

## LAND USE RIGHTS TRANSFER AGREEMENT

This Agreement is dated as of the 28<sup>th</sup> day of February, 2011

### BETWEEN:

**CHINA ZHEJIANG BIODIESEL CO, LTD.**, a corporation duly incorporated pursuant to the laws of China

(the "Transferor" or "Party A") 3F – 308 Shanghao Guoji Building  
No.148, Genta Xi Road Zhuji City Zhejiang P.R China 311800

- and -

**AMG BIOENERGY RESOURCES HOLDINGS LTD**, a corporation duly incorporated pursuant to the laws of Alberta, Canada, or its **AFFILIATED NOMINEE**

(the "Transferee" or "Party B") 3791 Jalan Bukit Merah E-Centre@Redhill #06-09 Singapore 159471

### RECITALS:

- A. Pursuant to certain "Land Use Rights Certificates" owned or controlled by Party A, Party A duly owns or controls rights in the following lands:

Registered Number of land parcel	Land Hectares	Location	Purpose of Use
23150153	62.53	Meizhou Guangdong	Eucalyptus
23150153	72.67	Meizhou Guangdong	Eucalyptus
232000121	50.67	Meizhou Guangdong	Eucalyptus
232000121	16.00	Meizhou Guangdong	Eucalyptus
232000120	133.33	Meizhou Guangdong	Jatropha

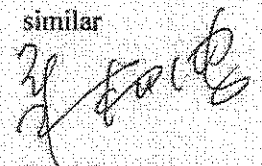
- B. Party A has agreed to transfer the Land Use Rights to Party B and Party B has agreed to purchase the Land Use Rights from Party A on the terms and subject to the conditions of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties covenant and agree as follows:

### 1 INTERPRETATION

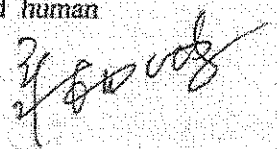
- 1.1. **Definitions** – In this Agreement (including the recitals hereto and this Article), the words and phrases set forth below will have the meaning ascribed thereto, namely:

- a. "Affiliate" means a parent or subsidiary corporation.
- b. "Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar



expressions refer to this Purchase Agreement and the attached Schedules, as amended from time to time, and "Article", "Section", "Subsection", "Paragraph", "Subparagraph" and "Schedule" followed by a number or letter refer to the specified article, section, subsection, paragraph, subparagraph or schedule, as the case may be, of this Agreement.

- c. "Applicable Law" means any statute, law, ordinance, rule, regulation, regulatory policy, by-law (zoning or otherwise), order, judgment, decree or restriction of any kind whatever in effect at the Closing Date and at such other date or dates as may be relevant in the context of the particular representation, warranty or covenant in which such term is used, as applicable;
- d. "Business Day" means any day other than a Saturday, Sunday or statutory holiday in the China.
- e. "Claims" means any claims, demands, actions, causes of action, damage, loss, cost, liability or expense;
- f. "Closing" means the completion of the sale of the Land and all other transactions contemplated by this Agreement.
- g. "Closing Date" means 30 June 2011 or earlier at the option of Party B in its sole discretion.
- h. "Closing Time" means 10 a.m. (Calgary time) on the Closing Date, or such other time on that date as the parties agree in writing that the Closing shall take place;
- i. "Closing Document" means any document, instrument, undertaking or agreement delivered at, prior to or subsequent to the Closing Date pursuant to this Agreement.
- j. "Encumbrance" means any encumbrance of any kind whatever and includes a security interest, mortgage, lien, pledge, assignment, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), any easement, agreement, right of way (registered or unregistered), restriction, encroachment or burden or any other right or claim of others of any kind whatever affecting the Land and any restrictive covenant or other agreement, restriction or limitation (registered or unregistered), on the use of any of the Land;
- k. "Environmental Report" has the meaning ascribed to it in Subsection 1.1.p under the definition of Land Documents.
- l. "Environmental Law" means all provincial and federal legislation, regulation, order or municipal by-laws relating to environmental matters applicable to the Land, including all regulations under such legislation or bylaws.
- m. "Governmental Agency" means any federal, provincial, state, municipal, local foreign or any other (quasi) governmental agency, governmental authority, governmental tribunal or governmental commission or regulatory authority or body of any kind whatever;
- n. "Hazardous Substance" means any substance which could cause an adverse effect, is dangerous or detrimental or potentially dangerous or detrimental to persons or other living things or Land, and any contaminants, pollutants, dangerous substances, liquid wastes, industrial wastes, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in any legislation, regulation or order relating to the environment, occupational safety, transportation or health, and includes any other substances which are regulated in legislation protecting the environment and human

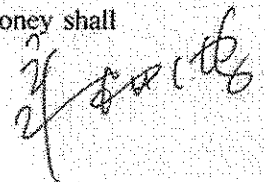


health as hazardous or toxic substances or substances which could cause an adverse effect or which are detrimental or potentially detrimental, and further including, without limitation, ureaformaldehyde, asbestos, PCB's, lead, radioactive materials, mercury and gasoline, hydrocarbon products;

- o. "Interim Period" means the period between the date of this Agreement and the satisfaction or waiver of Party B's Conditions.
- p. "Land Documents" means all documents relating to the Land, including, without limitation, the following:
  - i. certified true copies of all Land Use Rights certificates with respect to the Lands;
  - ii. certified true copies of all leases affecting the Lands, if any;
  - iii. if in the possession or control of Party A, a survey for the Lands under seal of a land surveyor showing the location of any improvements and fixtures erected on the Land, if any, together with any other compliance documents required under applicable laws, together with a statutory declaration of a senior officer of Party A;
  - iv. if in the possession or control of Party A, copies of all agreements with federal, provincial or municipal governments relating to the development and operation of the Lands;
  - v. copies of any current realty tax assessment notices and tax bills relating to the Lands;
  - vi. if in the possession or control of Party A and if required by Party B documents and agreements relating to the Lands including, without limitation, all records kept in accordance with all applicable government regulations (where any such thing shall be deemed to be material if its delivery to Party B may reasonably be expected to influence Party B in the exercise of its various rights hereunder);
  - vii. if in the possession or control of Party A, all plans, specifications and drawings for the Lands, including, without limitation, test results from engineers, architects and others relating to the Lands and related materials;
  - viii. if in Party A's possession, copies of all agreements, development agreements, development permits, building permits, and other operating permits and licenses relating to the Lands together with a development completion certificate for each such development permit or a letter from the responsible municipal development officer stating the outstanding development obligations to be fulfilled before the development completion certificate can be issued;
  - ix. summary of all insurance policies affecting the Lands and/or the Plantations;
  - x. if in the possession or control of Party A, copies of environmental reports for the Lands (the "Environmental Report");
  - xi. if in the possession of Party A all material correspondence relating to any of the foregoing;
- q. "Land Use Rights" mean those Land Use Rights associated with the land use rights certificates more particularly described in the Recitals to this Agreement, and it includes

any lease(s) and leasehold interests associated with same.

- r. "Lands" means collectively and singularly the lands to which the Land Use Rights pertain, as more particularly described in the Recitals to this Agreement.
  - s. "Notice" has the meaning set out in Section 11.3.
  - t. "Party A" means China Zhejiang Biodiesel co. Ltd.
  - u. "Party B" means AMG Bioenergy Resources Holdings Ltd. or its nominee, or their respective successors and assigns permitted by this Agreement.
  - v. "Person" includes an individual, body corporate, partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by Applicable Law;
  - w. "Plantations" mean the *Jatropha* plantation and *Eucalyptus* plantation located on the Lands, and it includes all crops comprised thereof;
  - x. "Prime Rate" for any day means the rate of interest expressed as a rate per annum that Party B's primary Canadian bank establishes at its head office as a reference rate of interest that it will charge on that day for Canadian Dollar demand loans to its commercial customers in Canada and which it at present refers to as its prime rate.
  - y. "Purchase Price" means the purchase price for the Land as set out in Section 2.2.
  - z. "Party B's Conditions" has the meaning set out in Section 6.1.
  - aa. "Securities Policies" mean all applicable securities policies, rule and legislation, as amended from time to time;
  - bb. "Transfer Tax" means all goods and service taxes, sales taxes and similar taxes levied by any Governmental Agency in the People's Republic of China or any other relevant jurisdiction, and all value-added taxes or multi-stage taxes, provincial sales or use taxes (whether or not integrated with federal taxes) and similar taxes assessed, rated or charged upon Party B or properly payable by Party B in respect of the purchase and sale of the Land Use Rights.
  - cc. "TSXV" means the TSX Venture Exchange Inc., or any successor stock exchange.
  - dd. "WOFE" means the wholly owned foreign enterprise exclusively invested in and established by Party B in China in accordance with related laws and regulations of China to purchase the Land Use Rights and operate the Plantations.
- 1.2. **Recitals.** The Recitals form an integral part of this Agreement.
- 1.3. **Extended Meanings.** Words importing the singular include the plural and vice versa. Words importing the masculine gender include the feminine and neuter genders.
- 1.4. **Headings.** The insertion into this Agreement of headings and the inclusion of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.5. **Currency.** Unless otherwise expressly stated in this Agreement, all references to money shall refer to United States funds.



- 1.6. **Severability.** If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- 1.7. **Governing Law.** In order to confirm the rights and obligations of the parties, the parties to this Agreement concluded this Agreement as follows: based on cordial negotiation and in the interest of mutual benefit, in accordance with the Contract Law of the People's Republic of China, the Foreign Invested Enterprise Law of the People's Republic of China and the implementation regulations thereof, Regulations on the Acquisition of Domestic Enterprises by Foreign Investors, Provisional Procedures on the Administration of Assignment of State-owned Property in Enterprises and other related laws and regulations of China.
- 1.8. **Computation of Time.** In this Agreement, unless specified otherwise or the context otherwise requires:
- a. a reference to a period of days is deemed to begin on the first Business Day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
  - b. all references to specific dates mean 5:00 p.m. on the dates;
  - c. all references to specific times shall be references to Calgary time; and
  - d. with respect to the calculation of any period of time, references to "from" mean "from and excluding" and references to "to" or "until" mean "to and including".
- 1.9. **Time.** Time shall be of the essence of this Agreement.

## 2 TRANSFER OF LAND USE RIGHTS

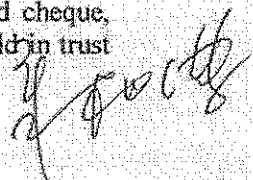
### 2.1. Purchase and Sale.

- a. Party A agrees to purchase the Land Use Rights and the Plantations from Party A, and Party A agrees to sell the Land Use Rights and the Plantations to Party B, on the terms and subject to the conditions contained in this Agreement, for the Purchase Price, subject to adjustment as provided in this Agreement.
- b. Notwithstanding anything else herein contained to the contrary, purchase of the Land Use Rights includes the purchase of all crops located on the Lands. Following execution of this Agreement, no crops on the Lands shall be harvested without the written consent of Party B, which consent may be withheld in Party B's sole discretion. At the time Party B obtains possession of the Lands, all crops or any part thereof shall become the absolute property of Party B.

2.2. **Purchase Price.** The parties agree that the consideration to be paid for the transfer of the Land Use Rights and the Plantations shall be \$2,600,000.00 USD (the "Purchase Price").

2.3. **Payment of Purchase Price.** The Purchase Price shall be satisfied as follows:

- a. payment of a \$ 390,000.00 deposit (the "Deposit"), paid by draft or certified cheque, payable to Party A's designated account in Hong Kong or Singapore, to be held in trust



on the execution of this Agreement or by 10 May 2011, whichever is later. In the event that the Seller is unable to fulfill its obligations under this Agreement by 30 September 2011, the Seller shall return the Deposit to the Buyer within 3 Business Days from 30 September 2011.

- b. payment of \$1,110,000 subject to adjustments pursuant to this Agreement, payable by draft or solicitor's trust cheque to Party A's designated account or solicitor on the Closing Date; and
- c. by Party B allotting, issuing and delivering to Party A, or its nominee (the "Nominee"), 13,750,000 common shares in the capital of AMG Bioenergy Resources Holdings Ltd. (the "Payment Shares") valued at deemed amount of \$0.08 per share and such Payment Shares shall be issued as fully paid and non-assessable shares duly registered in the name of Party A, or the Nominee. Subject to the fulfilment of all the terms and conditions hereof, including approval of regulatory authorities, the legal and beneficial title to the Payment Shares shall transfer and vest in Party A, or the Nominee, effective as of the Closing Date.

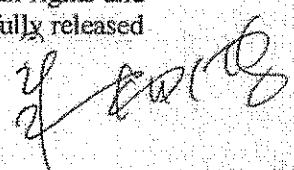
2.4. **Payment Shares.** The parties hereto acknowledge and agree that the issuance of the Payment Shares is subject to the policies, rules and by-laws of the TSXV (collectively the "TSXV Policies"), and Securities Policies, and that the Payment Shares, or a portion thereof, may be subject to escrow provisions imposed by the TSXV or pursuant to Securities Policies. Party A agrees to be bound by and comply with all TSXV policies and Securities Policies regarding the Payment Shares and to comply with all Securities Policies respect trading of the Payment Shares. In the event the Payment Shares are issued to the Nominee, Party A shall cause the Nominee to provide such documentation, disclosure and/or agreements as may be reasonably required by Party B such that Party B is able to issue the Payment Shares in compliance with Securities Policies and TSX Policies, and Party B can satisfy itself all Applicable Laws have and will be complied with.

2.5. **Transfer Taxes.** The Purchase Price includes all Transfer Taxes payable in respect of the transfer of the Land Use Rights and Plantations as contemplated herein. Party A shall be responsible for and pay to the appropriate authority all government registration fees, charges and taxes payable upon or in connection with registration of any Land Use Rights transfer documentation, conveyance or other Closing Document in connection with the Closing. For greater certainty Party A shall pay all exigible taxes arising from the operation of any business relating to the Land Use Rights and/or the Plantations on or prior to the Closing Date, or the sale of same.

2.6. **Deposits.** If the transaction contemplated under this Purchase Agreement is completed by Party B, the Deposit shall be credited to Party B on account of the Purchase Price. If Party A is not able or willing to complete the transactions contemplated herein at the Closing Time, or the conditions described in Section 6.1 of this Agreement are not satisfied or waived by Party B at the Closing Time, then the Deposit shall be delivered to Party B by Party A or its counsel. If Party B is not able or willing to complete the transactions contemplated herein at the Closing Time for any reason other than non-satisfaction of the conditions in Section 6.1 of this Agreement, then the Deposit shall be forfeited by Party B and retained by Party A.

### 3 WOFE

3.1. **Establishment of WOFE.** Notwithstanding anything else herein contained to the contrary, the parties acknowledge and agree that Party B will establish a WOFE to hold, possess, use and operate the assets purchased and/or leased by Party B under this Agreement. Pursuant to Section 11.8, Party B shall be entitled to assign this Agreement (including all rights and obligations hereunder) to the WOFE once established, in which case such WOFE shall assume all rights and obligations hereunder and Party B and its affiliates (other than the WOFE) shall be fully released



from same. To the extent necessary, all parties agree to enter a novation agreement to reflect the foregoing.

- 3.2. **Cooperation.** The parties agree to cooperate in facilitating Party B to obtain and complete all approvals and registrations necessary for the incorporation of a WOFE on a timely basis, including but not limited to project approval by the development and planning authority, permission from the environment protection authority, permission and authorization certificate from relevant industrial and commerce authority, business license issued by relevant industrial and commerce registration agency, registration of foreign exchange and certification of capital contribution by foreign exchange administration and tax registration with the tax authority.

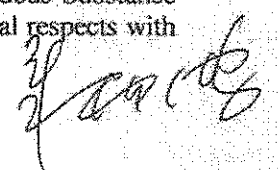
#### 4 REPRESENTATIONS AND WARRANTIES

- 4.1. **Representations of Party A.** Party A covenants, represents and warrants to and in favour of Party B that, as of the date of this Agreement and as of the Closing Date:

- a. **Corporate Status.** Party A is a legal entity that has been duly established in accordance with the laws of the People's Republic of China and it is validly and legally in existence and operating in accordance with the laws and regulations of the People's Republic of China. Party A has the power, authority, right and capacity to enter into, execute and deliver this Agreement and to carry out the transactions and enter into the other agreements contemplated by this Agreement;
- b. **Corporate Authorization.** The transactions and other agreements contemplated by this Agreement shall, by the Closing Date, have been duly and validly authorized by all requisite proceedings, corporate or otherwise;
- c. **No Default under Other Agreements.** Neither the execution of this Agreement nor its performance by Party A will result in a breach of any term or provision or constitute a default under:
  - i. the constituting documents or by-laws of Party A;
  - ii. the Land Use Rights, any lease, indenture, mortgage, deed of trust or any other agreement to which Party A is a party or by which it is bound; or
  - iii. any Applicable Law.
- d. **Enforceability.** This Agreement has been duly executed and delivered by Party A and constitutes a legal, valid and binding obligation of Party A enforceable against it in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights and is subject to general equitable principles.
- e. **Absence of Changes.** Since the date of this Agreement, Party A has operated the Lands and the Plantations in the ordinary course; there has not been any adverse change in the condition of the Plantations, the Lands or the Land Use Rights. There has not been any damage, destruction, loss, labour trouble or other event, development or condition of any character (whether or not covered by insurance) materially and adversely affecting the Land Use Rights, the Lands, the Plantations or the future prospects of same, as applicable.
- f. **No Litigation.** There are no actions, suits or proceedings commenced, threatened against or affecting Party A, the Lands, the Land Use Rights or the occupancy or use of the Lands by Party A, in law or in equity, which affects the validity of this Agreement or any transaction or other agreement provided for in this Agreement, or the conveyance of the

Land Use Rights to Party B:

- g. **No Indebtedness Constituting a Lien.** Party A will not on the Closing Date have any indebtedness to any Person that shall by operation of law or otherwise constitute a lien, charge or encumbrance on the Land Use Rights or which shall affect the right of Party B, from and after the Closing Date, to own the Land Use Rights, or obtain 100% of the revenue from the Lands;
- h. **Ownership of Land Use Rights.** The Land Use Rights are legally and beneficially owned by Party A and shall on the Closing Date be free and clear of all mortgages, liens, charges, encumbrances, restrictions, security interests, conditional sale agreements, leases, licenses, rights of first refusal, options and any other claims and interests whatsoever, except for the Permitted Encumbrances, if any. Party A is exclusively entitled to occupy the Lands and possess and dispose of the Land Use Rights;
- i. **No Unregistered Agreement.** There are no unregistered agreements in respect of the Lands, Land Use Rights or the Plantations, or encroachments by improvements or fixtures (if any) onto abutting Lands or encroachments onto the Lands;
- j. **Development Charges.** There are no development charges, off-site levies or special levies outstanding against the Lands nor has Party A received any written notice of a proposed local improvement charge, development charge, off-site levy or special levy;
- k. **No Work Orders.** Party A has not received any written work order, deficiency notice, notice of violation or other similar written communication from any municipal or governmental authority, board of insurance underwriters, regulatory authority or otherwise that is outstanding requiring or recommending that work, reclamation or repairs in connection with the any of the Lands is necessary, desirable or required;
- l. **Liens.** No one has a right to file a lien against title to the Lands;
- m. **Access.** The Land has full and free access to and from public roads or highways and Party A has not received written notice of any fact or condition that would result in the interruption or termination of such access;
- n. **No Expropriation.** Party A has not received written notice of any contemplated proceedings or other similar public or private proceedings affecting the Land Use Rights, the Plantations, the Lands or any part of the Lands;
- o. **Claims re: Environmental Matters.** Party A has not received any notice of any violation of any Environmental Laws or any applicable federal, provincial or municipal laws, regulations, orders or approvals of governmental authorities relating to the Lands or their respective use; there are no writs, injunctions, orders or judgements outstanding, or lawsuits, claims, proceedings, actions, prosecutions, charges, hearings or investigations pending or threatened, relating to the use, maintenance or operation of the Lands or to the discharge, deposit, escape or release of any hazardous waste or contaminant (as identified in the Environmental Laws) into the natural environment in, on, over, under or at the Lands, and there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Lands and the conduct of Party A's business at the Lands, nor has Party A received any notice of any of the foregoing matters;
- p. **Notices re: Environmental Matters.** Party A has not provided notification to any Person of the release, discharge, deposit, emission or spill of any Hazardous Substance into the environment or on the Lands; Party A has complied in all material respects with



all environmental reporting and inspection requirements of all Applicable Law and of all Governmental Agencies having jurisdiction over Party A and relating to the Lands;

- q. **Liability re Environmental Matters.** There are no Hazardous Substances on, in, over or under the Lands or any adjacent land, nor have Hazardous Substances been used in the business of Party A as it relates to the Lands. Party A is not liable or potentially liable to any Person as a result of an anticipated, actual or threatened release, discharge, deposit, emission or spill of any Hazardous Substance;
- r. **Environmental Permits.** Party A is not required to possess any environmental license, permit or other governmental approval or authorization (collectively the "Environmental Permits") in order to allow or enable it to conduct its business with respect to the Lands in accordance with Applicable Law;
- s. **Remedial Actions.** Neither the Lands nor the business of Party A and its conduct thereof are the subject of any remedial or control action or order of any Governmental Agency, or any investigation or evaluation as to whether any remedial action is needed to respond to an actual or threatened release, discharge, deposit, emission or spill of any Hazardous Substance into the environment, the Lands or any facility or structure;
- t. **Use of Lands.** Party A has not used any of the Lands as a landfill or waste disposal site, nor is there any Hazardous Substance deposited or disposed of on any of the Lands, nor has Party A used or permitted any of the Lands to be used to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substance except in full compliance with Applicable Law and all Environmental Permits issued to or required by Party A with respect to the same;
- u. **Use Restrictions.** Except as disclosed in the Land Use Rights certificate, as such certificate is more particularly identified in the Recitals to this Agreement, no part of the Lands are subject to any building or use restriction that would restrict or prevent the use and operation of the Lands for its current use as a plantation;
- v. **Zoning.** The Land Use Rights permit use of the Lands for carrying on the business of a commercial plantation and improvements and fixtures (if any) comply with the by-laws and building codes of the municipality in which it is situated. All improvements and fixtures (if any) are located wholly within the boundaries of the Lands on which they are located. There are no encroachments affecting the Lands which could adversely affect the ability of Party B to carry on the operations of a commercial plantation as they have been carried on in the past or which in the aggregate detract from the value of the Lands;
- w. **Re-zoning.** There are no outstanding applications for a re-zoning of any of the Lands;
- x. **Easements.** There are no easements, rights-of-way, or other similar appurtenant interests affecting the Lands;
- y. **Levies and Assessments.** There are not outstanding against the Lands any present or future capital levies, sewer impost charges, local improvement rates, special assessments, deferred or instalment charges of a capital nature or any other similar charges;
- z. **No Change.** To the Closing Date, there shall have been no material adverse change in the condition or in the management or operation of the Lands and the Plantations, and the Lands and the Plantations shall have been operated by Party A in a manner consistent with past business practice and as would a prudent owner in accordance with the terms of this Agreement;

aa. **Full Disclosure.** Party A has disclosed or made available to Party B all material information pertaining to the Land Use Rights, the Lands and the Plantations; neither this Agreement nor any other document referred to in this Agreement or any Schedule to this Agreement nor any statement, schedule or certificate furnished or to be furnished to Party B pursuant to this Agreement contains or will contain any untrue statement or omits or will omit to state a material fact; all material information pertaining to the Land Use Rights, the Lands and the Plantations are set out in this Agreement or contained in the Land Documents.

bb. **Residence.** Party A is a resident of China.

4.2. **Representations of Party B.** Party B covenants, represents and warrants to and in favour of Party A that, as of the date of this Agreement or such other date as may be specified:

a. **Status.** Party B is a corporation duly incorporated and subsisting under the laws of Alberta, Canada and has the power, authority, right and capacity to enter into this Agreement and to carry out the transactions and enter into the agreements contemplated by this Agreement in the manner contemplated by this Agreement;

b. **Authorization.** The transactions and other agreements contemplated by this Agreement will by the Closing Date have been duly and validly authorized by all requisite corporate proceedings;

c. **Payment Shares.** the Payment Shares to be issued to Party A, or the Nominee, pursuant to section 2.3.c, will be validly created, and, subject to any restrictions imposed by TSXV, upon issuance of the Payments Shares to Party A, or the Nominee, in accordance with the provisions of this Agreement, such Payment Shares will be:

i. duly and validly issued as fully paid, non-assessable shares, and

ii. issued in accordance with registration and prospectus filing exemptions contained in applicable Alberta securities policies, rules and regulations.

4.3. **Survival of Warranties.** The covenants, representations and warranties contained in Sections 4.1 and 4.2 shall survive the completion of the transaction of purchase and sale contemplated by this Agreement and shall continue in full force and effect for the benefit of Party B and Party A, as applicable, for a period of two (2) years after the Closing Date.

4.4. **Effect of Warranties.** Subject to the limitation period with respect to representations and warranties set forth in Section 4.3, each party agrees to protect, indemnify and save the other party harmless from and against any and all losses, costs, expenses, damages, liabilities, claims and demands whatsoever arising or suffered by the other party as a result of any misrepresentation or breach of warranty by the first-mentioned party under this Agreement or any document, certificate or other instrument delivered pursuant to this Agreement. Either party may from time to time give notice to the other party specifying the nature of any misrepresentation or breach of warranty by the other party and giving such details as shall have come into the first-mentioned party's possession.

4.5. **Non-Waiver.** No investigations made by or on behalf of either party at any time shall waive or diminish the scope of or otherwise affect any representation or warranty given by the other party herein.

## 5 INTERIM PERIOD

5.1. **Delivery of Documents.** Within five (5) business days of the date of this Agreement and

*if 2018*

with a copy to:

McLeod & Company LLP  
Barristers and Solicitors  
3<sup>rd</sup> Floor, 14505 Bannister Road S.E.  
Calgary, Alberta, Canada T2X 3J3  
Attention: Ryan C. Franzen  
Fax Number: (403) 271-1769

b. and in the case of Party A, addressed to it at:

China Zhejiang Biodiesel co, Ltd.  
3F - 308 Shanghao Guoji Building No.148, Genta Xi Road Zhuji City Zhejiang  
P.R China 311800  
Attention: ■  
Fax Number: ■

with a copy to:

■

Any notice so given shall be deemed to have been given and to have been received on the day of delivery, if so delivered, and on the day that notice was sent by facsimile or other transmission, provided such day is a Business Day and if not, on the first Business Day thereafter. Addresses for notice may be changed by giving notice in accordance with this Section.

- 11.4. **Further Assurances.** Each of the parties shall execute and deliver all such further documents and do such other things as the other party may reasonably request to give full effect to this Agreement.
- 11.5. **Lawyers as Agents.** Notices, approvals, waivers and other documents permitted, required or contemplated by this Agreement may be given or delivered by the parties or by their respective solicitors on their behalf.
- 11.6. **Publicity.** Party B and Party A agree that all negotiations regarding the Lands shall be confidential and will not be disclosed to anyone other than the party's respective directors, legal counsel, accountants and professional advisors. Party B and Party A agree that no press or other publicity release or communication to the general public concerning the proposed transaction will be issued without the other party's prior approval, unless such disclosure is required by law or by any applicable stock exchanges.
- 11.7. **Expenses.** Each party shall pay all expenses it incurs in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder, whether or not the Closing occurs, including all fees and expenses of its legal counsel and other advisers and consultants.
- 11.8. **Assignment.** Party B shall be entitled to assign this Agreement and the benefit of all covenants contained in this Agreement, and any documents delivered or interest created pursuant to the terms hereof or of this Agreement to an affiliate, nominee or subsidiary of Party B without the consent of Party A and, in the case of any other person or entity, only with the prior written consent of Party A acting reasonably. Upon any such assignment Party B shall be wholly released from all existing and future obligations under this Agreement. Party A shall not be entitled to Assign the Agreement.
- 11.9. **Non-Merger.** None of the provisions of this Agreement shall merge in the deed or transfer of the

thereafter, Party A shall deliver the following documents or legible copies thereof available for examination by Party B, its representatives and advisors:

- a. all of the Land Documents, together with a letter signed by a senior officer of Party A confirming that the Land Documents comprise all of the Land Documents; and
- b. a copy of every agreement affecting the Lands, the Land Use Rights and/or the Plantations that Party A from time to time proposes to enter into, together with all related material correspondence.

5.2. **Access by Party B.** From and after the date of this Agreement, Party B, its representatives and advisors shall have full access to the Lands upon reasonable notice to Party A, and to all information relating to the Land Use Rights, the Lands and the Plantations, that is within the possession or control of Party A. Party A authorizes Party B to communicate with contractors, sub-contractors, trades, tenants and employees of Party A and to carry out such tests (including soil tests and roof core samples), environmental audits, surveys and inspections of the Lands as Party B, its representatives or advisors may deem necessary and all such audits, surveys and inspections shall be at Party B's expense.

5.3. **Inspection.** From and after the date of this Agreement, Party A shall, at the request of Party B and upon reasonable notice, make all documents pertaining to the environmental status of the Lands including, without limitation, any permits, test reports, manifests or consent orders in respect of the production, manufacture, transportation across, over or through, storage or location on or beneath the surface of the Lands Hazardous Substance, if any, available for examination by Party B, its representatives and advisors, and shall make available for inspection to Party B immediately upon receipt any new items listed above received by Party A.

5.4. **Governmental Inspections.** At the request of Party B, Party A shall promptly deliver to Party B letters addressed to such governmental authorities as may be requested by Party B or its solicitors authorizing each such authority to inspect the Lands and to release to Party B such information on compliance matters that the authority may have with respect to the Lands or the Land Use Rights.

5.5. **Registration and Publicity.** Subject to Applicable Law, Party B shall be entitled to register a caveat with respect to this Agreement against title to the Lands.

5.6. **Risk.**

- a. **General.** The Lands, including, without limitation, the Plantations, shall be at the risk of Party A until the Closing Date. Until the Closing Date, Party A shall maintain insurance on the Lands and the Plantations in such amounts as a careful and prudent owner of similar Lands would maintain.
- b. **Notice of Loss.** If any loss or damage to the Lands, the Plantations or any improvements or fixtures occurs on or before the Closing Date, Party A shall promptly deliver a notice (the "Notice of Loss") to Party B specifying the nature and extent of the loss or damage
- c. **Election to Terminate.** Upon receipt of the Notice of Loss, Party B may elect to terminate this Agreement by giving notice of termination to Party A on or before the earlier of the tenth Business Day following delivery of the Notice of Loss and the Closing Date, in which case neither party shall be under any further obligation to the other to complete the transaction contemplated by this Agreement. If Party B does not elect to terminate this Agreement, then Party B shall complete this Agreement on the Closing Date. Party B shall receive any insurance proceeds in respect of the Lands and/or the Plantations and Party A shall release its interest in any insurance proceeds in respect of the Lands and or the Plantations.

6 CONDITIONS

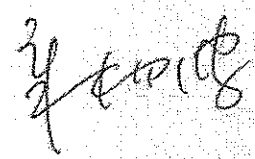
6.1. **Conditions of Party B.** Party B's obligation to carry out the transaction contemplated by this Agreement is subject to fulfillment of each of the following conditions on or before the Closing Date, which conditions are for the sole benefit of Party B and which may be waived by Party B in its sole discretion (the "Party B's Conditions"):

- a. **Land Documents.** The review and investigation of the Lands (including without any limitation any environmental testing or soil testing), the Land Documents, the title to the Lands;
- b. **Environmental Audits.** The environmental audits and tests that shall or may be conducted by Party B on or with respect to the Lands shall be satisfactory to Party B in its sole discretion;
- c. **Financing.** Party B shall have obtained financing with respect to the purchase of the Land Use Rights on terms and conditions satisfactory to Party B in Party B's sole discretion;
- d. **Consent of the TSXV.** Party B shall have obtained all necessary consent from the TSXV.
- e. **Review by Counsel.** Party B shall have obtained from its counsel a satisfactory opinion and/or review, as determined by Party B in its sole discretion, of and respecting this Agreement and the transactions contemplated hereunder.
- f. **Issuance of Payment Shares** – Party B shall be satisfied that issuance of the Payment Shares to Party A, or the Nominee, is in compliance with all TSXV Policies, Securities Policies, including, without limitation, those applicable in Alberta, Canada, the People's Republic of China and the jurisdiction under which the Nominee, if applicable, was incorporated and/or is subsisting.
- g. **Representations and Warranties** - all of Party A's representations and warranties shall be true and correct or, if applicable, complied with in all material respects at and as of the Closing Time.
- h. **Covenants** – Party A shall have performed and satisfied all covenants required herein to be performed and satisfied by it at or prior to the Closing Time in all material respects including, without limitation, the tendering of all of the items required to be delivered pursuant to section 9.1; and
- i. **Material Adverse Change** – No material adverse change, as determined by Party B, shall have occurred since the effective date of this Agreement.

6.2. **Satisfaction or Waiver of Conditions.** If Party B does not deliver to Party A notice in writing of satisfaction or waiver of Party B's Conditions within the time required, this Agreement shall be automatically terminated, in which case neither party shall be under any further obligation to the other to complete the transaction contemplated by this Agreement and any deposits (including the Deposit) paid by Party B shall be forthwith returned to Party B. The closing of the transaction contemplated by this Agreement by the parties shall be deemed to be a waiver by any party of compliance with any other condition included for its benefit and not satisfied on the Closing Date but shall not release any party from liability with respect to the covenants, representations and warranties on its part contained in this Agreement.

7 **PARTY A's COVENANTS**

- 7.1. **Permits, Approvals, Consents and Waivers.** Party A shall at its own expense, subject to obtaining the full cooperation and assistance of Party B, use its best efforts to obtain by the Closing Time, for the benefit of Party B, all consents and waivers of third parties required to consummate the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, Party A shall as soon as reasonably practicable, obtain all necessary permits and approvals, and complete and otherwise deal with all formalities, to transfer the Land Use Rights to Party B.
- 7.2. Party A hereby agrees, if Party B suffers any loss or penalty due to the transfer of the Land Use Rights under this Agreement, Party A shall fully indemnify Party B for such loss or penalty (including indirect and consequential losses), together with interest on such damages at the lesser of the Prime Rate plus three (3) percent and the maximum interest rate permitted by Applicable Law.
- 7.3. **Conduct Prior to Closing Date.** Prior to the Closing Date, Party A shall act as follows:
- a. **Conduct Business in Ordinary Course.** Except as otherwise contemplated or permitted by this Agreement, Party A shall operate and maintain the Plantations in the ordinary course and shall not, without the prior written consent of Party B, enter into any transaction which, if entered into before the date of this Agreement, could cause any representations or warranties of Party A contained herein to be incorrect in any material respect, or constitute a breach of any covenant or agreement of Party A contained herein. In particular, Party A shall use best efforts to maintain the Plantations.
  - b. **Continue Insurance.** Party A shall continue in force all policies of insurance maintained by Party A in respect of the Plantations and the Lands.
  - c. **Comply with Laws.** Party A shall comply with all Applicable Laws affecting the operation of the Plantations, the Land Use Rights and the Lands and, without limiting the foregoing, shall pay all taxes relating to the its business and the Plantations which arise prior to or are related to a period of time prior to the Closing Date.
  - d. **Adverse Change.** Party A shall not do, and shall use its best efforts not to permit, anything that would result in any adverse change in or to the Plantations or the Lands or sell, transfer or dispose of any of the crops growing on the Lands.
  - e. **Encumbrances.** Party A shall not suffer or permit any Encumbrance to attach to or affect any of the crops on the Plantations or the Lands.
  - f. **Amendments to Existing Agreements.** Party A shall not amend, modify, or vary any agreements affecting the Lands without the prior written approval of Party B. Party A shall provide to Party B all information that Party B reasonably determines to be necessary in order to decide whether or not to grant its approval and Party B shall notify Party A of its decision within seven (7) days of receiving such information.
  - g. **New Agreements.** Party A shall not enter into any agreements affecting the Lands or the Plantations without the prior written approval of Party B. Party A shall provide to Party B all information that Party B reasonably determines to be necessary in order to decide whether or not to grant its approval and Party B shall notify Party A of its decision within five (5) Business Days of receiving such information.
  - h. **Maintenance.** Party A shall manage the Lands and operate and manage the Plantations as would a prudent owner in accordance with the terms of this Agreement.



7.4. **Termination of Contracts.** Party A shall have terminated all service contracts affecting the Lands or the Plantations effective the Closing Date.

## 8 INDEMNIFICATION

8.1. **Mutual Indemnifications for Breaches of Warranty, etc.** Party A agrees with Party B and Party B agrees with Party A (the party agreeing to indemnify the other party being called the "Indemnifying Party" and the party to be indemnified being called the "Indemnified Party") to indemnify and save harmless the Indemnified Party, effective as and from the Closing Date, from and against any Claims which may be made or brought against the Indemnified Party or which it may suffer or incur as a result of, in respect of, or arising out of any non-fulfilment of any covenant or agreement on the part of the Indemnifying Party under this Agreement or any Closing Document or any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained herein or in any Closing Document (provided that neither party shall be entitled to be indemnified in respect of Claims arising solely as the result of the incorrectness or breach of any representation or warranty of the other party herein where such incorrectness or breach has been disclosed in such other party's certificate delivered on Closing, and where the party receiving such certificate elects to complete the Closing notwithstanding such incorrectness or breach).

Any amount which an Indemnifying Party is liable to pay to an Indemnified Party pursuant to this Section 8.1 shall bear interest at the Prime Rate plus three (3) percent, calculated and payable monthly with interest on overdue interest at the same rate, from the date the Indemnified Party disbursed funds, suffered damages or losses or incurred a loss, liability or expense in respect of a Claim, to the date of payment by the Indemnifying Party to the Indemnified Party. Any amount which an Indemnifying Party is required to pay to an Indemnified Party pursuant to this Section 8.1 or pursuant to Section 8.2 or Section 8.3 (including interest thereon) is called an "Indemnified Loss". The foregoing obligation of indemnification in respect of such Claims shall be subject to the limitation set forth in Section 4.3 hereof respecting the survival of the representations and warranties of the Parties.

8.2. **Environmental Indemnity.** Party A shall indemnify Party B against and shall hold Party B fully harmless from any Claims (including, without limitation, any Claim arising as a direct or indirect result of any government clean-up or other order issued against Party B, or as a direct or indirect result of any remedial work undertaken by or on behalf of Party B in order to avoid or prevent the issuance of any such clean-up or other order (provided that Party B shall have no obligation to Party A to undertake or commission such remedial work)) which may be made or brought against Party B or which it may suffer or incur as a result of, in respect of, or arising out of, or related in any manner whatsoever to, any release, discharge, deposit, emission or spill of any Hazardous Substance on or from the Lands at any time prior to the Closing Time (whether or not disclosed) and, in connection with any release, discharge, deposit, emission or spill from or in relation to or resulting from any of the underground storage tanks situated at or under any of the Lands, as such may exist on any of the Lands prior to the Closing Time.

8.3. **Third Party Claims.** If a Claim is made against an Indemnified Party by a third party for which the Indemnified Party may be entitled to indemnification under Section 8.1 or 8.2, the Indemnified Party shall give notice (the "Indemnity Notice") to the Indemnifying Party specifying the particulars of such claim within 30 days after it receives notification of the Claim. Failure to give such notice within such time period shall not prejudice the rights of an Indemnified Party except to the extent that the failure to give such notice materially adversely affects the ability of the Indemnifying Party to defend the Claim or to cure the breach or incorrectness of the representation, warranty, covenant or agreement giving rise to the Claim.

The Indemnifying Party shall have the right to participate in any negotiations or proceedings with respect to such Claim at its own expense. The Indemnified Party shall not settle or compromise.

*[Handwritten signature]*

any such Claim without the prior written consent of the Indemnifying Party, unless the Indemnifying Party has not, within 14 days after the giving of the Indemnity Notice, given notice to the Indemnified Party that it wishes to dispute such Claim. If the Indemnifying Party does give such a notice, it shall have the right at its own cost and expense to assume the defence of such Claim and to defend such Claim in the name of the Indemnified Party.

The Indemnified Party shall provide to the Indemnifying Party all files, books, records and other information in its possession or control which may be relevant to the defence of such Claim. The Indemnified Party shall co-operate in all reasonable respects in the defence of such Claim but at the expense of the Indemnifying Party. If the Indemnifying Party fails, after the giving of such notice, diligently and reasonably to defend such Claim throughout the period that such Claim exists, its right to defend the Claim shall terminate and the Indemnified Party may assume the defence of such Claim at the sole expense of the Indemnifying Party. In such event, the Indemnified Party may compromise or settle such Claim, without the consent of the Indemnifying Party.

## 9 CLOSING ARRANGEMENTS

9.1. **Closing Arrangements.** This Agreement shall be completed at 1:00 p.m. (Calgary Time) on the Closing Date. Party A shall deliver to Party B the following documents fully executed by Party A, where applicable or such other parties as may be specified:

- a. **Transfer.** All applicable documents, including all registrations, evidencing transfer of the Land Use Rights (including any associated lease(s) and the Plantations to Party B or its nominee;
- b. **Land Documents not Previously Delivered.** To the extent not previously delivered to Party B or its consultants, certified true copies of all Land Documents;
- c. **Discharges.** A registerable discharge in respect of each charge, lien or encumbrance registered as of the Closing Date against the Lands and/or the Plantations, if any;
- d. **Resolution.** Certified copy of directors resolution of Party A authorizing and approving the sale of the Land Use Rights and the Plantations to Party B pursuant to the terms of this Agreement, and certified copies all other resolutions and documents required by Applicable Law;
- e. **Other.** Such other bills of sale, transfers, assignments and documents relating to the completion of this Agreement as Party B may reasonably require to transfer the Land Use Rights and the Plantations from Party A to Party B as contemplated herein.
- f. **Receipt.** A receipt for the Purchase Price, including an acknowledgement regarding receipt of the Payment Shares.
- g. **Payment Shares.** Such documents, disclosure, agreements and opinions as Party B may reasonably require such that it is satisfied the Payment Shares can be issued to Party A or the Nominee, in compliance with TSXV Policies and all Applicable Laws, including Securities Policies.

9.2. **Documents of Party B.** Party B shall deliver to Party A the following documents on the Closing Date or such other date as may be specified:

- a. **Balance of the Purchase Price due on Closing Date.** A certified cheque or bank draft payable to Party A or as Party A may in writing direct in the amount of the portion of the Purchase Price payable in accordance with Section 2.3;

Handwritten signature and initials in the bottom right corner of the page.

- b. **Other.** Such further documentation relating to the completion of this Agreement as Party A may reasonably require.

9.3. **Possession.** Party A shall, on the Closing Date, provide Party B with vacant possession of the Lands.

## 10 DISPUTE RESOLUTION

10.1. All disputes arising from or related to this Agreement between the parties shall be settled through *cordial negotiation* between the parties. Such *cordial negotiation* shall be deemed to commence immediately on the date when a written notice issued by one party indicating the intention to settle the dispute cordially is received by the other party.

10.2. If within 90 days after the receipt of such written notice, any of those disputes fails to be settled by the aforesaid way, either party may submit the dispute for arbitration in Hong Kong, and in accordance with arbitration rules of Hong Kong currently in force and applicable to transactions of the nature contemplated by this Agreement. To the extent not contrary to such arbitration rules, the following provisions of this Article 10 shall apply to the arbitration.

10.3. An arbitration shall be carried out by an arbitration tribunal ("arbitration tribunal") composed of 3 arbitrators. The parties shall appoint one arbitrator jointly and Party B will appoint an arbitrator. The two arbitrators so appointed shall appoint the third arbitrator, who will serve as the chief arbitrator of the tribunal. If the parties fail to appoint an arbitrator jointly within the period specified, all the three arbitrators will be appointed by Party B.

10.4. The language used for arbitration shall be English. The award issued by the tribunal is final and binding on all the parties and may not be appealed by either party. The tribunal has the right to award that the prevailing party may claim back all expenses (including reasonable legal fees, arbitration fees and expenses).

10.5. After the occurrence of disputes, the parties to this Agreement shall continue to exercise rights and perform obligations under this Agreement other than those under dispute during the period of arbitration.

## 11 MISCELLANEOUS

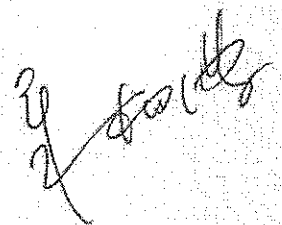
11.1. **Tender.** Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by certified cheque or bank draft.

11.2. **Relationship of the Parties.** Nothing in this Agreement shall be construed so as to make Party B a partner of Party A or vice versa.

11.3. **Notices.** Any notice, request, consent, acceptance, waiver or other communication required or permitted to be given under this Agreement (a "Notice") shall be in writing and shall be given by personal delivery or written electronic communication which results in a written or printed notice being given to the applicable address set forth below:

- a. in the case of Party B, addressed to it at:

AMG Bioenergy Resources Holdings Ltd.  
3791 Jalan Bukit Merah E-Centre@Redhill  
#06-09 SINGAPORE 159471  
Attention: Lee Shoong Lim  
Fax Number: ■



Land Use Right or any other document delivered on the Closing Date and the provisions of this Agreement shall survive the Closing Date.

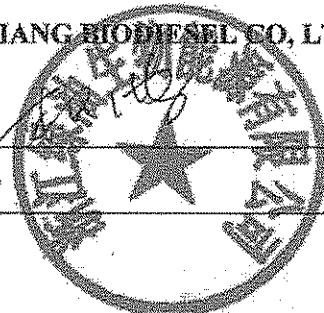
- 11.10. **Successors and Assigns.** This Agreement shall enure to the benefit of and shall be binding upon the parties, shall be binding upon their respective successors and permitted assigns and shall enure to the benefit of and be enforceable only by such successors and permitted assigns that have succeeded or which have received such assignment in the manner permitted by this Agreement.
- 11.11. **Applicable Language.** All correspondence, documents and other written matters (including technical documents) in connection with this Agreement/Orders shall be in English. This Agreement has been agreed and prepared in the English language. In the event of any translation of this Agreement or any part thereof into any other language(s), the same shall continue to be construed and interpreted according to the English language version, which shall therefore prevail in the event of any conflict or dispute.
- 11.12. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all of the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or verbal, with respect to the subject matter of this Agreement.
- 11.13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. The signature of any of the parties hereto may be evidenced by a facsimile or electronic copy of this Agreement bearing such signature. Such signature shall be valid and binding as if an original executed copy of the Agreement has been delivered.

IN WITNESS WHEREOF the parties have executed this Agreement on the date written above on the first page of this Agreement.

CHINA ZHEJIANG BIODIESEL CO, LTD.

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

Print: \_\_\_\_\_



AMG BIOENERGY RESOURCES HOLDINGS LTD.

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

Print: \_\_\_\_\_

- 11.9. **Non-Merger.** None of the provisions of this Agreement shall merge in the deed or transfer of the Land Use Right or any other document delivered on the Closing Date and the provisions of this Agreement shall survive the Closing Date.
- 11.10. **Successors and Assigns.** This Agreement shall enure to the benefit of and shall be binding upon the parties, shall be binding upon their respective successors and permitted assigns and shall enure to the benefit of and be enforceable only by such successors and permitted assigns that have succeeded or which have received such assignment in the manner permitted by this Agreement.
- 11.11. **Applicable Language.** All correspondence, documents and other written matters (including technical documents) in connection with this Agreement/Orders shall be in English. This Agreement has been agreed and prepared in the English language. In the event of any translation of this Agreement or any part thereof into any other language(s), the same shall continue to be construed and interpreted according to the English language version, which shall therefore prevail in the event of any conflict or dispute.
- 11.12. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all of the representations, undertakings and agreements of the parties. This Agreement supersedes all prior negotiations or agreements between the parties, whether written or verbal, with respect to the subject matter of this Agreement.
- 11.13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. The signature of any of the parties hereto may be evidenced by a facsimile or electronic copy of this Agreement bearing such signature. Such signature shall be valid and binding as if an original executed copy of the Agreement has been delivered.

**IN WITNESS WHEREOF** the parties have executed this Agreement on the date written above on the first page of this Agreement.

**CHINA ZHEJIANG BIODIESEL CO, LTD.**

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

Print: \_\_\_\_\_

**AMG BIOENERGY RESOURCES HOLDINGS LTD.**

Per: Lee Sheng Lim

Print: LEE SHENG LIM