approve and to permit the issuance of the Issuer Consideration Shares as fully paid and non-assessable shares on Closing;
- (c) during the Interim Period, preserve and protect the goodwill, assets and undertaking of the Issuer, carry on the Business of the Issuer in the ordinary course in a reasonable and prudent manner consistent with past practice;
- (d) use its commercially reasonable efforts to obtain, in a timely manner, the Regulatory Approval for the transactions contemplated hereunder;
- (e) use its commercially reasonable efforts to obtain Exchange approval of the Transaction;
- (f) during the Interim Period, except as otherwise permitted in this Agreement, not issue (other than on exercise of any currently outstanding options to purchase Issuer Shares or Issuer Share purchase warrants) any securities and not enter into any agreement or understanding with any third party to issue any securities, without the prior written consent of Target, not to be unreasonably withheld. Notwithstanding the foregoing or anything to the contrary contained herein, the parties agree that the Issuer may, without the consent of Target, issue common shares in exchange for gross cash consideration of no less than \$0.20 per common share at any time from time to time during the Interim Period;

- (g) during the Interim Period, not provide any guarantee in respect of the obligations of any Person;
- (h) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out in Sections 7.1 and 7.3 and to close the Transaction and related transactions by the Closing Date;
- (i) use its commercially reasonable efforts to conduct its affairs so that the representations and warranties of the Issuer contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (j) during the Interim Period, use its commercially reasonable efforts to ensure that the Issuer Shares remain listed on the CSE and that it remains in good standing under Applicable Law;
- (k) use its commercially reasonable efforts to obtain all consents, approvals, Permits, authorizations or filings as may be required under applicable corporate laws, securities laws, the rules and policies of the Exchange and the constating documents of the Issuer for the performance by the Issuer of its obligations under this Agreement prior to the Closing;
- (l) notify Target immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in all material respects; and
- (m) during the Interim Period, ensure that the Issuer complies in all material respects with the foregoing covenants of this Agreement.

## 5. **FINDER'S FEE**

Target and the Issuer acknowledge that there are no finders' fees payable by either of Target and the Issuer or the Resulting Issuer with respect to the transactions contemplated under this Agreement.

## 6. **TRANSACTION EXPENSES**

Each of the parties to this Agreement will bear all costs and expenses incurred by such party in negotiating and preparing the Agreement and in Closing and carrying out the transactions contemplated by the Agreement. All costs and expenses related to satisfying any condition or fulfilling any covenant contain in this Agreement will be borne by the party whose responsibility it is to satisfy the outstanding condition or fulfill the covenant in question.

Notwithstanding the foregoing, Target shall be responsible for the fees and costs relating to the preparation of the Target Financial Statements.

## 7. **CONDITIONS PRECEDENT**

7.1 **In Favour of all Parties** - The obligations of all parties under this Agreement are subject to the fulfillment of the following conditions prior to the time of Closing or such other time as herein provided:

- (a) the Target Amalgamation Resolution, this Agreement and the Transactions contemplated herein shall have been approved by the Target Shareholders in accordance with this Agreement and Applicable Laws;
- (b) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Transaction;
- (c) there being no prohibition at law against the Closing;
- (d) all consents, orders and approvals required for the completion of the Transaction and transactions ancillary thereto shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to all of the parties hereto, acting reasonably, including without limitation the receipt of the Regulatory Approval;
- (e) the completion of the Transaction being in compliance in all material respects with all laws, policies, rules and regulations applicable thereto; and
- (f) this Agreement shall have not been terminated in accordance with Article 11 of this Agreement.

The conditions precedent set forth above are for the benefit of all parties and may only be waived in writing by the Issuer or Target, in whole or in part on or before the time of Closing.

**7.2 In Favour of the Issuer** – the Issuer's obligations under this Agreement are subject to the fulfilment of the following conditions prior to time of Closing or such other time as herein provided:

- (a) the board of directors of Target shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Target to permit the consummation of the Amalgamation and the Transactions contemplated herein;
- (b) the Issuer, acting reasonably, being satisfied with the results of the due diligence investigations into the business, assets, financial condition and corporate records of Target and the Target Shareholders by the Issuer, its legal counsel or other representatives;
- (c) the representations and warranties of Target contained in this Agreement shall be true and correct in all material respects as if such representations and warranties had been made by Target as of the time of Closing;
- (d) the Issuer will have determined in its sole judgment, acting reasonably, that no Material Adverse Change in the condition of Target, during the time between the date hereof and the time of Closing, has occurred;
- (e) there being no legal proceeding or regulatory actions or proceedings against Target at the time of Closing which may, if determined against the interest of Target, cause a Material Adverse Change to Target; and
- (f) all corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto and other documents in connection with the purchase and sale hereunder (including

documents to be delivered pursuant to Section 9.2) will be completed and satisfactory in form and substance to the Issuer and the Issuer's counsel, each acting reasonably, and the Issuer will have received all executed counterpart original and certified or other copies of such documents as such counsel may reasonably request.

The conditions precedent set forth above are for the exclusive benefit of the Issuer and may be waived by it in whole or in part on or before the time of Closing.

**7.3 In Favour of Target** – The obligations of Target under this Agreement are subject to the fulfilment of the following conditions:

- (a) the board of directors of each of the Issuer and Subco shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by the Issuer and Subco to permit the consummation of the Amalgamation and the Transactions contemplated herein;
- (b) the Issuer Consideration Shares issued pursuant to the Transaction shall be issued as fully paid and non-assessable common shares in the capital of the Issuer, free and clear of any and all Encumbrances, except the Lock-Up Restrictions and those imposed by the Exchange or applicable securities laws;
- (c) Target, acting reasonably, being satisfied with the results of their respective due diligence investigations into the Issuer;
- (d) the Issuer shall have materially complied with all of its covenants and agreements hereunder to be performed and complied with on or before the time of Closing;
- (e) the representations and warranties of the Issuer contained in this Agreement shall be true and correct in all material respects as if such representations and warranties had been made by the Issuer as of the time of Closing;
- (f) all documents and steps necessary, in the view of Target and counsel to Target, acting reasonably, to complete the issuance of the Issuer Consideration Shares to the Target Shareholders in accordance with this Agreement and the Transaction shall have been delivered and completed at Closing; and
- (g) the Target will have determined in its sole judgment, acting reasonably, that no Material Adverse Change in the condition of Issuer, during the time between the date hereof and the time of Closing, has occurred;
- (h) there being no legal proceeding or regulatory actions or proceedings against the Issuer at the time of Closing which may, if determined against the interest of the Issuer, cause a Material Adverse Change to the Issuer;
- (i) the Issuer having entered into consulting agreements with each of Dean Medwid and Jason Garnett, in such forms as shall be agreed upon by the parties thereto;
- (j) all corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto and other documents in connection with the purchase and sale hereunder (including documents to be delivered pursuant to Section 9.3), will be completed and satisfactory in form and substance to Target and Target's counsel, each acting



reasonably, and they will have received all executed counterpart original and certified or other copies of such documents as such counsel may reasonably request.

The conditions precedent set forth above are for the exclusive benefit of Target and may be waived by Target, in whole or in part on or before the time of Closing.

## 8. REPRESENTATIONS AND WARRANTIES

8.1 **Concerning the Issuer** - In order to induce Target to enter into this Agreement and complete their respective obligations hereunder, the Issuer represents and warrants to Target that:

- (a) Each of the Issuer and Subco is subsisting duly organized and validly existing corporation incorporated under the laws of British Columbia, is currently in good standing, and has the capacity, power and authority to own or lease its property and assets and to carry on its business as now conducted by it;
- (b) All of the issued and outstanding shares of Subco are owned by the Issuer;
- (c) Subco has not carried on any business, other than to enter into this Agreement, and has no assets or liabilities other than nominal share capital;
- (d) The Issuer is a "reporting issuer" in each province and territory of Canada and is not in material default of any requirement of Applicable Securities Laws or any material Applicable Law and is not noted as being a "defaulting reporting issuer" (or any analogous terms) in any such jurisdiction;
- (e) the Issuer Shares are listed on the CSE, and the Issuer is not in material default of any requirement contained in its listing agreement with the CSE;
- (f) the Issuer will have, at the time of Closing, full corporate power and authority to carry on its Business as now carried on by it, to enter into this Agreement and complete the Transactions and related transactions and to carry out its obligations hereunder. This Agreement and the Transactions will have been, prior to the time of Closing, authorized by all necessary shareholder (if necessary) and corporate action on the part of the Issuer. This Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered;
- (g) as of the date hereof, the authorized capital of the Issuer consists of an unlimited number of common shares, of which 12,624,019 Issuer Shares are issued and outstanding as fully paid and non-assessable;
- (h) all securities of the Issuer have been issued in compliance with all Applicable Laws, including Applicable Securities Laws. There are no securities of the Issuer outstanding, other than the Issuer Shares, Issuer Options and Issuer Warrants. There are no outstanding contractual or other obligations of the Issuer to repurchase, redeem or otherwise acquire any of the Issuer's securities. There are no outstanding bonds, debentures or other evidences of indebtedness of the

Issuer having the right to vote with the holders of the outstanding Issuer Shares on any matters;

- (i) the auditors of the Issuer, Smythe LLP, Chartered Professional Accountants, who have audited the Issuer Annual Statements and provided their audit report thereon, are independent chartered professional accountants as required under Applicable Law;
- (j) the Issuer is not a party to any actions, suits or proceedings which could materially affect its Business or financial condition, and to the best of the Issuer's knowledge, no such actions, suits or proceedings are contemplated or, have been threatened;
- (k) there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;
- (l) other than a cessation of trading in Issuer Shares in connection with the Transaction, no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer; and no investigations or proceedings for such purposes are pending or threatened;
- (m) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any Governmental Authority, to the extent that any of the foregoing is due and payable;
- (n) there are no liens for taxes on the assets of the Issuer, except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer, and there are no claims which have been or may be asserted relating to any such tax returns;
- (o) other than as disclosed to Target in writing, the Issuer does not have any loans or other indebtedness outstanding other than trade payables incurred in the ordinary course of business set out in the Issuer Interim Statements;
- (p) there are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim, or the period for the collection or assessment or reassessment of taxes due from the Issuer for any taxable period and no request for any such waiver or extension is currently pending;
- (q) the Issuer does not have any material outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person that are material to the Issuer, other than those specifically identified in the Issuer Interim Statements or incurred in the ordinary course of business since the date of the Issuer Interim Statements;
- (r) the Issuer has and will have by Closing, or as soon as practicable thereafter, filed all documents that are required to be filed under the continuous disclosure provisions of Applicable Securities Laws, including annual and interim financial information, press releases disclosing material changes and material change reports and none of such filings contain an untrue statement of a material fact or

an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

- (s) the Issuer has not filed any confidential material change report that remains confidential as at the date hereof;
- (t) each of the Issuer and Subco has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto, and subject to the terms hereof, to perform its obligations hereunder and thereunder, and further the execution and delivery of this Agreement by the Issuer or Subco and the performance of its obligations under this Agreement will not:
  - (i) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of the Issuer, or any indenture, mortgage, agreement, lease, licence, contract, permit or other instrument of any kind whatsoever to which the Issuer is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which the Issuer or Subco is bound respectively;
  - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by the Issuer or Subco, respectively; or
  - (iii) violate the constating documents of the Issuer, or any resolutions of the directors or shareholders of the Issuer or Subco, respectively;
- (u) the financial books, records and accounts of the Issuer have in all material respects, been maintained in accordance with Applicable Law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of the Issuer and accurately and fairly reflect the basis for all financial statements filed in the Issuer Disclosure Record, including the Issuer Annual Statements and Issuer Interim Statements;
- (v) except as disclosed in the Issuer Disclosure Record and disclosed to Target in writing, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of the Issuer, threatened affecting the Issuer or affecting its property or assets at law or in equity before or by any Governmental Authority, including matters arising under Environmental Laws. Neither the Issuer nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction or decree;
- (w) all the data and information in respect of the Issuer and Subco provided or disclosed to Target or any representative of Target by or on behalf of the Issuer was and is accurate and correct in all material respects;
- (x) upon their issuance, the Issuer Consideration Shares will be validly issued and outstanding as fully paid and non-assessable securities of the Issuer registered in accordance with the instructions to be provided by Target, free and clear of any and all liens, charges, escrow conditions or Encumbrances of any kind whatsoever other than the Lock-Up Restrictions and those imposed by applicable

securities laws or the Exchange, or as otherwise contemplated in this Agreement;  
and

- (y) since September 30, 2022, there has not been any Material Adverse Change of any kind whatsoever to the financial position or condition of the Issuer or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the Business, assets or listing of the Issuer or the right or capacity of the Issuer to carry on its Business.

**8.2 Concerning Target** - In order to induce the Issuer to enter into this Agreement and complete its obligations hereunder Target represents and warrants to the Issuer that:

- (a) Target is a valid and subsisting corporation duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated;
- (b) Target is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) Target has no subsidiaries other than Propco and Urban Canna Inc., and all of the issued and outstanding shares of such entities are held by Target;
- (d) Propco has good, valid and marketable title in fee simple to the Target Property, free and clear of all encumbrances except as disclosed in the Target Disclosure Letter;
- (e) Target has full corporate power and authority to carry on its Business as now carried on by it, to enter into this Agreement and will have at the time of Closing, full power and authority to complete the Transaction and related transactions and to carry out its obligations hereunder. This Agreement has been, and the Transaction will be at the time of Closing, duly authorized by all necessary shareholder and corporate action on the part of Target, and this Agreement constitutes a valid and binding obligation of Target in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;
- (f) Target is in material compliance with all Applicable Laws in the jurisdictions in which it carries on business and which may materially affect Target, has not received a notice of non-compliance, nor does Target know of any facts that could give rise to a notice of such non-compliance with any such laws, regulations and statutes, and Target is not aware of any pending change or contemplated change to any Applicable Law or governmental position that would materially affect the Business of Target or the Business or legal environment under which Target operates;
- (g) none of Target nor any director, officer, employee, consultant, or representative of Target or any of its subsidiaries (i) is or has been in violation of any applicable anti-bribery or anti-corruption laws, including the *Corruption of Foreign Public Officials Act* (Canada) and (ii) has directly or indirectly made, offered, promised, or authorized any payment, gift, promise or other advantage to any official

associated in any manner with any Governmental Entity, government official or any political party for the purpose of influencing any such Person to obtain or retain improper advantage for Target or any of its subsidiaries, in violation of any Applicable Law.

- (h) the authorized capital of Target consists of (i) an unlimited number of common shares without par value, of which 185,298,834 Target Shares are issued and outstanding as of the date of this Agreement and 190,298,834 Target Shares will be issued and outstanding as of the Closing and (ii) 3,745,000 Target Warrants. The Target Shares registered in the names of the Target Shareholders are issued and outstanding as fully paid and non-assessable as of the date of this Agreement, free and clear of any and all trading restrictions (except pursuant to Applicable Laws, or as provided for herein and in the articles or notice of articles of Target), liens, charges or Encumbrances of any kind whatsoever. Except as pursuant to the Target Warrants, no Person currently has any right, agreement, warrant or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement, warrant or option for the issue or allotment of any unissued shares in the capital of Target or any other security convertible into or exchangeable for any such shares, or to require Target to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (i) to the knowledge of Target, all securities of Target have been and will be issued in compliance with all Applicable Laws, including Applicable Securities Laws. There are no outstanding contractual or other obligations of Target to repurchase, redeem or otherwise acquire any of Target's securities. There are no outstanding bonds, debentures or other evidences of indebtedness of Target having the right to vote with the holders of the outstanding Target Shares on any matters;
- (j) all financial, marketing, sales and operational information provided to the Issuer does not contain any material "misrepresentations" (as such term is defined in the Securities Act) and do not omit to state a "material fact" (as such term is defined in the Securities Act) which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (k) all financial statements of Target to be provided to the Issuer, including the Target Financial Statements, will be prepared in accordance with IFRS and/or Generally Accepted Accounting Principles, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Target, as of the date thereof, and there has been no Material Adverse Change in the financial position of Target since the date of the Target Financial Statements and the Business of Target has been carried on in the usual and ordinary course consistent with past practice since the date thereof;
- (l) to the knowledge of Target, Target has complied fully in all material respects with the requirements of all Applicable Laws and administrative policies and directions, including, without limitation, Application Securities Laws, in relation to the issue of its securities;
- (m) Target has delivered copies of the following contracts and other agreements to which Target or any of its subsidiaries is a party to or bound:

- (i) each agreement involving aggregate consideration in excess of \$5,000 or requiring performance by any party more than one year from the date hereof, which, in each case, cannot be cancelled by Target without penalty or without more than one year's notice;
- (ii) all agreements that relate to the acquisition of any business, a material amount of shares or assets of any other Person or any real property (whether by amalgamation, sale or issue of shares, sale of assets or otherwise), in each case involving amounts in excess of \$50,000; and
- (iii) except for agreements relating to trade receivables, all agreements relating to indebtedness (including guarantees) of Target or any of its subsidiaries, in each case having an outstanding amount in excess of \$5,000,

(the "**Target Material Contracts**").

The Target Material Contracts are in full force and effect, and Target is entitled to all rights and benefits thereunder in accordance with the terms thereof. All the Target Material Contracts are valid and binding obligations, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. Except as set forth in the Target Disclosure Letter, Target has complied in all material respects with all terms of the Target Material Contracts, has paid all amounts due thereunder if, as and when due, has not waived any rights thereunder and no material default or breach exists in respect thereof on the part of Target or, to the knowledge of Target, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, could constitute such a default or breach or trigger a right of termination of any of the Target Material Contracts. No consent is required nor is any notice required to be given under any Target Material Contract from any party thereto or any other person in connection with the completion of the Transaction herein contemplated in order to maintain all rights of Target under such contract.

- (n) to the knowledge of Target, except as set forth in the Target Disclosure Letter, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of Target, threatened affecting Target or affecting its property or assets at law or in equity before or by any Governmental Authority, including matters arising under Environmental Laws. Neither Target nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction or decree;
- (o) Target has obtained and is in compliance with all Permits required by Applicable Laws necessary to conduct its Business as now being conducted. To the knowledge of Target, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with the Permits as are necessary to conduct its Business;
- (p) Target is not a party to any adverse actions, suits or proceedings which could materially affect its business or financial condition, and to the best of Target's knowledge no such actions, suits or proceedings are contemplated or have been threatened;

- (q) to the knowledge of Target, there are no judgments against Target which are unsatisfied, nor are there any consent decrees or injunctions to which Target is subject;
- (r) the Target Shares are validly issued and outstanding as fully paid and non-assessable shares of Target, free and clear of any and all liens, charges or Encumbrances of any kind whatsoever, other than restrictions on transfer imposed under Target's articles;
- (s) Target is not subject to any regulatory decision or order prohibiting or restricting transfer of its securities;
- (t) to the knowledge of Target, there are no material liabilities of Target, whether direct, indirect, absolute, contingent or otherwise, except as disclosed in the Target Disclosure Letter, the Target Financial Statements, and disclosed in Target's business records provided to the Issuer and related to the ordinary course of business;
- (u) since incorporation, Target has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any Governmental Authority, to the extent that any of the foregoing is due and payable;
- (v) there are no liens for taxes on the assets of Target, except for taxes not yet due, and there are no audits of any of the tax returns of Target, and there are no claims which have been or may be asserted relating to any such tax returns;
- (w) except as set forth in the Target Disclosure Letter, other than accrued legal/accounting fees incurred in the ordinary course of business, Target does not have any loans or other indebtedness outstanding;
- (x) to the knowledge of Target, there are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim, or the period for the collection or assessment or reassessment of taxes due from Target for any taxable period and no request for any such waiver or extension is currently pending;
- (y) to the knowledge of Target, Target is not aware of any material contingent tax liabilities of Target of any kind whatsoever or any grounds which would prompt a reassessment of Target;
- (z) Target is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person that are material to Target, other than those set forth in the Target Disclosure Letter or incurred in the ordinary course of business;
- (aa) since incorporation, the financial books, records and accounts of Target have in all material respects, been maintained in accordance with Applicable Law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Target and accurately and fairly reflect the basis for

all financial statements of Target, including the Target Financial Statements to be prepared Target;

- (bb) the execution and delivery of this Agreement and the performance of Target's obligations under this Agreement will not:
  - (i) conflict with, or result in the breach or the acceleration of, any indebtedness under, or constitute default under, the charter or constating documents of Target, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Target is a party, or by which each one of them is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which each one of them is bound; or
  - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by Target; or
  - (iii) violate the constating documents of Target, or any resolutions of the directors or shareholders of Target;
- (cc) to the knowledge of Target, Target has in all material respects complied with and is not in violation of any Applicable Laws;
- (dd) the Target Shares are, and at Closing the Target Shares shall be, validly issued, fully paid and non-assessable, and, to the knowledge of Target, such Target Shares are, and at Closing shall be, be free and clear of any and all trading restrictions (except pursuant to Applicable Laws, or as provided for herein and in the articles or notice of articles of Target), liens, charges or Encumbrances of any kind whatsoever;
- (ee) the Target Shares, the Target Warrants, the Target Interest Promissory Notes and the Target Debentures are the only issued and outstanding "securities" of Target (as that term is defined in the Securities Act)
- (ff) all of the material transactions of Target have been recorded or filed in, or with, the books or records of Target and the minute books of Target contain all records of the material meetings and proceedings of shareholders and directors of Target actually held since its incorporation, as well as the current constating documents of Target, and no modifications or alterations to such constating documents have been proposed or approved by its shareholders or directors; and
- (gg) since the date of the Target Financial Statements, there has not been any Material Adverse Change of any kind whatsoever to the financial position or condition of Target or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business, assets of Target or the right or capacity of Target to carry on its business.

**8.3 Survival** – The representations and warranties made by the parties under this Article 8 are true and correct as of the date hereof and shall be true and correct at the time of Closing as though they were made at that time. The representations in Sections 8.1 and 8.2 shall survive the time of Closing for a period of 12 months. After the expiration of such period, as applicable, no party shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such period, as applicable.



**8.4 Limitations on Representations and Warranties** – The parties shall not be deemed to have made any representation or warranty other than as expressly made in Sections 8.1 and 8.2 hereof. Notwithstanding anything to the contrary contained herein, no party hereto shall be liable for any losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the party seeking indemnification for such losses had actual knowledge of such breach or inaccuracy before Closing.

## 9. CLOSING

**9.1 Closing Date** - The Closing shall take place on the Closing Date at the offices of Cozen O'Connor LLP, 1008 – 550 Burrard Street, Vancouver, British Columbia, or at such other time, date or place upon which Target and the Issuer may mutually agree.

**9.2 Deliveries by Target** - At the time of Closing, upon the fulfillment or waiver of all of the conditions set out in Article 7, Target shall deliver to the Issuer the following documents:

- (a) a certified true copy of the resolutions of the directors evidencing that the board of directors of Target have approved this Agreement and all of the transactions of Target contemplated hereunder;
- (b) a certified true copy of the Target Amalgamation Resolution evidencing that the Target Shareholders, have approved the Target Amalgamation Resolution;
- (c) such other materials that are, in the opinion of the Issuer acting reasonably, required to be delivered by Target in order for it to meet its obligations under this Agreement; and
- (d) evidence satisfactory to the Issuer and its legal counsel, acting reasonably, of the completion of all corporate proceedings of Target and all other matters which, in the reasonable opinion of counsel for the Issuer, are necessary in connection with the transactions contemplated by this Agreement.

**9.3 Deliveries by the Issuer** - At the time of Closing on the Closing Date, upon the fulfillment or waiver of all of the conditions set out in Article 7, the Issuer shall deliver to Target:

- (a) evidence of Regulatory Approval of the Transaction, if any;
- (b) resignations of the directors and officers of the Issuer identified in Section 3.1 and a release of all claims against the Issuer up to the time of Closing by each such director and officer in form satisfactory to Target, acting reasonably;
- (c) evidence satisfactory to Target of the appointment of the directors and officers identified in Section 3.2;
- (d) such other materials that are, in the opinion of Target acting reasonably, required to be delivered by the Issuer in order for Target to meet its obligations under this Agreement; and
- (e) evidence satisfactory to Target and its legal counsel, acting reasonably, of the completion of all corporate proceedings of the Issuer and all other matters which, in the reasonable opinion of counsel for Target, are necessary in connection with the transactions contemplated by this Agreement.

## 10. ORDINARY COURSE

Until the time of Closing, neither Target nor the Issuer shall, without the prior written consent of the other, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and each party shall continue to carry on its Business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Closing, and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage in any extraordinary material transactions and shall make no distributions, dividends or special bonuses except otherwise permitted under this Agreement, shall not repay any shareholders' loans, or enter into or renegotiate any employment or consulting agreement with any senior officer, in each case without the prior written consent of the other.

## 11. TERMINATION

11.1 **Termination** - This Agreement may be terminated and the Amalgamation abandoned at any time prior to the Effective Time:

- (a) by the mutual written consent of the Issuer and Target;
- (b) by either the Issuer or Target, if there shall be any Applicable Law that makes consummation of the Amalgamation illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent Governmental Authority enjoining the Issuer or Target from consummating the Amalgamation shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (c) by either the Issuer or Target, if the Closing Date does not occur on or prior to the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(c) shall not be available to any party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (d) by the Issuer if any condition set out in Section 7.1 or 7.2 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(d) shall not be available to any party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (e) by Target if any condition set out in Section 7.1 or 7.3 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 11.1(e) shall not be available to any party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;
- (f) by the Issuer if there is a material breach by Target of any of its representations, warranties, covenants or agreements contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.3 which

has not been waived to be incapable of being satisfied on or before the Outside Date;

- (g) by the Issuer or Target if the Target Shareholders fail to approve the Amalgamation in the manner required by law; or
- (h) by Target if there is a material breach by the Issuer or Subco of any representation, warranty, covenant or agreement contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.3 which has not been waived to be incapable of being satisfied on or before the Outside Date.

**11.2 Effect of Termination** - If this Agreement is terminated in accordance with the provisions of Section 11.1, no party shall have any further liability to perform its obligations hereunder except for the provisions of this Section 11.2, Sections 6 or 13; provided that neither the termination of this Agreement nor anything contained in this Section 11.2 shall relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein.

## **12. STANDSTILL AGREEMENT**

Until the earlier of (i) the Closing of the Transaction and (ii) the termination of this Agreement (the "**Exclusivity Termination Date**"), Target agrees that it will not, directly or indirectly, and will not authorize or permit any representative or agent thereof to, directly or indirectly, (a) solicit, initiate, encourage, engage in or respond to any inquiry or proposal regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of its assets, any recapitalization, reorganization other than the liquidation, material sale or issue of treasury securities or rights or interest therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would or could, in any case, constitute or result in a de facto change of control of Target or the disposition of substantially all of its assets (each an "**Acquisition Proposal**"), other than the Transaction, (b) encourage or participate in any discussions or negotiations regarding any Acquisition Proposal, (c) agree to, approve or recommend an Acquisition Proposal, or (d) enter into any agreement related to an Acquisition Proposal, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved in writing in advance by the Issuer or is necessary to carry on the normal course of business.

## **13. PUBLIC DISCLOSURE**

**13.1 Restrictions on Disclosure** - No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by the Issuer or Target without the prior written agreement of the other as to timing, content and method, provided that the obligations herein will not prevent the Issuer or Target from making, after consultation with the other, such disclosure as its counsel advises is required by Applicable Law, including the rules and policies of the CSE, as applicable, or as is required to carry out the transactions contemplated in this Agreement or the obligations of the Issuer or Target.

**13.2 Confidentiality** - Except with the prior written consent of the other, each of the Issuer and Target and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the Issuer or Target, as applicable, concerning any of the Issuer, Target and the Target Shareholders in strictest confidence and shall not be disclosed or used by the recipients thereof, except such information

and documents available to the public or as are required to be disclosed by Applicable Law, including the rules and policies of the CSE, as applicable. All such information in written or electronic form and documents will be promptly returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

**14. GENERAL**

**14.1 Time** - Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the parties of this paragraph or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

**14.2 Entire Agreement** - This Agreement constitutes the entire Agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

**14.3 Further Assurances** - The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a party to this Agreement subsequent to the Closing, shall survive the Closing.

**14.4 Amendments** - No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in writing, executed by Target and the Issuer.

**14.5 Notices** - Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand, e-mail or mail to the Issuer or Target (on its own behalf and on behalf of the Target Shareholders) at their following respective addresses:

**To the Issuer:**

New Leaf Ventures Inc.  
1910 - 1030 W. Georgia Street  
Vancouver, British Columbia  
V6E 2Y3

**Attention:** [REDACTED]  
**Email:** [REDACTED]

**With a copy (which shall not constitute notice) to:**

Cozen O'Connor LLP  
1008 – 550 Burrard Street  
Vancouver, BC, V6C 2B5

**Attention:** [REDACTED]  
**Email:** [REDACTED]

**To the Subco:**

New Leaf Ventures Inc.  
1910 - 1030 W. Georgia Street  
Vancouver, British Columbia  
V6E 2Y3

**Attention:** [REDACTED]  
**Email:** [REDACTED]

**With a copy (which shall not constitute notice) to:**

Cozen O'Connor LLP  
1008 – 550 Burrard Street  
Vancouver, BC, V6C 2B5

**Attention:** [REDACTED]  
**Email:** [REDACTED]

**To Target:**

**Attention:** [REDACTED]  
**Email:** [REDACTED]

**With a copy (which shall not constitute notice) to:**

Segev LLP  
6th Floor, 905 West Pender Street  
Vancouver, BC, V6C 1L6, Canada

**Attention:** [REDACTED]  
**Email:** [REDACTED]

or to such other addresses as may be given in writing by the Issuer or Target, in the manner provided for in this paragraph, and the party sending such notice should request acknowledgment of delivery and the party receiving such notice should provide such acknowledgment. Notwithstanding whether or not a request for acknowledgment has been made or replied to, whether or not delivery has occurred will be a question of fact. If a party can prove that delivery was made as provided for above, then it will constitute delivery for the purposes of this Agreement whether or not the receiving party acknowledged receipt.

**14.6 Assignment** - This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.

**14.7 Governing Laws** - This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the parties hereby irrevocably and unconditionally attorn to the jurisdiction of the Courts of British Columbia.

**14.8 Counterparts** - This Agreement may be signed by fax, e-mail (scan) or other means of electronic transmission and in counterpart, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

14.9 **Severability** - If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will 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 will 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.

14.10 **Number and Gender** - Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

14.11 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

**[Remainder of page intentionally left blank. Execution page follows.]**

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinbefore written.

**NEW LEAF VENTURES INC.**

Per: "Michael Stier"  
Name: Michael Stier  
Title: CEO & Director  
I have the authority to bind the corporation

**1392162 B.C. LTD.**

Per: "Michael Stier"  
Name: Michael Stier  
Title: Director  
I have the authority to bind the corporation

**HIGH PROFILE HOLDINGS CORP.**

Per: "Jason Garnett"  
Name: Jason Garnett  
Title: Director  
I have the authority to bind the corporation

**SCHEDULE A**  
**[Intentionally Deleted]**



**SCHEDULE B  
PRO FORMA CAPITALIZATION TABLE**

<b>Security</b>	<b>Amount</b>
Resulting Issuer Shares outstanding in respect of the Issuer Shares	12,624,019
Resulting Issuer Shares outstanding in respect of Issuer Consideration Shares	10,000,000
<b>Undiluted</b>	<b>22,624,019</b>
NLV Options	451,000
NLV Warrants	1,484,000 <sup>1</sup>
HP Options	Nil
HP Warrants	196,796 <sup>2</sup>
<b>Fully Diluted</b>	<b>24,755,815</b>

**Notes:**

1. 800,000 of which are subject to performance requirements relating to the revenue of the Issuer.
2. The 3,745,000 outstanding Target Warrants will entitle the holders thereof to acquire an aggregate of 196,796 Issuer Shares.

**SCHEDULE C**

[intentionally deleted]

**SCHEDULE D  
AMALGAMATION RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Amalgamation, as more particularly described and set forth in the information statement of the Company dated December ◆, 2022 (the “**Information Statement**”), be and is hereby, authorized, approved and adopted.
2. The amalgamation agreement among the Company, New Leaf Ventures Inc. (“**NLV**”) and 1392162 B.C. Ltd. (“**MergerCo**”), dated December ◆, 2022, as appended to the Information Statement as Schedule “B” (the “**Amalgamation Agreement**”), and all the transactions contemplated therein, be, and are hereby, ratified, confirmed, authorized and approved.
3. Any one director of the Company is hereby authorized, for and on behalf of the Company to execute and deliver all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments, including the Amalgamation Agreement, and to do or cause to be done all such other acts and things as in the opinion of such director may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Amalgamation Agreement and the completion of the Amalgamation in accordance with the terms of the Amalgamation Agreement, including:
  - a. all actions required to be taken by or on behalf of the Company and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - b. the signing of the certificates, consents and other documents or declarations required under the Amalgamation Agreement or otherwise to be entered into by the Company.
4. Notwithstanding that this resolution has been passed by the shareholders of the Company, the director of the Corporation be, and is hereby, authorized and empowered, without further notice to, or approval of, the shareholders of the Company, to:
  - a. once the Amalgamation Agreement has been executed, amend the Amalgamation Agreement or terms of the Amalgamation contemplated thereunder; and
  - b. subject to the terms of the Amalgamation Agreement, not proceed with the Amalgamation.

**SCHEDULE E  
AMALGAMATION APPLICATION**

## 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	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS			PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]
MAILING ADDRESS			PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]
LAST NAME	FIRST NAME	MIDDLE NAME			
DELIVERY ADDRESS			PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]
MAILING ADDRESS			PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]
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			

**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 F**  
**ARTICLES OF AMALCO**

**HIGH PROFILE HOLDINGS CANNABIS CORP.  
(the “Company”)**

The Company has as its articles the following articles.

Full name and signature of each incorporator	Date of signing
<hr style="width: 80%; margin-left: 0;"/> MICHAEL STIER	<hr style="width: 80%; margin-left: 0;"/>

*Incorporation Number:* \_\_\_\_\_

**HIGH PROFILE HOLDINGS CANNABIS CORP.  
(the “Company”)**

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**HIGH PROFILE HOLDINGS CANNABIS CORP.**  
**(the “Company”)**

**ARTICLES**

**1. INTERPRETATION**

**1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (a) “appropriate person” has the meaning assigned in the *Securities Transfer Act*;
- (b) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (c) “Business Corporations Act” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “Interpretation Act” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (e) “legal personal representative” means the personal or other legal representative of the shareholder;
- (f) “protected purchaser” has the meaning assigned in the *Securities Transfer Act*;
- (g) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (h) “seal” means the seal of the Company, if any;
- (i) “securities legislation” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “**Canadian securities legislation**” means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and “**U.S. securities legislation**” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;
- (j) “Securities Transfer Act” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

**1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict

between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **2. SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be.

### **2.6 Replacement of Lost, Destroyed or Wrongly Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;



- (b) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (c) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

## **2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

## **2.8 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

# **3. ISSUE OF SHARES**

## **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Commissions and Discounts**

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **4. SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (c) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

### **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

### **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

### **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or

- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **6. TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

### **6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

## **7. ACQUISITION OF COMPANY'S SHARES**

### **7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

## **7.2 No Purchase, Redemption or Other Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

## **7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

## **8. BORROWING POWERS**

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to the Business Corporations Act, the Company may by resolution of the board of directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

- (c) subject to Article 2.1, alter the identifying name of any of its shares;
- (d) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (e) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (f) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or
- (g) subject to Article 2.1, otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act.

## **9.2 Special Rights or Restrictions**

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

## **9.3 Change of Name**

The Company may by resolution of the board of directors authorize an alteration to its Notice of Articles in order to change its name and may, by ordinary resolution or directors' resolution, adopt or change any translation of that name.

## **9.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

# **10. MEETINGS OF SHAREHOLDERS**

## **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

## **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have

been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **10.3 Calling of Meetings of Shareholders**

The directors may, at any time, call a meeting of shareholders to be held at such time and place as may be determined by the directors.

### **10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

### **10.5 Notice of Resolution to which Shareholders May Dissent**

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

### **10.6 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **10.7 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **10.8 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

## **10.9 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;



- (iii) consideration of any reports of the directors or auditor;
- (iv) the setting or changing of the number of directors;
- (v) the election or appointment of directors;
- (vi) the appointment of an auditor;
- (vii) the setting of the remuneration of an auditor;
- (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Persons Entitled to Attend Meeting**

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting, but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to

vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

### **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **11.13 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

### **11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

### **11.16 Casting Vote**

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

### **11.17 Manner of Taking Poll**

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

### **11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

### **11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

### **11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

### **11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

### **11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

### **11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## **12. VOTES OF SHAREHOLDERS**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

### **12.5 Representative of a Corporate Shareholder**

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
  - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this Article 12.5:
  - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### **12.6 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (d) the Company is a public company or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

### **12.7 When Proxy Provisions Do Not Apply to All Companies**

If and for so long as the Company is a public company or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

### **12.8 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

### **12.9 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

### **12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received at the meeting, by the chair of the meeting or adjourned meeting or to a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### 12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

### 12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*[name of company]*  
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): \_\_\_\_\_

Signed *[month, day, year]*

\_\_\_\_\_  
*[Signature of shareholder]*

\_\_\_\_\_  
*[Name of shareholder—printed]*

### 12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

#### **12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

#### **12.15 Chair May Determine Validity of Proxy**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

#### **12.16 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

### **13. DIRECTORS**

#### **13.1 First Directors; Number of Directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4.



### **13.2 Change in Number of Directors**

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **14. ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

### **14.3 Failure to Elect or Appoint Directors**

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or

continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

#### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

#### **14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director

to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### **15. ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Director**

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

#### **15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

#### **15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **16. POWERS AND DUTIES OF DIRECTORS**

#### **16.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

#### **16.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors

may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **17. DISCLOSURE OF INTEREST OF DIRECTORS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

### **17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **17.7 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor

of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### **17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **18. PROCEEDINGS OF DIRECTORS**

### **18.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### **18.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

### **18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

### **18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

### **18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.



### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, email or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and, during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
  - (i) the power to fill vacancies in the board of directors;
  - (ii) the power to remove a director;
  - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **19.3 Obligations of Committees**

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

### **19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

### **19.5 Committee Meetings**

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and

- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **20. OFFICERS**

### **20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### **20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### **20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

### **20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - (i) is or may be joined as a party; or

- (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

## **21.2 Mandatory Indemnification of Directors**

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

## **21.3 Permitted Indemnification**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

## **21.4 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act*, does not invalidate any indemnity to which he or she is entitled under this Part 21.

## **21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **22. DIVIDENDS**

### **22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

## **22.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

## **22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.2.

## **22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

## **22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

## **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

## **22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

## **22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

## **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

## **23. ACCOUNTING RECORDS AND AUDITOR**

### **23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

### **23.3 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;

- (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) unless the intended recipient is the auditor of the Company, sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

## **24.2 Deemed Receipt of Mailing**

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

## **24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

#### **24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such records to the joint shareholder first named in the central securities register in respect of the share.

#### **24.5 Notice to Legal Personal Representatives and Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

#### **24.6 Undelivered Notices**

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

### **25. SEAL**

#### **25.1 Who May Attest Seal**

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

#### **25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.



### **25.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## **26. PROHIBITIONS**

### **26.1 Definitions**

In this Part 26:

- (a) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (b) "transfer restricted security" means:
  - (i) a share of the Company;
  - (ii) a security of the Company convertible into shares of the Company;
  - (iii) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

### **26.2 Application**

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

### **26.3 Consent Required for Transfer of Shares or Transferred Restricted Securities**

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.