

CONSULTING AGREEMENT

THIS AGREEMENT (the “**Agreement**”) is made effective as of February 13, 2023.

BETWEEN:

CRITICAL INFRASTRUCTURE TECHNOLOGIES LTD., a company organized under the laws of the Province of British Columbia, with an office at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1

(the “**Company**”)

AND:

LATE AFTERNOON INVESTMENTS PTY LTD., a company existing pursuant to the laws of Australia, with an office at [redacted]

(the “**Consultant**”)

WHEREAS:

- A. The Company wishes to engage the Consultant to provide the advisory services; and
- B. the parties hereto are entering into this Agreement to formalize the engagement of the Consultant and reflect the terms and conditions under which the Company will engage the Consultant.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained (the receipt and adequacy of which consideration is hereby mutually acknowledged by each party), the parties hereby covenant and agree as follows:

PART 1 SERVICES AND DUTIES OF THE CONSULTANT

- 1.1 Engagement, Services and Duties.** Effective as of the date of this Agreement, the Company hereby engages the Consultant to provide the services described in Schedule “A” attached hereto (the “**Services**”), and the Consultant hereby accepts such appointment and engagement by the Company on the terms and subject to the conditions set forth in this Agreement.

PART 2 TERM OF ENGAGEMENT

- 2.1 Term of Engagement.** Subject to the provisions for termination as hereinafter provided, the term of this Agreement will be for an initial period of 36 months (the “**Term of Engagement**”), which Term of Engagement will automatically renew for consecutive periods of 12 months unless terminated pursuant to Part 5.

PART 3 COMPENSATION OF THE CONSULTANT

- 3.1 Compensation.** The Company shall pay the Consultant the following:

(a) **Performance Warrants.**

- (i) Subject to applicable laws and any requirements of the Canadian Stock Exchange, and/or such other stock exchange(s) (the “**Exchange**”) on which the Company

may elect to seek listing of the common shares in the capital of the Company (the “**Common Shares**”), and subject to the vesting conditions set out in section 2.1 of the performance warrant certificate attached hereto as Schedule “B”, the Company will issue to the Consultant 867,049 common share purchase warrants of the Company (the “**Performance Warrants**”). Each Performance Warrant will be exercisable for a period of 36 months from the date of issuance to acquire one Common Share at an exercise price of \$0.30 per share.

- (ii) The issuance of the Performance Warrants will be evidenced by a performance warrant certificate attached hereto as Schedule “B”.
- (iii) In connection therewith, the Consultant acknowledges and agrees that such Performance Warrants shall be legended with all applicable legends and resale restrictions applicable pursuant to applicable laws and/or Exchange policies, and the Consultant shall take all necessary action as may be requested by the Company in connection with the issuance of the Performance Warrants, including, without limitation, the deposit of any Performance Warrants received in escrow as may be required or requested by the Exchange, and the delivery of such documents as may be required to fully comply with all applicable laws and Exchange policies.
- (iv) Notwithstanding the foregoing, the issuance of Performance Warrants shall only be completed if such issuance is exempt from the prospectus and registration requirements under applicable securities laws, and no Performance Warrants shall be issued to any party under any circumstance should such issuance require any prospectus, registration or other filing in any jurisdiction or be in breach of applicable laws, in which case, the parties hereto acknowledge and agree that the obligation to issue such Performance Warrants shall be rendered *void ab initio*.

PART 4 ADDITIONAL OBLIGATIONS OF THE CONSULTANT

- 4.1 Reporting by the Consultant.** The Consultant will provide to the Company such information concerning the results of the Consultant’s Services and activities hereunder as the Company may reasonably require.
- 4.2 Compliance Issues.** The Consultant shall comply with all laws, whether federal, provincial, state or otherwise applicable to the Services provided by it and, when requested by the Company, shall advise the Company of any particular compliance issues affecting any Services for which the Consultant has been engaged.
- 4.3 Confidentiality by the Consultant.** The Consultant will not, except as authorized or required by its duties hereunder, reveal or divulge to any person or companies any information concerning the organization, business, finances, transactions or other affairs of the Company, that may come to the Consultant’s knowledge during the Term of Engagement, and the Consultant, except as required by law, will keep in complete secrecy all confidential information entrusted to the Consultant and will not use or attempt to use any such information in any manner that may injure or cause loss either directly or indirectly to the Company’s business. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or knowledge that may come into the public domain.
- 4.4 Consultant’s Business Conduct.** The Consultant warrants that it will provide the Services and conduct other related activities in a manner that is lawful and reputable and that brings good repute to the Company and the Consultant. In this regard the Consultant warrants to provide all Services

in a sound and professional manner such that they meet industry standards of performance quality or as set by the specifications of the Company.

4.5 Insider Issues. The Consultant shall comply with all reasonable endeavors of the Company, industry practice, and law and regulation to ensure that it affords security to information of the Company and that the Consultant, or any persons with whom the Consultant works or with whom the Consultant deals, does not employ information of the Company in any manner contrary to law or fiduciary obligations, and will fully comply with any policies adopted by the Company from time to time.

4.6 Trading Issues. In the event that the Consultant, or any person with whom the Consultant works or with whom the Consultant deals, trades in the Company's or an affiliate's securities, then the Consultant shall employ reasonable prudence and good market practice as to such trading and shall effect such in compliance with law, and in full compliance with any policies adopted by the Company from time to time.

4.7 Company's Property. The Consultant agrees that:

- (a) all Confidential Information and property, including, without limitation, all books, manuals, records, reports, notes, contracts, lists, business and financial records and other documents (collectively, the "**Company's Property**") furnished to or prepared or developed by the Consultant in the course of or incidental to this Agreement and the duties hereof, is for the exclusive benefit of the Company and is owned exclusively by the Company;
- (b) upon termination of this Agreement the Consultant shall promptly return the Company's Property to the Company and shall keep no copies thereof, except as may be agreed in writing on agreed terms with the Company; and
- (c) during the Term of Engagement and thereafter, the Consultant shall not, directly or indirectly, except as required by the normal business of the Company or expressly consented to in writing by the Company:
 - (i) disclose, publish or make available, other than to an authorized employee, officer, or director of the Company, any of the Company's Property;
 - (ii) acquire, possess for its own interest, sell, transfer or otherwise use or exploit any of the Company's Property; or
 - (iii) permit the sale, transfer, or use or exploitation of any of the Company's Property by any third party.

PART 5 TERMINATION OF ENGAGEMENT

5.1 Termination by the Company.

- (a) **For Cause.** The Company may at any time during the Term of Engagement terminate this Agreement for cause, without notice and without liability for any claim, action or demand upon the happening of one or more of the following events:
 - (i) if the Consultant fails or refuses, repeatedly, to comply in any material respect with the reasonable policies, standards or regulations of the Company established from time to time in writing and in accordance with this Agreement;

- (ii) if the Consultant fails to perform in any material respect, its duties as determined by the Company in accordance with this Agreement and consistent with the customary duties of the Consultant's engagement;
 - (iii) if the Consultant conducts itself in a wilfully dishonest, or an unethical or fraudulent, manner that materially discredits the Company or is materially detrimental to the reputation, character or standing of the Company; or
 - (iv) if the Consultant conducts any unlawful or criminal activity, that materially discredits the Company or is materially detrimental to the reputation, character or standing of the Company.
- (b) **For Other Than Cause.** Notwithstanding the above, the Company may at any time during the Term of Engagement terminate this Agreement by providing 30 days written notice to the Consultant. Within 15 days of the date of termination pursuant to this section 5.1(b), the Company will issue to the Consultant that number of Performance Shares to which the Consultant would have been entitled or becomes entitled pursuant to section 3.1 above.

5.2 Termination by the Consultant. The Consultant may terminate this Agreement at any time by providing 30 days written notice to the Company. Any Performance Shares the Consultant would have been entitled or becomes entitled to pursuant to section 3.1 above will cease on the date of termination.

PART 6 GENERAL PROVISIONS

- 6.1 Entire Agreement.** This Agreement constitutes the entire agreement to date between the parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the parties with respect to the subject matter of this Agreement.
- 6.2 Schedules.** The Schedules attached hereto form an integral part of this Agreement.
- 6.3 Further Assurances.** The parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.
- 6.4 No Assignment.** This Agreement may not be assigned by either party hereto except with the prior written consent of the other party.
- 6.5 Amendments.** This Agreement may be amended or supplemented only by a written agreement signed by each party.
- 6.6 No Relationship of Employer-Employee.** Each of the Company and the Consultant acknowledges and agrees that the only relationship of the Consultant to the Company created by this Agreement shall for all purposes be that of an independent contractor, and all persons employed or engaged by the Consultant in connection herewith shall for all purposes be considered to be employed or engaged, as applicable, by the Consultant and not by the Company. The Company shall have no obligation whatsoever to pay or compensate the Consultant and/or any representative thereof for taxes of any kind whatsoever that arise out of or with respect to any fee, remuneration or compensation provided to the Consultant under this Agreement.

6.7 Notice. In this Agreement:

(a) any notice or communication required or permitted to be given under the Agreement shall be in writing and shall be considered to have been given if delivered by hand, or e-mail transmission or mailed by prepaid registered post, to the address or e-mail address of each party set out as follows:

(i) to the Company, at:

Critical Infrastructure Technologies Ltd.

Suite 2600, 1066 West Hastings Street
Vancouver, BC V6e 3X1

Attention: Brenton Scott
E-Mail: brenton.s@citech.com.au

(ii) to the Consultant, at:

Late Afternoon Investments Pty Ltd.

[redacted]

Attention: *[redacted]*
E-Mail: *[redacted]*

any notice or communication shall be considered to have been received:

- (iii) if delivered by hand, on the date of delivery upon receipt by a responsible representative of the receiver;
- (iv) if sent by e-mail transmission during normal business hours of the recipient, upon the sender receiving confirmation of the transmission, and if not transmitted during normal business hours of the recipient, upon the commencement of the next normal business day of the receiver; and
- (v) if mailed by prepaid registered post, upon the fifth day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services, every notice or communication shall be delivered by hand or sent by facsimile transmission.

6.8 Time of the Essence. Time is of the essence of this Agreement.

6.9 Enurement. This Agreement will enure to the benefit of and will be binding upon the parties hereto and their respective heirs, executors, administrators and assigns.

6.10 Currency. All payments required to be made pursuant to the provisions of this Agreement and all money amount references contained herein are in lawful currency of Canada.

6.11 Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and applicable Canadian law and shall be treated in all respects as a British Columbia contract. The parties hereto agree that the courts of British Columbia shall have the exclusive jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party attorns to the exclusive jurisdiction of the courts of British Columbia.

- 6.12 Severability.** If any term of this Agreement is partially or wholly invalid or unenforceable, the remainder of this Agreement will not be affected and each remaining term will be separately valid and enforceable.
- 6.13 Interpretation Not Affected.** In this Agreement, using separate Parts and inserting headings are for convenient reference only and will in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement.
- 6.14 No Contra Preferendum.** The Company and the Consultant have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Company and the Consultant and no presumption of burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of the provisions of this Agreement.
- 6.15 No Partnership or Agency.** The parties have not created a partnership and nothing contained in this Agreement will in any manner whatsoever constitute any party the partner, agent or legal representative of the other party, nor create any fiduciary relationship between them for any purpose whatsoever, except as specifically herein provided.
- 6.16 Independent Advice.** The Consultant acknowledges that it has been advised to seek independent legal advice prior to entering into this Agreement and by entering this Agreement, the Consultant represents that they obtained whatever independent legal advice they considered appropriate and sufficient in connection with the transactions contemplated by this Agreement.
- 6.17 Counterparts.** This Agreement may be signed by facsimile or original and executed in any number of counterparts, and each executed counterpart will be considered to be an original. All executed counterparts taken together will constitute one agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first written above.

CRITICAL INFRASTRUCTURE TECHNOLOGIES LTD.

Per: "Faramarz Haddadi"
Authorized signatory

LATE AFTERNOON INVESTMENTS PTY LTD.

Per: "James Skinner"
Authorized signatory

SCHEDULE "A"
SERVICES

The Consultant will provide the following:

- assistance in identifying strategic investment opportunities for the Company;
- advisory services with respect to the Company's business development;
- advisory services with respect to the identification, negotiation and completion of strategic mergers and acquisitions for the Company; and
- such other services as agreed to by the Company and the Consultant in writing from time-to-time.

SCHEDULE "B"
PERFORMANCE WARRANT CERTIFICATE

Please see attached.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) FEBRUARY 13, 2023 AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

SHARE PURCHASE WARRANT CERTIFICATE

CRITICAL INFRASTRUCTURE TECHNOLOGIES LTD.

(Subsisting under the laws of the Province of British Columbia)

WARRANT CERTIFICATE NO. 2023-002

867,049 WARRANTS entitling the Holder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby.

ISSUE DATE: February 13, 2023

THIS IS TO CERTIFY THAT Late Afternoon Investments Pty Ltd. (hereinafter referred to as the “**Holder**” or the “**Warrantholder**”) is entitled to acquire for each Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth herein, including vesting schedule set out in section 2.1 of Schedule “A”, at any time and from time to time until 4:00 p.m. (Vancouver time) on the Expiry Date (as defined in Schedule A) one fully paid and non-assessable common share (“**Common Share**”) in the capital of Critical Infrastructure Technologies Ltd. (the “**Company**”) at a price per Common Share equal to the Exercise Price (as defined in Schedule “A”).

This Warrant may only be exercised, in respect of each Warrant evidenced by this Warrant Certificate, by surrendering to the Company at its principal office located at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 this Warrant Certificate together with an exercise form, duly completed and executed and payment of the aggregate Exercise Price. This Warrant is issued subject to the terms and conditions appended hereto as Schedule A.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by a duly authorized officer.

CRITICAL INFRASTRUCTURE TECHNOLOGIES LTD.

Per: _____

Authorized Signing Officer

Name: Faramarz Haddadi

Title: CEO, Director

(See terms and conditions attached hereto)

SCHEDULE A

TERMS AND CONDITIONS OF WARRANTS

Terms and Conditions attached to the Warrants issued by Critical Infrastructure Technologies Ltd.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith:

- (a) **“Business Day”** means a day other than Saturday, Sunday or a day upon which banks in Vancouver, British Columbia, are not open for business.
- (b) **“Common Shares”** means the common shares in the capital of the Company to be issued pursuant to the exercise of Warrants.
- (c) **“Company”** means Critical Infrastructure Technologies Ltd. unless and until a successor corporation shall have become such in the manner prescribed in Article 6, and thereafter “Company” shall mean such successor corporation.
- (d) **“Company’s Auditors”** means an independent firm of accountants duly appointed as auditors of the Company.
- (e) **“Exercise Price”** means the price of CAD\$0.30 per Common Share.
- (f) **“Expiry Date”** means the date that is 36 months after the Issue Date.
- (g) **“herein”, “hereby”** and similar expressions refer to this Warrant Certificate as the same may be amended or modified from time to time, and the expression “Article” and “Section” followed by a number refer to the specified Article or Section of this Warrant Certificate.
- (h) **“Issue Date”** means the date shown as the Issue Date on the face page of this Warrant Certificate.
- (i) **“person”** means an individual, corporation, partnership, trustee, or any unincorporated organization and words importing persons have a similar meaning.
- (j) **“Stock Exchange”** means a market in Canada or outside of Canada on which securities are traded, if the prices at which they are traded on that market are regularly (i) disseminated electronically, or (ii) published in a newspaper or business or financial publication of general and regular paid circulation, which, for avoidance of doubt, includes the Canadian Securities Exchange.
- (k) **“Warrant”** means the share purchase warrant to acquire Common Shares evidenced by this Warrant Certificate.
- (l) **“Warrant Certificate”** means this certificate evidencing, and governing the terms and conditions of, the Warrants; and
- (m) **“Warrantholder”** or **“Holder”** means the person whose name is shown on the face page of this Warrant Certificate.

1.2 Interpretation Not Affected by Headings

The division of this Warrant Certificate into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

1.3 Number and Gender

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.4 Applicable Law

The terms hereof and of the Warrant shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto.

ARTICLE 2 ISSUE OF WARRANTS

2.1 Issuance and Vesting of Warrants

That number of Warrants set out on the face page of this Warrant Certificate are hereby created and authorized to be issued. The Warrants shall vest pursuant to the table below and no Warrant will be exercisable prior to it having vested:

| Vesting Timeline | Percentage of Warrants vesting |
|---|---------------------------------------|
| 12 months anniversary of the Issue Date | 20% |
| 18 months anniversary of the Issue Date | 20% |
| 24 months anniversary of the Issue Date | 20% |
| 30 months anniversary of the Issue Date | 20% |
| 36 months anniversary of the Issue Date | 20% |

2.2 Additional Warrants

Subject to any other written agreement between the Company and the Warrantholder, the Company may, at any time and from time to time, undertake further equity or debt financings and may issue additional Common Shares or warrants or grant options or similar rights to purchase Common Shares to any person.

2.3 Issue in Substitution for Lost Warrants

If the Warrant Certificate becomes mutilated, lost, destroyed, or stolen:

- (a) the Company shall issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed, or stolen, in exchange for and in place of and upon cancellation of such mutilated, lost, destroyed, or stolen Warrant Certificate; and
- (b) the Holder shall bear the cost of the issue of a new Warrant Certificate hereunder and in the case of the loss, destruction, or theft of the Warrant Certificate, shall furnish to the Company such evidence of loss, destruction, or theft as shall be satisfactory to the Company in its discretion and the Company may also require the Holder to furnish indemnity in an amount and form satisfactory to the Company in its discretion (provided the Holder shall not be required to furnish a surety bond), and shall pay the reasonable charges of the Company in connection therewith.

2.4 Transfer

The Warrants are non-transferable.

2.5 Warrantholder Not a Shareholder

The Warrants shall not constitute the Warrantholder as a shareholder of the Company, nor entitle the Warrantholder to any right or interest in respect thereof except as may be expressly provided in this Warrant Certificate.

ARTICLE 3 EXERCISE OF THE WARRANTS

3.1 Method of Exercise of the Warrant

The right to purchase Common Shares conferred by this Warrant Certificate may be exercised, prior to 4:00 p.m. (Vancouver time) on the Expiry Date, by the Holder surrendering it, with a duly completed and executed Subscription Form attached to the Warrant Certificate as Schedule B and cash or a certified cheque payable to or to the order of the Company, for the aggregate Exercise Price for the Warrants so exercised, or such other purchase price applicable pursuant to the terms and conditions of this Warrant at the time of surrender in respect of the Common Shares subscribed for, in lawful money of Canada, to the Company.

3.2 Effect of Exercise of the Warrant

- (a) Upon surrender and payment as aforesaid, the Common Shares so subscribed for shall be issued as fully paid and non-assessable shares and the Holder shall become the holder of record of such Common Shares on the date of such surrender and payment; and
- (b) Within five (5) Business Days after surrender and payment as aforesaid, the Company shall forthwith cause the issuance to the Holder a certificate for the Common Shares subscribed for as aforesaid.

3.3 Subscription for Less than Entitlement

The Holder may subscribe for a number of Common Shares less than the number which it is entitled to subscribe for pursuant to the surrendered Warrant Certificate. In the event of any subscription of a number of Common Shares less than the number that can be subscribed for pursuant to the Warrant Certificate, the Holder shall be entitled to the return of the Warrant Certificate with a notation on the grid in the Subscription Form attached hereto as Schedule B showing the balance of the Common Shares that it is entitled to subscribe for pursuant to the Warrant Certificate that were not then subscribed for.

3.4 Expiration of Warrants

After the Expiry Date, all rights hereunder shall wholly cease and terminate, and the Warrants shall be null and void and of no value or effect.

3.5 Hold Periods and Legending of Share Certificate

If required pursuant to applicable law, the certificates representing the Common Shares to be issued pursuant to such exercise shall bear the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT THE DISTRIBUTION DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

ARTICLE 4 ADJUSTMENTS

4.1 Adjustments

The number of Common Shares purchasable upon the exercise of each Warrant and the Exercise Price shall be subject to adjustment as follows:

- (a) in the event the Company shall:
 - (i) pay a dividend in Common Shares or make a distribution in Common Shares;
 - (ii) subdivide its outstanding Common Shares;
 - (iii) combine its outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue by reclassification of its Common Shares other securities of the Company (including any such reclassification in connection with a consolidation, merger, amalgamation or other combination in which the Company is the surviving corporation);

the number of Common Shares (or other securities) purchasable upon exercise of each Warrant immediately prior thereto shall be adjusted so that the Warrantheader shall be entitled to receive the kind and number of Common Shares or other securities of the Company that it would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. An adjustment made pursuant to this subsection (a) shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

- (b) In case the Company shall issue rights, options or warrants to all or substantially all holders of its outstanding Common Shares, without any charge to such holders, entitling them (for a period within 45 days after the record date mentioned below) to subscribe for or purchase Common Shares at a price per share that is lower than 95% of the current market price at the record date mentioned below than the then current market price per Common Share (as determined in accordance with subsection (e) below), the number of Common Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Common Shares theretofore purchasable upon exercise of each Warrant by a fraction, of which the numerator shall be the number of Common Shares outstanding on the date of issuance of such rights, options or warrants plus the number of additional Common Shares offered for subscription or purchase, and of which the denominator shall be the number of Common Shares outstanding on the date of issuance of such rights, options or warrants plus the number of shares that the aggregate offering price of the total number of Common Shares so offered would purchase at the current

market price per Common Share at such record date. Such adjustment shall be made whenever such rights, options or warrants are issued, and shall become effective immediately after the record date for the determination of shareholders entitled to receive such rights, options or warrants.

- (c) In case the Company shall distribute to all or substantially all holders of its Common Shares evidences of its indebtedness or assets (excluding cash dividends or distributions payable out of consolidated earnings or earned surplus and dividends or distributions referred to in subsection (a) above or in subsection (e) below or rights, options or warrants, or convertible or exchangeable securities containing the right to subscribe for or purchase Common Shares (excluding those referred to in subsection (b) above)), then in each case the number of Common Shares thereafter purchasable upon the exercise of each Warrant shall be determined by multiplying the number of Common Shares theretofore purchasable upon the exercise of each Warrant by a fraction, of which the numerator shall be the then current market price per Common Share (as determined in accordance with subsection (e) below) on the date of such distribution, and of which the denominator shall be the then current market price per Common Share less the then fair value (as determined by the board of directors of the Company, acting reasonably) of the portion of the assets or evidences of indebtedness so distributed or of such subscription rights, options or warrants, or of such convertible or exchangeable securities applicable to one Common Share. Such adjustment shall be made whenever any such distribution is made and shall become effective on the date of distribution retroactive to the record date for the determination of shareholders entitled to receive such distribution.
- (d) In the event of the distribution by the Company to all or substantially all of the holders of its Common Shares of shares of a subsidiary or securities convertible or exercisable for such shares, then in lieu of an adjustment in the number of Common Shares purchasable upon the exercise of each Warrant, the Warrantholder of each Warrant, upon the exercise thereof, shall receive from the Company, such subsidiary or both, as the Company shall reasonably determine, the shares or other securities to which such Warrantholder would have been entitled if such Warrantholder had exercised such Warrant immediately prior thereto, all subject to further adjustment as provided in this section 4.1 provided, however, that no adjustment in respect of dividends or interest on such shares or other securities shall be made during the term of a Warrant or upon the exercise of a Warrant.
- (e) For the purpose of any computation under subsections (b) and (c) of this section 4.1, the current market price per Common Share at any date shall be the weighted average price per Common Share for the five consecutive trading days, such date on the Stock Exchange on which the Common Shares are then traded; provided if the Common Shares are then traded on more than one Stock Exchange, then on the Stock Exchange on which the largest volume of Common Shares were traded during such five consecutive trading day period. The weighted average price per Common Share shall be determined by dividing the aggregate sale price of all Common Shares sold on such Stock Exchange during the said five consecutive trading days by the total number of shares so sold. For purposes of this subsection (e), trading day means, with respect to a Stock Exchange, a day on which such exchange is open for the transaction of business. Should the Common Shares not be listed on any Stock Exchange, the current market price per Common Share at any date shall be determined by the Board of Directors of the Company, acting reasonably.
- (f) In any case in which this Article 4 shall require that any adjustment in the Exercise Price be made effective immediately after a record date for a specified event, the Company may elect to defer until the occurrence of the event the issuance, to the Holder of any Warrant exercised after that record date, of the Common Shares and other shares of the Company, if any, issuable upon the exercise of the Warrant over and above the Common Shares and other shares of the Company; provided, however, that the Company shall deliver to the

Holder an appropriate instrument evidencing the Holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

- (g) No adjustment in the number of Common Shares purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one per cent (1%) in the number of Common Shares purchasable upon the exercise of each Warrant; provided, however, that any adjustments that by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations shall be made to the nearest one-hundredth of a share.
- (h) Wherever the number of Common Shares purchasable upon the exercise of each Warrant is adjusted, as herein provided, the Exercise Price payable upon exercise of each Warrant shall be adjusted by multiplying such Exercise Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Common Shares purchasable upon the exercise of such Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Common Shares purchasable immediately thereafter.
- (i) No adjustment in the Exercise Price or in the number of Common Shares purchasable upon exercise of Warrants shall be made in respect of any event described in this Article 4 if the Holder is entitled to participate in or concurrent with such event on the same terms, *mutatis mutandis*, as if it had exercised its Warrant prior to or on the effective date or record date, as the case may be, of such event. The terms of the participation of the Holder in such event shall be subject to the prior written approval, if applicable, of the principal Canadian stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading.
- (j) In the event that, at any time, as a result of an adjustment made pursuant to subsection (a) above, the Warrantheader shall become entitled to purchase any securities of the Company other than Common Shares, thereafter the number of such other shares so purchasable upon exercise of each Warrant and the Exercise Price of such shares shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in subsections (a) through (i), inclusive, above, and the provisions of sections 4.2 through 4.4, inclusive, of this Article 4 with respect to the Common Shares, shall apply on like terms to any such other securities.
- (k) Upon the expiration of any rights, options, warrants or conversion or exchange privileges, if any thereof shall not have been exercised, the Exercise Price and the number of Common Shares purchasable upon the exercise of each Warrant shall, upon such expiration, be readjusted and shall thereafter be such as it would have been had it been originally adjusted (or had the original adjustment not been required, as the case may be) as if:
 - (i) the only Common Shares so issued were the Common Shares, if any, actually issued or sold upon the exercise of such rights, options, warrants or conversion or exchange rights; and
 - (ii) such Common Shares, if any, were issued or sold for the consideration actually received by the Company upon such exercise plus the aggregate consideration, if any, actually received by the Company for the issuance, sale or grant of all such rights, options, warrants or conversion or exchange rights whether or not exercised,

provided, further, that no such readjustment shall have the effect of increasing the Exercise Price or decreasing the number of Common Shares purchasable upon the exercise of each Warrant by an amount in excess of the amount of the adjustment initially made with respect

to the issuance, sale or grant of such rights, options, warrants or conversion or exchange rights.

4.2 Voluntary Adjustment by the Company

Subject to any requisite Stock Exchange approval, the Company may, at its option, at any time during the term of the Warrants, reduce the then current Exercise Price to any amount deemed appropriate by the Board of Directors of the Company.

4.3 Notice of Adjustment

Whenever the number of Common Shares issuable upon the exercise of each Warrant is adjusted, as herein provided, the Company shall promptly send to the Warrantheader by first class mail, postage prepaid, notice of such adjustment or adjustments.

4.4 No Adjustment for Dividends

Except as provided in section 4.1 of this Article 4, no adjustment in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

4.5 Preservation of Subscription Rights Upon Merger, Consolidation, etc.

In connection with any consolidation of the Company with, or amalgamation, arrangement, or merger of the Company with or into, another corporation (including, without limitation, pursuant to a "takeover bid", "tender offer" or other acquisition of all or substantially all of the outstanding Common Shares) or in case of any sale, transfer, or lease to another corporation of all or substantially all the property of the Company, the Company or such successor or purchasing corporation, as the case may be, shall execute with the Warrantheader an agreement that the Warrantheader shall have the right thereafter to subscribe for upon exercise of each Warrant the kind and amount of shares and other securities and property that it would have owned or have been entitled to receive after the happening of such consolidation, amalgamation, merger, sale, transfer, or lease had such Warrant been exercised immediately prior to such action, and the Warrantheader shall be bound to accept such shares and other securities and property in lieu of the Common Shares to which it was previously entitled; provided, however, that no adjustment in respect of dividends, interest, or other income on or from such shares or other securities and property shall be made during the term of a Warrant or upon the exercise of a Warrant. Any such agreement shall provide for adjustments, which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 4. The provisions of this Article 4 shall similarly apply to successive consolidations, mergers, amalgamation, sales, transfers, or leases.

4.6 Determination of Adjustments

If any questions shall at any time arise with respect to the Exercise Price, such questions shall be conclusively determined by the Company's Auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia, that the Company may designate and the Warrantheader, acting reasonably, may approve, and who shall have access to all appropriate records and such determination shall be binding upon the Company and the Holder.

**ARTICLE 5
COVENANTS BY THE COMPANY**

5.1 Reservation of Common Shares

The Company will reserve and there will remain unissued out of its authorized capital a sufficient number of Common Shares to satisfy the rights of acquisition provided for in the Warrant Certificate.

**ARTICLE 6
MERGER AND SUCCESSORS**

6.1 Company May Consolidate, etc. on Certain Terms

Nothing herein contained shall prevent any consolidation, amalgamation, arrangement, or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and estates of the Company as an entirety to any corporation lawfully entitled to acquire and operate same, provided, however, that the corporation formed by such consolidation, amalgamation, or merger or that acquires by conveyance or transfer all or substantially all the properties and estates of the Company as an entirety shall, simultaneously with such amalgamation, merger, conveyance, or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company.

6.2 Successor Company Substituted

In case the Company, pursuant to section 6.1, shall be consolidated, amalgamated, arranged, or merged with or into any other corporation or corporations or shall convey or transfer all or substantially all of its properties and estates as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Company shall have been consolidated, amalgamated, arranged, or merged or that shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Company hereunder and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate and herein as may be appropriate in view of such amalgamation, merger, arrangement or transfer.

**ARTICLE 7
AMENDMENTS**

7.1 Amendment, etc.

This Warrant Certificate may only be amended by a written instrument signed by the parties hereto.

**ARTICLE 8
MISCELLANEOUS**

8.1 Time

Time is of the essence of the terms of this Warrant Certificate.

8.2 Notice

Any notice, communication or other document required or permitted to be given, sent or delivered hereunder to any party shall be in writing, and shall be sufficiently given, sent or delivered if it is (i) delivered personally to the party (in the case of an individual) or to an officer or director of such party (in the case of a corporation) or to a partner of the party (in the case of a partnership), (ii) sent to the party entitled to receive it by registered mail, or (iii) sent by electronic mail to the addresses or electronic mail address, as the case may be, set forth below, or to such other address as the party entitled to or receiving such notice,

communication or document shall, by a written notice given in accordance with this section, have communicated to the party giving, sending or delivering such notice, communication or document:

to the Company: **Critical Infrastructure Technologies Ltd.**

2600 – 1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: Brenton Scott
Email: brenton.s@citech.com.au

to the Holder: **Late Afternoon Investments Pty Ltd.**

[redacted]

Attention: *[redacted]*
E-Mail: *[redacted]*

SCHEDULE B

SUBSCRIPTION FORM

TO: Critical Infrastructure Technologies Ltd.

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Common Shares of Critical Infrastructure Technologies Ltd. (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft payable to or to the order of the Company for C\$_____ (C\$0.30 per Common Share) in full payment therefor and delivers the Warrant Certificate representing the Warrants entitling the undersigned to subscribe for the above-mentioned number of Common Shares.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Subscription Form that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Certificate.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this Subscription Form in the United States; and (vii) delivery of the underlying Common Shares will not be to an address in the United States; OR
- (B) the undersigned holder
- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising for the account or benefit of a U.S. Person or a person in the United States, (4) executing or delivering this Subscription Form in the United States, or (5) requesting delivery of the underlying Common Shares in the United States, and
- (ii) is an accredited investor (a "**U.S. Accredited Investor**") within the meaning assigned in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), the undersigned holder has delivered to the Company and the Company's transfer agent a completed and executed a U.S. Accredited Investor Form;

OR

- (C) the undersigned holder
- (i) is an U.S Accredited Investor that is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement pursuant to which it purchased the Warrants, and is, and such disclosed principal, if any, is a U.S. Accredited Investor at the time of exercise of the Warrants; or

OR

(D) if the undersigned holder

(i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising for the account or benefit of a U.S. Person or a person in the United States, (4) executing or delivering this Subscription Form in the United States, or (5) requesting delivery of the underlying Common Shares in the United States, and

(ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Company and the Company's transfer agent a written opinion of U.S. counsel of recognized standing, in form and substance reasonably satisfactory to the Company, or such other evidence reasonably satisfactory to the Company to that effect.

It is understood that the Company may require evidence to verify the foregoing representations.

Notes:

1. Certificates representing Common Shares will not be registered or delivered to an address in the United States unless Box B, C or D above is checked.
2. If Box D above is checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Company.
3. **"United States"** and **"U.S. Person"** are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

| Name(s) in Full and Social Insurance Number(s) (if applicable) | Address(es) | Number of Common Shares |
|---|--------------------|--------------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Please print full name in which certificates representing the Common Shares are to be issued.

Once completed and executed, this Subscription Form must be mailed or delivered to the Company.

Notes:

If any Warrants represented by the Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificates representing the Common Shares.