

EARLY WARNING REPORT
(Form 62-103F1)

Made Pursuant To
NATIONAL INSTRUMENT 62-103
The Early Warning System and Related Take-Over Bid and Insider Reporting Issues

Item 1. – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Securities: Common shares (each, a “Share”)
Issuer: Dominion Water Reserves Corp. (the “Corporation”)
609 – 1188 Union Avenue
Montreal, Quebec H3B 0E5

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable. See item 2.2.

Item 2 – Identity of the Acquiror

- 2.1 State the name and address of the acquiror.**

9474-8431 Quebec Inc. (the “Acquiror”)
4628 rue Louis-B.-Mayer
Laval, Québec, Canada H7P 6E4

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On September 19, 2022 (the “Closing Date”), the Acquiror and Marchitello (as hereinafter defined) (together, the “Subscribers”) each entered into a subscription agreement with the Corporation pursuant to which they acquired, in the aggregate, 30,000 units of the Corporation (each, a “Unit”), each Unit consisting of 1,250 Shares and 125 Share purchase warrants, representing an aggregate of 37,500,000 Shares (the “Acquired Shares”) and 3,750,000 Share purchase warrants (the “Warrants”) through a private placement offering (the “Acquisition”).

- 2.3 State the names of any joint actors.**

Mr. Jonathan Marchitello (“Marchitello”), Mr. Olivier Primeau and Mr. Raimondo Messina.

Item 3 – Interest in Securities of the Reporting Issuer

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s security holding percentage in the class of securities.**

Prior to the Acquisition, the Acquiror did not own or control any Shares. Immediately after giving effect to the Acquisition, the Acquiror and Marchitello together beneficially own and have control and director over 37,500,000 Shares and 3,750,000 Warrants, representing approximately 27.32% of the outstanding Shares of the Corporation, on a non-diluted basis, and 29.25% of the outstanding shares on a partially diluted basis, assuming exercises of the Warrants.

- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

See item 2.2.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence**

that triggered the requirement to file this report.

See item 3.1

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.1.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The cash consideration paid by the Acquiror and Marchitello for the aggregate of 30,000 Units acquired in respect of the Acquisition was \$100 per Unit, for a total of \$3,000,000.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders; and/or
- (k) an action similar to any of those enumerated above.

The Acquired Shares and the Warrants were acquired by the Acquiror and Marchitello for investment purposes. In the future, they may, from time to time, as they may determine appropriate and depending on market conditions, general economic and industry conditions, the Corporation's business and financial condition and/or other relevant factors, increase or decrease their investment in the Corporation through market transactions, private arrangements, treasury issuances or otherwise, including pursuant to the terms of the Investor Rights Agreement (as defined below) between the Acquiror and the Corporation. In addition, over the next 12 months, the Acquiror intends to nominate a second Investor Nominee (as defined below) as a fifth member of the board of directors of the Corporation (the "**Board**"), as contemplated by the Investor Rights Agreement. Otherwise, the Subscribers currently have no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

See section 2.2 above.

The Subscribers entered into a voting trust agreement whereby Marchitello agreed to vote all Shares he holds, or may hold, from time to time, including the Shares he has acquired in connection with the Acquisition, in accordance with the recommendation of the Acquiror.

In addition, concurrently with the closing of the Acquisition, the Acquiror and the Corporation entered into an investor rights agreement (the "**Investor Rights Agreement**"). The material terms of the Investor Rights Agreement are summarized below.

Anti-Dilution Right and Top-Up Right

The Corporation has granted the Acquiror customary anti-dilution rights in respect of any subsequent issuance by the Corporation of Shares or other voting or equity shares of the Corporation ("**Voting Shares**") or securities convertible into Voting Shares or entitling the holder thereof to acquire Voting Shares ("**Convertible**

Securities”), as further described in the Investor Rights Agreement and subject to certain exceptions (collectively, the “**Anti-Dilution Right**”).

The Corporation shall give notice to the Acquiror, within 31 days after the end of each calendar year, of the number of Voting Shares issued during such previous calendar year that are (a) granted to directors, officers, employees or consultants of the Corporation or its subsidiaries in accordance with the terms of the Corporation’s security-based compensation arrangements approved by the shareholders of the Corporation from time to time (“**Incentive Securities**”); (b) issued pursuant to the exercise of Incentive Securities; or (c) issued pursuant to the exercise of Convertible Securities outstanding as of the date of the Investor Rights Agreement (collectively, “**Top-Up Voting Shares**”). The Acquiror shall have a right (the “**Top-Up Right**”), upon receipt of such notice, to subscribe for, on a private placement basis, such number of Voting Shares as will enable the Acquiror to maintain its ownership interest in the Voting Shares that it would have had if the Corporation had not issued such Top-Up Voting Shares.

The Anti-Dilution Right and Top-Up Right shall terminate and be of no further force or effect after any time the Subscribers and their affiliates (in the aggregate) cease to have an ownership interest in the Voting Shares of at least 10%.

Nomination Rights

The Investor Rights Agreement provides that the size of the Board shall be fixed at five (5) directors, and that the Acquiror shall be entitled to designate a number of individuals (collectively, the “**Investor Nominees**”, and each, an “**Investor Nominee**”) to be appointed to the Board as follows (the “**Board Nomination Rights**”): (i) if the Subscribers and their affiliates’ (in the aggregate) ownership interest in the Voting Shares is 15% or more at the relevant time, two Investor Nominees; or (ii) if the Subscribers and their affiliates’ (in the aggregate) ownership interest in the Voting Shares is 10% or more, but less than 15%, at the relevant time, one Investor Nominee.

The Board Nomination Rights shall be terminated if the Subscribers and their affiliates’ (in the aggregate) ownership interest in the Voting Shares falls below 10%.

The Investor Rights Agreement also provided that for as long as the Subscribers and their affiliates’ (in the aggregate) ownership interest in the Voting Shares is at least 10%, Mr. Olivier Primeau shall have the right to be appointed as Chairman of the Board.

Registration Rights

The Corporation granted the Acquiror the right to demand that the Corporation file a prospectus under Canadian securities laws, within 30 days of receiving a written request to this effect from the Acquiror, qualifying for distribution in Canada all or any portion of the Voting Shares or Convertible Securities listed for trading on a recognized stock exchange held by the Acquiror and its affiliates (a “**Demand Registration**”).

The Corporation will not be required to effect more than three (3) Demand Registrations in any 12-month period, or to effect a Demand Registration within 90 days following the closing of a prior Demand Registration or within 90 days of either (i) a final receipt being issued for a prospectus filing by the Corporation, or (ii) a prospectus supplement qualifying a distribution is filed in respect of a shelf prospectus. Additionally, the Corporation is not required to effect a Demand Registration unless the aggregate value of the securities to be qualified exceeds \$2 million. The Corporation may also defer a Demand Registration until the end of any period during which trading in securities is otherwise restricted and for a period of no more than thirty (30) days thereafter, provided that such deferral does not exceed ninety (90) days.

Piggy-Back Registration

If the Corporation proposes to file a preliminary prospectus or prospectus supplement under Canadian or U.S. securities laws for the public distribution of Voting Shares or Convertible Securities, the Acquiror has the right to request that the Corporation include all or some of the Voting Shares or Convertible Securities held by the Acquiror and/or its affiliates in such distribution.

Termination of the Investor Rights Agreement

The Investor Rights Agreement will terminate (a) following a period of 60 days from the date that the Subscribers and their affiliates (in the aggregate) cease to have an ownership interest in the Voting Shares of at least 10%, but provided that the Corporation shall have provided notice to the Acquiror within five (5) days following the date upon which the Corporation has been made aware that such ownership interest has ceased to be at least 10% and the Subscribers and their affiliates (in the aggregate) have not come to again hold an ownership interest in the Voting Shares equal to at least 10% during such 60-day period.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: September 21, 2022

9474-8431 QUÉBEC INC.

Per: /s/ “Olivier Primeau”

Name: Olivier Primeau

Title: Authorized Person