For Ministry Use Only
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Ontario Corporation Number
Numéro de la société en Ontario

1864329

Ministry of Government Services
Ontario

Ministère des Services gouvernementaux

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

DECEMBER 1 5 DÉCEMBRE, 2011

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Form 4
Business Corporations Act

Formule 4
Loi sur les sociétés par actions

ARTICLES OF AMALGAMATION
STATUTS DE FUSION

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société issue de la fusion: (Écrire en LETTRES MAJUSCULES SEULEMENT) :

ELEMENT FINANCIAL CORPORATION

2. The address of the registered office is:
Adresse du siège social :

41 Lesmill Road

Street & Number or R.R. Number & if Multi-Office Building give Room No. /
Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édif ce à bureaux, numéro du bureau

Toronto ONTARIO M3B 2T3

Name of Municipality or Post Office /
Nom de la municipalité ou du bureau de poste

Postal Code/Code postal

3. Number of directors is:
Nombre d'administrateurs :

Fixed number / Nombre fixe:

OR minimum and maximum / OU minimum et maximum: 3 14

4. The director(s) is/are: / Administrateur(s) :

First name, middle names and surname Prénom, autres prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal	Resident Canadian State 'Yes' or 'No' Résident canadien Oui/Non
Paul Stoyan	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Steven Small	41 Lesmill Road Toronto, ON M3B 2T3	Yes
James More	41 Lesmill Road Toronto, ON M3B 2T3	Yes

4. The director(s) is/are:
Administrateur(s) :

First name, middle names and surname *Prénom, autres prénoms et nom de famille*	Address for services, giving street & No. or R.R. No., Municipality, Province, Country and Postal code. *Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal*	Resident Canadian State 'Yes' or 'No' *Résident canadien Oui/Non*
Les Martin	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Stephens B. Lowden	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Steven K. Hudson	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Michael D. Harris	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Fraser Clarke	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Navin Chandaria	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Bruce Smith	41 Lesmill Road Toronto, ON M3B 2T3	Yes
Pierre Lortie	41 Lesmill Road Toronto, ON M3B 2T3	Yes

5. Method of amalgamation, check A or B
Méthode choisie pour la fusion – Cocher A ou B :

A - **Amalgamation Agreement / Convention de fusion :**

☒ The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

Les actionnaires de chaque société qui fusionnne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B - **Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :**

☐ The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation Year / année – Month / mois – Day / jour
ELEMENT FINANCIAL CORPORATION	2136153	2011-12-12
MIRA II ACQUISITION CORP.	2273398	2011-12-14

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue (i) an unlimited number of common shares without nominal or par value; and (ii) an unlimited number of preferred shares, issuable in series.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The rights, privileges, restrictions and conditions attaching to the common shares and the preferred shares are as follows:

Common Shares

The holders of the common shares shall be entitled:

(a) to vote at all meetings of shareholders of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote;

(b) to receive, subject to the rights of the holders of another class of shares, any dividend declared by the Corporation; and

(c) to receive, subject to the rights of the holders of another class of shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

Preferred Shares Issuable in Series

1. One or More Series. The preferred shares may at any time and from time to time be issued in one or more series.

2. Terms of Each Series. Subject to the Act, the directors may fix, before the issue thereof, the number of preferred shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Corporation, any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of the series.

3. Ranking of Preferred Shares. The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, rank on a parity with the preferred shares of every other series and be entitled to preference over the common shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the preferred shares of any series is not paid in full, the preferred shares of such series shall participate rateably with the preferred shares of every other series in respect of all such dividends and amounts.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

None.

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

None.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and **original signature** of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). **Only a director or authorized signing officer can sign on behalf of the corporation.** / Nom et **signature originale** d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). **Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.**

ELEMENT FINANCIAL CORPORATION

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

James More — JAMES MORE — Senior Executive Vice President (SEVP)

Signature / Signature — Print name of signatory / Nom du signataire en lettres moulées — Description of Office / Fonction

MIRA II ACQUISITION CORP.

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / Signature — Print name of signatory / Nom du signataire en lettres moulées — Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / Signature — Print name of signatory / Nom du signataire en lettres moulées — Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / Signature — Print name of signatory / Nom du signataire en lettres moulées — Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / *Signature* — Print name of signatory / Nom du signataire en lettres moulées — Description of Office / Fonction

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and **original signature** of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). **Only a director or authorized signing officer can sign on behalf of the corporation.** / Nom et **signature originale** d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). **Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.**

ELEMENT FINANCIAL CORPORATION

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

MIRA II ACQUISITION CORP.

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

	Ronald Schmeichel	CEO
Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés
By / *Par*

Signature / *Signature*	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

SCHEDULE "A"

STATEMENT OF OFFICER

OF

ELEMENT FINANCIAL CORPORATION

1. I, James More, am the Vice Chairman and Executive Vice President of Element Financial Corporation ("Element"), one of the amalgamating corporations listed in the Articles of Amalgamation to which this statement is attached.

2. Having conducted such examinations of the books and records of Element and having made such inquiries and investigations as are necessary to enable me to make this statement, I hereby state that there are reasonable grounds for believing that:

(a) Element is, and the amalgamated corporation will be, able to pay its liabilities as they become due;

(b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and

(c) no creditor will be prejudiced by the amalgamation.

DATED this 14th day of December, 2011

James More

James More

STATEMENT OF OFFICER

OF

MIRA II ACQUISITION CORP.

1. I, Ronald D. Schmeichel, am the Chief Executive Officer of Mira II Acquisition Corp. ("Mira II"), one of the amalgamating corporations listed in the Articles of Amalgamation to which this statement is attached.

2. Having conducted such examinations of the books and records of Mira II and having made such inquiries and investigations as are necessary to enable me to make this statement, I hereby state that there are reasonable grounds for believing that:

(a) Mira II is, and the amalgamated corporation will be, able to pay its liabilities as they become due;

(b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and

(c) no creditor will be prejudiced by the amalgamation.

DATED this 14th day of December, 2011

Ronald D. Schmeichel

EXECUTION COPY

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 28th day of October, 2011.

BETWEEN:

MIRA II ACQUISITION CORP., a body corporate incorporated under the laws of the Province of Ontario (hereinafter called "**Mira II**")

OF THE FIRST PART

- and -

ELEMENT FINANCIAL CORPORATION, a body corporate incorporated under the laws of the Province of Ontario (hereinafter called "**Element**")

OF THE SECOND PART

WHEREAS Element and Mira II are parties to a letter agreement dated October 4, 2011 (the "**Letter Agreement**") whereby the parties have agreed to complete a business combination;

AND WHEREAS Element and Mira II have agreed to structure the business combination contemplated in the Letter Agreement by way of amalgamation in accordance with the provisions of the *Business Corporations Act* (Ontario);

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter contained, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**. In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms shall have the meanings hereinafter set forth:

(a) "**Agency Agreement**" means the agency agreement dated effective as of October 28, 2011 between the Agents and Element with respect to the Element Private Placement.

(b) "**Agents**" means, collectively, GMP Securities L.P., Barclays Capital Canada Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and National Bank Financial Inc.

(c) "**Agreement**", "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions mean or refer to this agreement, together with the schedules hereto and any amendments hereto.

(d) "**Alter Moneta Acquisition**" means the acquisition, effective August 1, 2011, of substantially all of the assets and assumption of certain liabilities of AM Holdings, L.P.

(e) "**Amalco**" means the continuing corporation to be constituted upon completion of the Amalgamation, to be named Element Financial Corporation.

(f) "**Amalco Element Options**" means the stock options of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Element Options, with the same terms and conditions as the Element Options.

(g) "**Amalco Mira II Options**" means the stock options of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Mira II Options, with the same terms and conditions as the Mira II Options, except as adjusted accordingly to reflect the Consolidation.

(h) "**Amalco Registrar and Transfer Agent**" means Computershare Trust Company of Canada, and any other person which may be appointed as registrar and transfer agent of Amalco from time to time.

(i) "**Amalco Shares**" means the common shares in the capital of Amalco.

(j) "**Amalco Stock Option Plan**" means Element's share option plan enacted June 1, 2010, and amended and restated May 17, 2011.

(k) "**Amalco Warrants**" means the warrants of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Element Warrants, with the same terms and conditions as the Element Warrants.

(l) "**Amalgamation**" means the amalgamation of Element and Mira II pursuant to Section 174 of the OBCA provided for herein to form Amalco.

(m) "**Applicable Securities Laws**" means the securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time in the Provinces of Ontario, Alberta and British Columbia.

(n) "**Articles of Amalgamation**" means the Articles of Amalgamation with respect to the Amalgamation.

(o) "**Assessment**" has the meaning ascribed thereto in subsection 3.2(n).

(p) "**Assets and Properties**" with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person.

(q) "**associate**" and "**affiliate**" have the respective meanings ascribed thereto in the *Securities Act* (Ontario).

(r) "**Auditors**" means such firm of chartered accountants as a company may have appointed or may from time to time appoint as auditors of such company.

(s) "**BMONB Fee**" means $257,103, representing the fee payable by Element for investment advisory services provided by BMO Nesbitt Burns Inc. in respect of president's list purchasers pursuant to the Element Private Placement;

(t) "**Business Day**" means any day other than a Saturday or Sunday or a day when banks in the City of Toronto are not generally open for business.

(u) "**Certificate of Amalgamation**" means the certificate of amalgamation for the Amalgamation issued by the Director pursuant to Subsection 178(4) of the OBCA.

(v) "**Closing**" means the completion of the Amalgamation.

(w) "**Closing Date**" means the date of the Closing, which shall be within three (3) Business Days following the later of the satisfaction or waiver of all conditions precedent to the Amalgamation or such other date as Element and Mira II may collectively agree, acting reasonably, and in any event not later than December 30, 2011.

(x) "**Confidential Information**" means any information concerning a party to this Agreement (the "**Disclosing Party**") or its business, properties and assets made available to the other party or its representatives (the "**Receiving Party**"); provided that it does not include information which (i) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party, or (ii) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information.

(y) **"Consolidation"** means the consolidation (to seek to equalize the value of the shares of Mira II and Element) to be effective prior to the Amalgamation of Mira II Common Shares on the basis of one post-consolidation Mira II Common Share for every 32.3077 Mira II Common Shares existing immediately before the consolidation.

(z) "**Contract**" means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents and security documents.

(aa) "**Director**" means the Director appointed under the OBCA.

(bb) "**Effective Date**" means the effective date of the Amalgamation, which shall be the date of the Certificate of Amalgamation.

(cc) "**Element**" means Element Financial Corporation, a company incorporated under the OBCA with its registered office located in Toronto, Ontario.

(dd) "**Element Amalgamation Special Resolution**" means the special resolution of the shareholders of Element approving the Amalgamation.

(ee) "**Element Business**" means the business of equipment leasing and equipment financing and the provision of other financing products and services.

(ff) "**Element Common Shares**" means the common shares in the capital of Element.

(gg) "**Element Meeting**" means the special meeting of the shareholders of Element to approve the Amalgamation and certain other matters, which meeting is to be held on or before December 8, 2011.

(hh) "**Element Meeting Materials**" means the notice of meeting and, if applicable, the management information circular of Element, to be forwarded by Element to its shareholders in connection with the Element Meeting.

(ii) "**Element Options**" means the options to acquire 2,942,211 Element Common Shares.

(jj) "**Element Private Placement**" means the private placement by Element of Subscription Receipts for gross proceeds of $175,140,000.

(kk) "**Element Subsidiary**" means Element Financial (US) Corp.

(ll) "**Element Warrants**" means 562,500 warrants to acquire one Element Common Share per warrant with an exercise price of $4.00 and expiring on April 5, 2013.

(mm) "**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise pursuant to any applicable law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the laws applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario.

(nn) "**Environmental Laws**" means applicable laws currently in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, product safety, product liability or hazardous substances, including the *Environmental Protection Act* (Ontario) and the *Canadian Environmental Protection Act* (Canada).

(oo) "**Environmental Permits**" includes all orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under any Environmental Law.

(pp) "**Facilities**" shall have the meaning ascribed thereto in subsection 4.2(u).

(qq) "**GAAP**" means generally accepted accounting principles in Canada.

(rr) "**Governmental Authority**" means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

(ss) "**IFRS**" means International Financial Reporting Standards.

(tt) "**Indebtedness**" of any Person means all obligations of such Person:

(i) for borrowed money;

(ii) evidenced by notes, bonds, debentures or similar instruments;

(iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business);

(iv) under capital and operating leases;

(v) under "vendor take-back" financing or deferred payments in connection with any acquisition; and

(vi) which are guarantees of the obligations described in clauses (i) through (v) above of any other Person if secured by any or all of the Assets and Properties of the guarantor.

(uu) "**Intellectual Property**" means any registered or unregistered trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights.

(vv) "**Leased Assets**" shall have the meaning ascribed thereto in subsection 4.2(y).

(ww) "**Leased Premises**" shall have the meaning ascribed thereto in subsection 4.2(ff).

(xx) "**Leases**" shall have the meaning ascribed thereto in subsection 4.2(y).

(yy) "**Loan Assets**" shall have the meaning ascribed thereto in subsection 4.2(z).

(zz) "**Material Adverse Change**" or "**Material Adverse Effect**" with respect to Mira II or Element, as the case may be, means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of Mira II or Element, as the case may be, on a consolidated basis;

(aaa) "**Mira II**" means Mira II Acquisition Corp., a public company incorporated under the OBCA with its head office located in Toronto, Ontario.

(bbb) "**Mira II Amalgamation Special Resolution**" means the special resolution of the shareholders of Mira II approving the Amalgamation.

(ccc) "**Mira II Business**" means to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, to negotiate an acquisition subject to acceptance by the TSX Venture.

(ddd) "**Mira II Common Shares**" means the issued and outstanding common shares in the capital of Mira II.

(eee) "**Mira II Escrow Agreement**" means an escrow agreement dated as of March 18, 2011, among Mira II, Equity Financial Trust Company, the current directors and officers of Mira II and certain other securityholders of Mira II.

(fff) "**Mira II Information Circular**" means the notice of meeting and management information circular of Mira II to be forwarded by Mira II to its shareholders in connection with the Mira II Meeting.

(ggg) "**Mira II Meeting**" means the special meeting of the shareholders of Mira II to approve the Amalgamation, the Consolidation and certain other matters, which meeting is to be held on December 8, 2011, or such later date as may be agreed to by the parties hereto.

(hhh) "**Mira II Options**" means the management stock options and agents' options of Mira II currently outstanding to acquire collectively 1,500,000 Mira II Common Shares.

(iii) "**OBCA**" means the *Business Corporations Act* (Ontario), as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant thereto.

(jjj) "**Offering Price**" means the offering price of the Subscription Receipts in the Element Private Placement of $4.20 per Subscription Receipt.

(kkk) "**Permitted Encumbrances**" means (i) any validly perfected security interest given by Element in respect of any Indebtedness; (ii) any other security given by Element in connection with the operation of the Element Business; (iii) liens against Element or its assets for taxes, assessments or governmental charges or levies not due and delinquent; (iv) undetermined or inchoate liens and charges incidental to the current operations of Element which have not been filed pursuant to law or which relate to obligations not due or delinquent; and (v) those otherwise disclosed by Element to Mira II in writing prior to the date hereof.

(lll) "**Person**" shall be broadly interpreted and shall include any individual, corporation, partnership, joint venture, association, trust or other legal entity;

(mmm) "**PPSAs**" shall have the meaning ascribed thereto in subsection 4.2(z).

(nnn) "**Qualifying Transaction**" has the meaning ascribed thereto under the policies of the TSX Venture Corporate Finance Manual.

(ooo) "**Registrar and Transfer Agent**" means Equity Financial Trust Company, and any other person which may be appointed as registrar and transfer agent of Mira II, as applicable, from time to time.

(ppp) "**Required Consent**" means the consent of Sun Life required pursuant to the Sun Life Agreement.

(qqq) "**Schmeichel Voting Agreement**" means the agreement dated October 28, 2011 between Element and Ronald D. Schmeichel ("**Schmeichel**") pursuant to which Schmeichel warrants and agrees to vote all Mira II Common Shares owned by Schmeichel, or under his control or direction, in favour of the Consolidation, the Amalgamation and any such other matters as may become properly before the Mira II Meeting.

(rrr) "**Subscription Receipts**" means the subscription receipts offered in the Element Private Placement at the Offering Price; each Subscription Receipt will be exchangeable for one Element Common Share for no additional consideration immediately prior to the closing of the Amalgamation.

(sss) "**Sun Life Agreement**" means the Sun Life Master Purchase and Servicing Agreement dated November 30, 2010 between Element and Sun Life Assurance Company of Canada ("**Sun Life**").

(ttt) "**Taxes**" means all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto.

(uuu) "**Termination Date**" shall have the meaning attributed to such term in Section 7.2(a).

(vvv) "**TSX**" means the Toronto Stock Exchange.

(www) "**TSX Venture**" means the TSX Venture Exchange Inc.

(xxx) "**TSX Escrow Agreement**" means, to the extent applicable, the escrow agreement to be entered into among the Amalco Registrar and Transfer Agent, Amalco and certain shareholders of Amalco in compliance with the requirements of the TSX, with the securities subject to such agreement to be released in accordance with the prescribed policies of the TSX.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", and "hereunder" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any Agreement or instrument supplementary or ancillary hereto.

1.3 **Number, etc.** Words importing the singular number shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

1.4 **Date for Any Action**. In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 **Rounding**. In performing the various mathematical calculations required to be performed hereunder, all numbers shall be rounded to the nearest four (4) decimal places.

1.6 **Currency**. All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 **Knowledge**. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Mira II or Element, as applicable, it shall be deemed to refer to the actual knowledge after having made due inquiry of the officers of the particular company.

1.8 **Disclosure in Writing.** Disclosure by Element in writing to Mira II and disclosure by Mira II in writing to Element, or words of similar effect, means disclosure in the draft Mira II Information Circular submitted by Mira II to the TSX Venture Exchange on October 24, 2011.

1.9 **Meanings.** Words and phrases defined in the OBCA shall have the same meaning herein as in the OBCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires "include", "includes" and "including" shall be deemed to be followed by the words "without limitation".

1.10 **Schedules**. The following schedule is annexed to this Agreement and is hereby incorporated by reference into this Agreement and forms part hereof:

Schedule A - Share Provisions

ARTICLE 2
AMALGAMATION

2.1 **Amalgamation**. On or before the Closing Date, subject to the terms and conditions of this Agreement and receipt of necessary approvals, Element and Mira II shall take all steps required to complete the Amalgamation and, without limitation, use all reasonable efforts to obtain the approval of the Element Amalgamation Special Resolution and Mira II Amalgamation Special Resolution, the Required Consent (in the case of Element) and to apply for and obtain all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Amalgamation and the filing of the Articles of Amalgamation with the Director pursuant to Section 178(1) of the OBCA.

2.2 **Name.** The name of Amalco shall be Element Financial Corporation.

2.3 **Registered Office**. The registered office of Amalco shall be situated at 41 Lesmill Road, Toronto, Ontario, M3B 2T3.

2.4 **Authorized Capital**. Amalco shall be authorized to issue (i) an unlimited number of Amalco Shares without nominal or par value which shall have the rights, privileges, restrictions and conditions set forth in Schedule A to this Agreement; and (ii) an unlimited number of preferred shares, issuable in series, which shall have the rights, privileges, restrictions and conditions set forth in Schedule A to this Agreement.

2.5 **Restrictions on Share Transfer.** The transfer of shares of Amalco shall not be subject to any restrictions.

2.6 **Number of Directors**. The minimum number of directors of Amalco shall be three and the maximum number of directors of Amalco shall be fourteen.

2.7 **First Directors**. The number of first directors of Amalco shall be eleven. The first directors of Amalco shall be:

Name	**Address**
Paul Stoyan	41 Lesmill Road Toronto, Ontario M3B 2T3

Name	Address
Steven Small	41 Lesmill Road Toronto, Ontario M3B 2T3
James More	41 Lesmill Road Toronto, Ontario M3B 2T3
Les Martin	41 Lesmill Road Toronto, Ontario M3B 2T3
Stephens B. Lowden	41 Lesmill Road Toronto, Ontario M3B 2T3
Steven K. Hudson	41 Lesmill Road Toronto, Ontario M3B 2T3
Michael D. Harris	41 Lesmill Road Toronto, Ontario M3B 2T3
Fraser Clarke	41 Lesmill Road Toronto, Ontario M3B 2T3
Navin Chandavia	41 Lesmill Road Toronto, Ontario M3B 2T3
Bruce Smith	41 Lesmill Road Toronto, Ontario M3B 2T3
Pierre Lortie	41 Lesmill Road Toronto, Ontario M3B 2T3

The first directors shall hold office until the first annual meeting of the shareholders of Amalco, or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the OBCA, in the Articles of Amalgamation and in the by-laws of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the Board of Directors as it is constituted from time to time..

2.8 **Officers.** The officers of Amalco, until changed or added to by the Board of Directors of Amalco, shall be as follows:

Office	Name
Chief Executive Officer	Steven Hudson
Chief Financial Officer	Michel Béland
President and Chief Operating Officer	Bruce Smith

Senior Executive Vice President and Secretary	James More
Chief Credit Officer	J. Stephen Sands
Executive Vice President, Originations	Todd Hudson
Senior Vice President, Québec	Michel Gratton

2.9 **First Auditors**. The first Auditors of Amalco shall be Ernst & Young LLP, Chartered Accountants. The first Auditors of Amalco shall hold office until the first annual meeting of shareholders of Amalco following the Amalgamation, or until their successor is appointed.

2.10 **Fiscal Year**. The fiscal year end of Amalco shall be December 31.

2.11 **Restrictions on Business**. There shall be no restrictions on the business that Amalco may carry on.

2.12 **By-laws**. The by-laws of Amalco shall be the current by laws of Element.

2.13 **Effect of Certificate of Amalgamation.** On the Effective Date:

(a) the Amalgamation of Element and Mira II and their continuance as one corporation shall become effective;

(b) the property of each of Element and Mira II shall continue to be the property of Amalco;

(c) Amalco shall continue to be liable for the obligations of each of Element and Mira II;

(d) any existing cause of action, claim or liability to prosecution of either Element or Mira II shall be unaffected;

(e) any civil, criminal or administrative action or proceeding pending by or against either Element or Mira II may be continued to be prosecuted by or against Amalco;

(f) a conviction against, or ruling, order or judgment in favour of or against, either Element or Mira II may be enforced by or against Amalco; and

(g) the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.

2.14 **Manner of Conversion of Issued Securities**. On the Effective Date,

(a) each outstanding Mira II Common Share (on a post-Consolidation basis) (except for Mira II Common Shares held by holders that have validly exercised their dissent rights in connection with the Mira II Amalgamation Special Resolution) shall be exchanged for one fully paid and non-assessable Amalco Share;

(b) each outstanding Element Common Share (except for Element Common Shares held by holders that have validly exercised their dissent rights in connection with the Element

Amalgamation Special Resolution) shall be exchanged for one fully paid and non-assessable Amalco Share;

(c) subject to receipt of all required regulatory approvals, each outstanding Element Option shall be exchanged for an Amalco Element Option to purchase the corresponding number of Amalco Shares on the same terms as those contained in the Element Option immediately prior to the Amalgamation. The exercise price for each Amalco Share underlying an Amalco Element Option will be equal to the exercise price per Element Common Share under the Element Option in effect immediately prior to the Amalgamation;

(d) subject to receipt of all required regulatory approvals, each outstanding Element Warrant shall be exchanged for an Amalco Warrant to purchase the corresponding number of Amalco Shares on the same terms as those contained in the Element Warrant immediately prior to the Amalgamation. The exercise price for each Amalco Share underlying an Amalco Warrant will be equal to the exercise price per Element Common Share under the Element Warrant in effect immediately prior to the Amalgamation;

(e) subject to receipt of all required regulatory approvals, each outstanding Mira II Option (on a post-Consolidation basis) shall be exchanged for an Amalco Mira II Option to purchase the corresponding number of Amalco Shares on the same terms as those contained in the Mira II Option immediately prior to the Amalgamation. The exercise price for each Amalco Share underlying an Amalco Mira II Option will be equal to the exercise price per Mira II Common Share (on a post-Consolidation basis) under the Mira II Option in effect immediately prior to the Amalgamation; and

(f) the aggregate stated capital of Amalco shall be an amount equal to the aggregate paid up capital for purposes of the *Income Tax Act* (Canada) of Mira II and Element immediately prior to such time.

Mira II Shares and Element Common Shares held by holders who have validly exercised their dissent rights in connection with the applicable shareholder resolutions to approve the Amalgamation in accordance with the OBCA will not be exchanged pursuant to this Section 2.14. However, if any such dissenting holder fails to perfect or effectively withdraws its claim pursuant to the OBCA or forfeits its right to make a claim under the OBCA or if its rights as a shareholder of Mira II or Element, respectively, are otherwise reinstated, such holders of Mira II Common Shares or Element Common Shares, respectively, shall thereupon be deemed to have been exchanged as of the Amalgamation in accordance with this Section.

2.15 **Restrictions on Securities.** Element acknowledges and agrees that the Amalco Shares to be issued to the shareholders of Element pursuant to Section 2.14 hereof will be subject to compliance with the escrow requirements of the TSX, including the TSX Escrow Agreement, if applicable.

2.16 **Certificates**. On the Effective Date:

(a) the registered holders of Mira II Common Shares shall cease to be holders of such shares and shall be deemed to be registered holders of Amalco Shares to which they are entitled in accordance with Section 2.14 hereof, all certificates evidencing Mira II Common Shares shall be null and void, and on or after the Effective Date, subject to the provisions of the Mira II Escrow Agreement, Amalco shall provide instructions to the Amalco

Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Amalco Shares to which they are so entitled;

(b) the registered holders of Element Common Shares shall cease to be holders of Element Common Shares, and shall be deemed to be registered holders of Amalco Shares to which they are entitled in accordance with Section 2.14 hereof, all certificates evidencing Element Common Shares shall be null and void, and on or after the Effective Date, subject to the provisions of the TSX Escrow Agreement, if applicable, Amalco shall provide instructions to the Amalco Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Amalco Shares to which they are so entitled; and

(c) the registered holders of the Mira II Options, Element Options and Element Warrants shall be deemed to be the registered holders of Amalco Mira II Options, Amalco Element Options or Amalco Warrants, respectively, to which they are entitled in accordance with Section 2.14 hereof, all certificates and/or agreements evidencing such securities shall, in accordance with their terms, evidence such securities of Amalco, all Amalco Element Options exchanged for Element Options issued pursuant to Element's share option plan (as amended) shall be subject to the terms of the Amalco Stock Option Plan and Amalco shall deliver notice to the holders of such options and warrants of the foregoing or amended certificates or agreements evidencing such securities of Amalco as required.

2.17 **Fractional Securities.** No fractional securities of Amalco will be issued. In the event that a securityholder of Mira II or Element would otherwise be entitled to a fractional security, the number of securities of Amalco issued to such securityholder shall be rounded up to the next greater whole number of such security, if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of such security if the fractional entitlement is less than 0.5. In calculating such fractional interests, all securities of Amalco, as the case may be, registered in the name of or beneficially held by an Amalco securityholder or their nominee shall be aggregated.

2.18 **Stock Option Plan.** The stock option plan of Amalco shall be the Amalco Stock Option Plan.

ARTICLE 3
COVENANTS

3.1 **Covenants of Mira II.** Mira II covenants and agrees with Element from the date of execution hereof to and including the Effective Date:

(a) not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Amalgamation, and without limiting the generality of the foregoing, not to induce or attempt to induce any other Person to initiate any shareholder proposal or "take-over bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for securities of Mira II, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation, including allowing access to any third party (and its representatives) to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations In the event Mira II or any of its affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, Mira II shall forthwith (in any event within one Business Day following receipt) notify Element of such offer or inquiry and provide Element with such details as it may request;

(b) to cooperate fully with Element and to use all reasonable commercial efforts to assist Element in its efforts to complete the Amalgamation, unless such cooperation and efforts would subject Mira II to cost or liability or to be in breach of applicable statutory and regulatory requirements;

(c) to operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice;

(d) not to, without Element's prior written consent:

(i) issue any debt, equity or other securities, except in connection with any outstanding options, warrants or other rights or pursuant to the Consolidation or the Amalgamation;

(ii) borrow money or incur any indebtedness for money borrowed;

(iii) make loans, advances, or any other payments, except for payments of cash in respect of Mira II's operating expenses and professional fees incurred in the ordinary course of business, including for greater certainty such expenses and fees in connection with the transactions contemplated hereby (with regular notice to Element of any such professional fee payments made after the date hereof), and routine reimbursement expenses incurred in the ordinary course by directors and officers of Mira II;

(iv) make any capital expenditures;

(v) declare or pay any dividends or distribute any of Mira II's properties or assets to shareholders;

(vi) alter or amend Mira II's articles or by-laws in any manner which may adversely affect the success of the Amalgamation, except as required to give effect to the matters contemplated herein;

(vii) except as otherwise permitted or contemplated herein, enter into any transaction or material Contract which is not in the ordinary course of business or engage in any business enterprise or activity materially different from that carried on by Mira II as of the date hereof;

(viii) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;

(ix) redeem, purchase or offer to purchase any Mira II Common Shares or its other securities;

(x) acquire, directly or indirectly, any assets, including but not limited to securities of other companies; or

(xi) except as otherwise permitted or contemplated herein, approve, authorize or implement any change to the business, financial condition or management of Mira II.

3.2 **Further Covenants of Mira II**. Mira II covenants and agrees with Element that Mira II will:

(a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) mail to its shareholders the Mira II Information Circular and other documentation required in connection with the Mira II Meeting in accordance with its constating documents and applicable laws as soon as reasonably practicable;

(c) use its commercially reasonable efforts to solicit proxies in favour of the approval of the matters to be considered at the Mira II Meeting;

(d) on December 8, 2011 (or such later date as may be agreed to by Element), convene the Mira II Meeting for the purpose of approving the matters to be considered at the Mira II Meeting;

(e) subject to applicable law (including in the event quorum is not satisfied) not, without the prior written consent of Element, adjourn, postpone or delay the Mira II Meeting and, if requested by Element in writing, adjourn, postpone or delay the Mira II Meeting, such adjournment, postponement or delay not to exceed 10 Business Days from the scheduled date of the Mira II Meeting;

(f) prior to the Closing Date, effect the Consolidation, subject to obtaining the requisite shareholder approval and the prior written consent of Element;

(g) except for proxies and other non-substantive communications, furnish promptly to Element a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Amalgamation; (ii) the Consolidation; (iii) any filings under Applicable Securities Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(h) advise Element as Element may reasonably request as to the tally of the proxies received by Mira II in respect of the matters to be considered at the Mira II Meeting;

(i) promptly advise Element of any written notice of dissent or purported exercise by any Mira II shareholder of dissent rights under the OBCA received by Mira II in relation to the Amalgamation and any withdrawal of dissent rights received by Mira II and, subject to applicable law, any written communications sent by or on behalf of Mira II to any Mira II shareholder exercising or purporting to exercise dissent rights in relation to the Amalgamation;

(j) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;

(k) use all commercially reasonable efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(l) immediately notify Element of any legal or governmental actions, suits, judgments, investigations, injunction, complaint, action, suit, motion, judgement, regulatory investigation, regulatory proceeding or similar proceeding by any Person, Governmental Authority or other regulatory body, whether actual or threatened, with respect to the Amalgamation or which could otherwise delay or impede the transactions contemplated hereby;

(m) notify Element immediately upon becoming aware that any of the representations and warranties of Mira II contained herein are no longer true and correct in any material respect;

(n) immediately upon receipt of any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to taxes, interest, penalties, losses or tax pools (an "**Assessment**"), deliver to Element a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;

(o) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Section 5.1 hereof to be complied with; and

(p) subject to the satisfaction of the conditions in Section 5.2 hereof, thereafter together with Element file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date.

3.3 **Covenants of Element**. Element on its own behalf and on behalf of the Element Subsidiary, covenants and agrees with Mira II from the date of execution hereof to and including the Effective Date:

(a) not to, directly or indirectly, solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Amalgamation, and without limiting the generality of the foregoing, not to induce or attempt to induce any other Person to initiate any shareholder proposal or "take-over bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario) for securities or assets of Element or the Element Subsidiary, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation, including allowing access to any third party (and its representatives) to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations. In the event Element or any of its affiliates, including any of their officers or directors, receives any form of offer or inquiry in respect of any of the foregoing, Element shall forthwith (in any event within one Business Day following receipt) notify Mira II of such offer or inquiry and provide Mira II with such details as it may request;

(b) to cooperate fully with Mira II and to use all reasonable commercial efforts to assist Mira II in its efforts to complete the Amalgamation, unless such cooperation and efforts would subject Element to cost or liability or to be in breach of applicable statutory and regulatory requirements;

(c) to operate its business in a prudent and business-like manner in the ordinary course and in a manner consistent with past practice;

(d) that Element shall not, without Mira II's prior written consent:

(i) issue any debt, equity or other securities, except in connection with the Element Private Placement, the issuance of debt in the ordinary course of business, the issuance of options to acquire common shares to employees, new employees, directors or consultants pursuant to Element's share option plan, or the issuance of common shares pursuant to any securities exercisable to acquire common shares of Element (including the Element Options and Element Warrants) outstanding as of the date hereof or the issuance of securities in connection with the purchase of a business or assets, or as part of a joint venture arrangement, as contemplated by Element's business plan;

(ii) borrow money or incur any indebtedness for money borrowed, except in the ordinary course of business;

(iii) make loans, advances, or any other payments, except in the ordinary course of business, excluding salaries at current rates and routine advances to employees of Element for expenses incurred in the ordinary course;

(iv) declare or pay any dividends or distribute any of Element's properties or assets to shareholders or otherwise dispose of any of Element's properties or assets other than in the ordinary course;

(v) alter or amend Element's articles or by-laws in any manner which may adversely affect the success of the Amalgamation, except as required to give effect to the matters contemplated herein; and

(vi) except as otherwise permitted or contemplated herein, enter into any transaction or material Contract which is not in the ordinary course of business or engage in any business enterprise or activity materially different from that carried on by Element as of the date hereof.

3.4 **Further Covenants of Element**. Element covenants and agrees with Mira II that it will:

(a) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement, to provide all notices required in connection with the Amalgamation and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) mail to its shareholders the Element Meeting Materials and other documentation required in connection with the Element Meeting and in accordance with its constating documents and applicable laws as soon as reasonably practicable;

(c) on or prior to December 8, 2011, convene the Element Meeting for the purpose of approving the matters to be considered at the Element Meeting;

(d) use its commercially reasonable efforts to solicit proxies in favour of the approval of the matters to be considered at the Element Meeting;

(e) subject to applicable law (including in the event quorum is not satisfied), not, without the prior written consent of Mira II, adjourn, postpone or delay the Element Meeting, such adjournment, postponement or delay not to exceed 10 Business Days from the scheduled date of the Element Meeting;

(f) advise Mira II as Mira II may reasonably request as to the tally of the proxies received by Element in respect of the matters to be considered at the Element Meeting;

(g) promptly advise Mira II of any written notice of dissent or purported exercise by any Element shareholder of dissent rights under the OBCA received by Element in relation to the Amalgamation and any withdrawal of dissent rights received by Element and, subject to applicable law, any written communications sent by or on behalf of Element to any Element shareholder exercising or purporting to exercise dissent rights in relation to the Amalgamation;

(h) except for proxies and other non-substantive communications, furnish promptly to Mira II a copy of each notice, report, schedule or other document delivered, filed or received by Element in connection with: (i) the Amalgamation; (ii) any filings under Applicable Securities Laws; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(i) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of Element in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;

(j) use all commercially reasonable efforts to conduct its affairs so that Element's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(k) immediately notify Mira II of any legal or governmental actions, suits, judgments, investigations, injunction, complaint, action, suit, motion, judgement, regulatory investigation, regulatory proceeding or similar proceeding by any Person, Governmental Authority or other regulatory body, whether actual or threatened, with respect to the Amalgamation or which could otherwise delay or impede the transactions contemplated hereby;

(l) notify Mira II immediately upon becoming aware that any of the representations and warranties of Element contained herein are no longer true and correct in any material respect;

(m) immediately upon receipt of any Assessment, deliver to Mira II a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;

(n) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Section 5.2 hereof to be complied with; and

(o) subject to the satisfaction of the conditions precedent in Section 5.1 hereof, thereafter together with Mira II file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date.

3.5 **The Mira II Information Circular and Element Meeting Materials**

(a) Promptly after the execution of this Agreement, Element and Mira II jointly shall prepare and complete the Mira II Information Circular together with any other documents required by the OBCA, Applicable Securities Laws and other applicable laws and the rules and policies of the TSX and TSX Venture in connection with the Mira II Meeting and the Amalgamation, and Mira II shall, as promptly as reasonably practicable after obtaining the approval of the TSX Venture and TSX, as applicable, cause the Mira II Information Circular and other documentation required in connection with the Mira II Meeting to be filed and to be sent to each shareholder of Mira II and other Persons as required by its constating documents and Applicable Securities Laws, in each case so as to permit the Mira II Meeting to be held on or before December 8, 2011.

(b) Mira II shall ensure that the Mira II Information Circular complies in all material respects with all applicable laws (including Applicable Securities Laws), and, without limiting the generality of the foregoing, that the Mira II Information Circular shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that Mira II shall not be responsible for the accuracy of any information relating solely to Element that is furnished in writing by Element) and shall provide the shareholders of Mira II with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Mira II Meeting. The Mira II Information Circular shall include the unanimous recommendation of the Board of Directors of Mira II that the shareholders of Mira II vote in favour of the resolutions approving the Consolidation and the Amalgamation and any other matters required to approve the transactions contemplated hereby.

(c) Element shall ensure that the Element Meeting Materials comply in all material respects with all applicable laws. The Element Meeting Materials shall include the unanimous recommendation of the Board of Directors of Element that the shareholders of Element vote in favour of the Element Amalgamation Special Resolution and any other matters required to approve the transactions contemplated hereby.

(d) Element, Mira II and their respective legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Mira II Information Circular, Element Meeting Materials and other documents related thereto, and reasonable consideration shall be given to any comments made by Element, Mira II and their respective counsel, provided that all information relating solely to Mira II included in the Mira II Information Circular or Element Meeting Materials, as the case may be, shall be in form and content satisfactory to Mira II, acting reasonably, and all information relating solely to Element included in the Mira II Information Circular or Element Meeting Materials, as the case may be, shall be in form and content satisfactory to Element, acting reasonably.

(e) Element shall furnish to Mira II all such information concerning Element, as may be reasonably required by Mira II in the preparation of the Mira II Information Circular and other documents related thereto, and Element shall ensure that no such information provided by Element specifically for inclusion in the Mira II Information Circular shall contain any untrue statement of a material fact or omit to state a material fact required to be stated in the Mira II Information Circular in order to make any information so furnished by Element not misleading in light of the circumstances in which it is disclosed.

(f) Element shall indemnify and save harmless Mira II and its directors, officers, employees, agents, advisors and representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Mira II or its respective directors, officers, employees, agents, advisors or representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Mira II Information Circular that is provided by Element in writing for inclusion in the Mira II Information Circular; and

(ii) any order made, or any inquiry, investigation or proceeding by any securities regulatory authority or other governmental authority, to the extent based on any misrepresentation or any alleged misrepresentation in any information related solely to Element and provided by Element in writing for inclusion in the Mira II Information Circular.

(g) Mira II shall indemnify and save harmless Element, its subsidiaries and their respective directors, officers, employees, agents, advisors and representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Element or its respective directors, officers, employees, agents, advisors or representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Mira II Information Circular that is provided by Mira II in writing for inclusion in the Mira II Information Circular; and

(ii) any order made, or any inquiry, investigation or proceeding by any securities regulatory authority or other governmental authority, to the extent based on any misrepresentation or any alleged misrepresentation in any information related solely to Mira II and provided by Mira II in writing for inclusion in the Mira II Information Circular.

(h) Mira II and Element shall promptly notify each other if at any time before the date of the Mira II Shareholder Meeting, in respect of the Mira II Information Circular, or before the date of the Element Meeting, in respect of the Element Meeting Materials, either party becomes aware that the Mira II Information Circular or Element Meeting Materials, as the case may be, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Mira II Information Circular or Element Meeting Materials, as the case may be, and the Parties shall cooperate in the preparation of any amendment or supplement to the Mira II Information Circular or Element Meeting Materials, as the case may be, as required or appropriate. Mira II shall, subject to compliance by Element with this Section 3.5, and, if required by the TSX Venture or TSX or applicable laws, promptly mail or otherwise publicly disseminate any amendment or supplement to the Mira II Information Circular to the shareholders of Mira II and file the same with the applicable securities regulatory authorities and as otherwise required. Element shall, subject to compliance by Mira II with this Section 3.5 and applicable laws, promptly mail or otherwise disseminate any amendment or supplement to the Element Meeting Materials to the shareholders of Element.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Mira II**. Mira II represents and warrants to and in favour of Element as follows, and acknowledges that Element is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) Mira II is a corporation incorporated and validly existing under the laws of the Province of Ontario and has all requisite corporate power and corporate authority and is duly qualified and holds all material permits, licences, registrations, permits, qualifications, consents and authorizations necessary or required to carry on the Mira II Business as now conducted and to own, lease or operate its Assets and Properties and neither Mira II nor, to the knowledge of Mira II, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing Mira II's dissolution or winding up, and Mira II has all requisite corporate power and corporate authority to enter into this Agreement.

(b) The authorized capital of Mira II consists of an unlimited number of Mira II Common Shares, of which 12,500,000 Mira II Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Mira II.

(c) Mira II has no subsidiaries.

(d) Mira II is a "reporting issuer" as that term is defined under Applicable Securities Laws in each of the provinces of Ontario, Alberta and British Columbia and is not in default of the requirements of the Applicable Securities Laws in such jurisdictions in all material respects.

(e) Mira II is in compliance in all material respects with all of the policies and rules of TSX Venture.

(f) Mira II has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Laws or otherwise, with the applicable securities commissions (the "**Disclosure Documents**") and Mira II does not have any confidential filings with any securities authorities. As of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval)(or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of the Applicable Securities Laws in the jurisdictions they were filed; and (ii) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) Mira II has been conducting the Mira II Business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on the Mira II Business and has not received a notice of material non-compliance, and, to the knowledge of Mira II, there are no facts that would give rise to a notice of material non-compliance with any such laws and regulations.

(h) No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to Mira II in connection with the execution and delivery of this Agreement by Mira II, the performance of its obligations hereunder or the consummation by Mira II of the transactions contemplated hereby other than: (i) the approval of the Amalgamation as Mira II's Qualifying Transaction by the TSX Venture; (ii) the approval of the Amalgamation and the Consolidation by the shareholders of Mira II and the approval of the Amalgamation by the Director under the OBCA; (iii) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (iv) filing of articles of amendment to reflect the Consolidation; (v) any filings with the Director; and (vi) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Mira II or prevent or materially impair Mira II's ability to perform its obligations hereunder.

(i) Each of the execution and delivery of this Agreement, the performance by Mira II of its obligations hereunder, the issue of the Amalco Shares and the consummation of the transactions contemplated in this Agreement, including the Consolidation and the Amalgamation, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to Mira II including

Applicable Securities Laws; (ii) the constating documents, by-laws or resolutions of Mira II which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which Mira II is a party or by which it is bound; or (iv) any judgment, decree or order binding Mira II or its Assets or Properties.

(j) This Agreement has been duly authorized and executed by Mira II and constitutes a valid and binding obligation of Mira II and shall be enforceable against Mira II in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law.

(k) Other than this Agreement, Mira II is not currently party to any agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Mira II whether by asset sale, transfer of shares or otherwise; or (ii) the change of control of Mira II (whether by sale or transfer of shares or sale of all or substantially all of the Assets and Properties of Mira II or otherwise).

(l) The financial statements of Mira II consisting of (i) the interim financial statements of Mira II for the period of the date of incorporation of February 4, 2011 to March 31, 2011; (ii) the interim financial statements for the three month period ended June 30, 2011; (iii) the interim financial statements for the three month period ended September 30, 2011; and (iv) the audited balance sheet of Mira II as of June 30, 2011 have, in each case, been prepared in accordance with GAAP consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by GAAP) of Mira II as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions for all reasonably anticipated liabilities, expenses and losses of Mira II in accordance with GAAP and there has been no change in accounting policies or practices of Mira II since June 30, 2011.

(m) Mira II is a taxable Canadian corporation and all Taxes due and payable or required to be collected or withheld and remitted, by Mira II have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. Except to the extent that failure to do so would not have a Material Adverse Effect, all tax returns, declarations, remittances and filings required to be filed by Mira II have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Mira II, no examination of any tax return of Mira II is currently in progress by any Governmental Authority and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by Mira II. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Mira II.

(n) Mira II has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of Mira II that are material, and there are no audits pending of the tax returns of Mira II (whether federal, state, provincial, local or foreign) and there are no claims which have been asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect.

(o) Mira II maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets.

(p) Mira II's Auditors are independent public accountants.

(q) No holder of outstanding shares in the capital of Mira II is entitled to any pre-emptive or any similar rights to subscribe for any Mira II Common Shares or other securities of Mira II and, other than pursuant to the Mira II Options, there are no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of Mira II.

(r) No third party has any ownership right, title, interest in, claim in, lien against or any other right to the Assets and Properties purported to be owned by Mira II.

(s) No legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Mira II, or to the knowledge of Mira II, the directors, officers or employees of Mira II are a party or to which Mira II's Assets and Properties is subject that would result in a Material Adverse Effect and, to the knowledge of Mira II, no such proceedings have been threatened against or are pending with respect to Mira II, or with respect to its Assets and Properties and Mira II is not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(t) Mira II is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any Contract to which it is a party or by which it or its property may be bound.

(u) Mira II's initial public offering of common shares, completed on June 6, 2011 pursuant to a prospectus dated March 18, 2011, was completed in accordance with Applicable Securities Laws and the rules and policies of the TSX Venture.

(v) Mira II is not party to any material Contract, written or oral, other than:

(i) this Agreement;

(ii) a registrar and transfer agency agreement dated as of March 18, 2011 between Mira II and Equity Financial Trust Company;

(iii) an agency agreement dated as of March 18, 2011 between Mira II and Macquarie Private Wealth Inc. in connection with the initial public offering of Mira II;

(iv) the Mira II Escrow Agreement; and

(v) agreements evidencing the Mira II Options.

(w) All Contracts specified in Section 4.1(v) (the "**Mira Contracts**") are in good standing in all material respects and in full force and effect.

(x) Neither Mira II nor, to the knowledge of Mira II, any other party thereto is in material default or breach of any Mira Contract and, except to the extent disclosed to Element in writing, to the knowledge of Mira II, there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a material default or breach under any Mira Contract which would give rise to a right of termination on the part of any other party to a Mira Contract.

(y) Except for the trading halt imposed by TSX Venture on October 4, 2011 following disclosure by Mira of the Letter Agreement, no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of Mira II (including the Mira II Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Mira II, are pending, contemplated or threatened by any regulatory authority.

(z) Mira II is not party to any agreement, nor, to the knowledge of Mira II, is there any shareholders agreement or other Contract which in any manner affects the voting control of any of the securities of Mira II.

(aa) There is no agreement, plan or practice of Mira II relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business or in respect of professional service fees.

(bb) Mira II has no, and since incorporation has not had any, employees. Mira II is not a party to or bound by any collective agreement and is not currently conducting negotiations with any labour union or employee association. There are no employment Contracts, agreements or engagements, either oral or written, with any director, officer or employees of Mira II.

(cc) Except the Mira II Options and as otherwise disclosed by Mira II to Element in writing, Mira II does not have any plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by Mira II for the benefit of any current or former director, officer, employee or consultant of Mira II, each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations.

(dd) Except as disclosed by Mira II to Element in writing, none of the directors or officers of Mira II or any associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Mira II that materially affects, is material to or will materially affect Mira II. Mira II is not indebted to: (i) any director, officer or shareholder of Mira II; (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in this subsection 4.1(dd). None of those Persons referred to in subsection 4.1(dd) is indebted to Mira II. Except as disclosed by Mira II to Element in writing, Mira II is not currently a party to any material Contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Mira II.

(ee) Mira II has no insurance policies in place.

(ff) The minute books and records of Mira II made available to counsel for Element in connection with the due diligence investigation of Mira II for the period from the date of incorporation to the date hereof are all of the minute books of Mira II and contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of Mira II to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of Mira II to the date hereof not reflected in such minute books.

(gg) There is no Person acting at the request or on behalf of Mira II that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

4.2 **Representations and Warranties of Element.** Element represents and warrants to and in favour of Mira II as follows, and acknowledges that Mira II is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

(a) Each of Element and Element Subsidiary is a corporation incorporated and validly existing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and corporate authority and is duly qualified and holds all material permits, licences, registrations, permits, qualifications, consents and authorizations necessary or required to carry on the Element Business as now conducted and to own, lease or operate its Assets and Properties and neither Element nor, to the knowledge of Element, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing Element's dissolution or winding up, and Element has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations hereunder.

(b) Other than Element Financial (US) Corp., Element has no direct or indirect subsidiaries nor any investment in any Person or any agreement, option or commitment to acquire any such investment which, accounts for or which, for the financial period ended June 30, 2011 accounted for or which, for the financial year ending December 31, 2011, is expected to account for, more than five percent of the assets or revenues of Element or would otherwise be material to the Element Business. All of the issued and outstanding securities of Element Subsidiary are held by Element.

(c) Element has been conducting its Element Business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on the Element Business and has not received a notice of material non-compliance, and, to the knowledge of Element, there are no facts that would give rise to a notice of material non-compliance with any such laws and regulations.

(d) Other than the occurrence of all release conditions for the release of the net proceeds of the Subscription Receipts pursuant to the Element Private Placement that have been disclosed in writing by Element to Mira II, no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to Element or Element Subsidiary in connection with the execution and delivery of this Agreement by Element, the performance of its obligations hereunder or the consummation by Element of the transactions contemplated hereby other than: (i) the approval of the Amalgamation by the shareholders of Element and the approval of the Amalgamation by the Director under the OBCA; (ii) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (iii) any filings with the Director; (iv) any other consents, notice, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Element or prevent or materially impair Element's ability to perform its obligations hereunder; and (v) the Required Consent.

(e) Each of the execution and delivery of this Agreement, the performance by Element of its obligations hereunder, the issue of the Amalco Shares and the consummation of the transactions contemplated in this Agreement, including the Amalgamation and the issuance of the Amalco Shares upon the Amalgamation Closing, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to Element, Element Subsidiary or Amalco, as applicable, including the Applicable Securities Laws; (ii) the constating documents, by-laws or resolutions of Element which are in effect at the date hereof; (iii) other than the Required Consent, any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which Element is a party or by which it is bound; or (iv) any judgment, decree or order binding Element or its Assets and Properties.

(f) This Agreement has been duly authorized and executed by Element and constitutes a valid and binding obligation of Element and shall be enforceable against Element in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law.

(g) Other than this Agreement and except as disclosed by Element in writing to Mira II, Element is not currently party to any agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material Assets and Properties or any interest therein currently owned, directly or indirectly, by Element whether by asset sale, transfer of shares or otherwise; or (ii) the change of control of Element (whether by sale or transfer of shares or sale of all or substantially all of the Assets and Properties of Element or otherwise).

(h) The audited consolidated financial statements of Element as at and for the financial period ended March 31, 2011 and the interim financial statements for the period ended June 30, 2011 have been prepared in accordance with GAAP consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by GAAP) of Element as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of Element in accordance with GAAP and, other than a change in the financial year-end to December 31, there has been no change in accounting policies or practices of Element since March 31, 2011, other than a change to IFRS effective April 1, 2011.

(i) Element is a taxable Canadian corporation and all Taxes due and payable or required to be collected or withheld and remitted, by Element and its subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. Except to the extent that failure to do so would not have a Material Adverse Effect, all tax returns, declarations, remittances and filings required to be filed by Element and its subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of Element, no examination of any tax return of Element or its subsidiaries is currently in progress by any Governmental Authority and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by Element or its subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to Element and its subsidiaries.

(j) Element has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of Element and its subsidiaries that are material, and there are no audits pending of the tax returns of Element or its subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect.

(k) Element maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP or IFRS and to maintain accountability for assets.

(l) Element's Auditors who audited the audited consolidated financial statements of Element for the financial period ended March 31, 2011 are independent public accountants.

(m) No holder of outstanding shares in the capital of Element is entitled to any pre-emptive or any similar rights to subscribe for any Element Common Shares or other securities of Element and, other than options to acquire 2,942,211 Element Common Shares, the outstanding rights and broker warrants issued pursuant to Element's April 5, 2011 private placement (which include the Element Warrants) and the Subscription Receipts, no rights to acquire, or instruments convertible into or exchangeable for, any securities in the capital of Element or Element Subsidiary are outstanding.

(n) No legal or governmental actions, suits, judgments, investigations or proceedings are pending to which Element or its subsidiaries, or to the knowledge of Element, the directors, officers or employees of Element or its subsidiaries are a party or to which Assets and Properties of Element or its subsidiaries is subject that would result in a Material Adverse Effect and, to the knowledge of Element, no such proceedings have been threatened against or are pending with respect to Element or its subsidiaries, or with respect to their Assets and Properties and neither Element nor its subsidiaries is subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(o) Element is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any Contract to which it is a party or by which it or its property may be bound.

(p) Except as disclosed in writing to Mira II by Element, Each of Element and its subsidiaries owns or has the right to use all Assets and Properties owned or used in the Element Business, including: (i) all Contracts that are material to its Element Business; and (ii) all Assets and Properties necessary to enable Element to carry on its Element Business as now conducted and as presently proposed to be conducted.

(q) Except for the Permitted Encumbrances and as disclosed in writing to Mira II by Element, no third party has any ownership right, title, interest in, claim in, lien against or any other right to the Assets and Properties purported to be owned by Element.

(r) All material Contracts are in good standing in all material respects and in full force and effect.

(s) Neither Element nor, to the knowledge of Element, any other party thereto is in material default or breach of any material Contract and, except to the extent disclosed to Mira II in writing, to the knowledge of Element, there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a material default or breach under any material Contract which would give rise to a right of termination on the part of any other party to a material Contract.

(t) Element owns or has the right to use all of the material Intellectual Property owned or used by the Element Business as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of Element in the Intellectual Property have been made and are in good standing, except for such registrations or filings which would not have a Material Adverse Effect. Element has no pending action or proceeding, nor any threatened action or proceeding, against any Person with respect to the use of the Intellectual Property, and there are no circumstances which cast doubt on the validity or enforceability of the Intellectual Property owned or used by Element, except for circumstances which would not have a Material Adverse Effect. The conduct of the Element Business does not, to the knowledge of Element, infringe upon the intellectual property rights of any other Person. Element has no pending action or proceeding, nor, to the knowledge of Element, is there any threatened action or proceeding against it with respect to Element's use of the Intellectual Property.

(u) Each of the leases and loan facilities (collectively, the "**Facilities**") pursuant to which Element is a party is in full force and effect and is a legal, valid and binding obligation of the parties thereto. As to payment of the regularly scheduled payments under each of the Facilities as may arise in the ordinary course of business subsequent to the date hereof, to the knowledge of Element, there exists no material event of default and no material event which would with the giving of notice or lapse of time or both constitute a material event of default under any of the material Facilities and Element has not given any consents, approvals or waivers under or in respect of any of the material Facilities.

(v) All material covenants and obligations of any kind whatsoever on Element's part and all material obligations on the part of the obligor's thereunder to be performed under any of the material Facilities to the date hereof have been duly performed or fulfilled in all material respects.

(w) Element has made available to Mira II copies of its current standard forms of documentation used in respect of the Facilities. All of the documentation entered into by Element with its obligors utilize Element's standard forms as they were constituted on the dates such Facilities were entered into and no others, except for deviations to such standard forms which are not material.

(x) Each of the Facilities arises from a bona fide lease or loan entered into in the ordinary course of the Element Business (other than those Facilities acquired pursuant to the Alter Moneta Acquisition) and, to the knowledge of Element, none of the obligors in respect of the Facilities has been released by Element, in whole or in part, from its liability thereunder.

(y) Subject to Element's existing securitization Contracts, Element has enforceable contractual rights to receive the regularly scheduled payments under the Facilities and, subject to the provisions of the Facilities which are structured as leases (the "**Leases**"), the assets leased pursuant to such Leases (the "**Leased Assets**"), free and clear of Encumbrances other than Permitted Encumbrances.

(z) Subject to Element's existing securitization Contracts, the Leases and other security documentation entered into in connection with the Facilities create valid security interests in favour of Element in the Leased Assets and in all assets secured under the Facilities structured as loan facilities (the "**Loan Assets**") pursuant to the personal property security acts and analogous legislation of the applicable provinces in Canada (the "**PPSAs**") in which the Leased Assets and the Loan Assets are located and in which the obligors under each of the Facilities maintains its principal place of business, chief executive office or registered office. All registrations necessary under the PPSAs as of the date hereof preserve, protect or perfect Element's security interests in the Leased Assets and the Loan Assets, except where the failure to so register would not have a Material Adverse Effect. No other notice, filing, registration or act is necessary to protect, preserve and perfect Element's security interests in the Leased Assets and the Loan Assets, except where the failure to do so would not have a Material Adverse Effect.

(aa) Subject to the rights of securitization lenders to Element, Element's security interests in the Leased Assets and the Loan Assets rank first in priority with respect to such assets pursuant to purchase-money security interests or otherwise subject only to statutory liens and loss of priority resulting from a fraud perpetrated by any vendor, lessee or borrower under a Facility. To the knowledge of Element, other than with respect to any matters disclosed in to Mira II in writing, no fraud or possible fraud by any such vendor, lessee or borrower under a Facility exists that could result in Element's security interests in the

Leased Assets and the Loan Assets not ranking first in priority with respect to such assets.

(bb) Other than the Required Consent, there are no material third party consents required to be obtained in order for Element to complete the Amalgamation;

(cc) No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of Element has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Element, are pending, contemplated or threatened by any regulatory authority.

(dd) The authorized capital of Element consists of an unlimited number of Element Common Shares of which, prior to giving effect to the exchange of Subscription Receipts immediately prior to the Amalgamation, 24,286,517 Common Shares were issued and outstanding as fully paid and non-assessable shares in the capital of Element as of the date hereof.

(ee) Element is not a party to any agreement, nor to the knowledge of Element, is there any shareholders' agreement or other contract, which in any manner affects the voting control of any of the securities of Element.

(ff) With respect to each premises of Element which is material to the Element Business and which Element occupies as tenant (the "**Leased Premises**"), Element occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which Element occupies the Leased Premises is in good standing and in full force and effect in all material respects.

(gg) Other than as disclosed by Element to Mira II, there is no agreement, plan or practice relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business.

(hh) Element is not a party to or bound by any collective agreement and is not currently conducting negotiations with any labour union or employee association.

(ii) Element is in compliance in all material respects with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice.

(jj) Other than as disclosed by Element to Mira II in writing, Element does not have any plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by Element or its subsidiaries for the benefit of any current or former director, officer, employee or consultant of Element or its subsidiaries (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans.

(kk) There has not been in the last two years and there is not currently any labour disruption.

(ll) Except as disclosed by Element to Mira II in writing, none of the directors, officers or employees of Element or any associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Element that materially affects, is material to or will materially affect Element. Element is not indebted to: (i) any director, officer or shareholder of Element; (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in this Subsection 4.2(ll).

(mm) Element has disclosed to Mira II in writing details of its insurance policies. Each of such policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all applicable requirements of law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by Element. Element is not in default in any material respect with respect to the payment of any premium or material compliance with any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which Element would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. Element has not received notice from any of the insurers regarding cancellation of such insurance policy.

(nn) The minute books and records of Element made available to counsel for Mira II in connection with the due diligence investigation of Element for the period from the date of incorporation to the date hereof are all of the minute books of Element and contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of Element to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of Element to the date hereof not reflected in such minute books.

(oo) (i) Element, its Assets and Properties and the operation of its Element Business, have been and are, to the knowledge of Element, in compliance in all material respects with all Environmental Laws; (ii) Element has complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (iii) Element has never received any notice of any material non-compliance in respect of any Environmental Laws; and (iv) there are no material Environmental Permits necessary to conduct Element's Business.

(pp) Other than the Agents and BMO Nesbitt Burns Inc. in respect of the BMONB Fee, there is no Person acting at the request or on behalf of Element that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement.

ARTICLE 5
CONDITIONS PRECEDENT AND OTHER MATTERS

5.1 **Conditions to Obligations of Element.** The obligation of Element to consummate the transactions contemplated herein is subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) except as affected by the transactions contemplated herein, the representations and warranties of Mira II contained in Section 4.1 hereof shall be true in all material respects on the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, other than in respect of representations and warranties qualified by materiality which representations and warranties shall be true and correct, and Element shall have received a certificate to that effect, dated the Closing Date, from an officer of Mira II acceptable to Element, to the best of his knowledge, having made reasonable inquiry;

(b) the covenants of Mira II contained in Sections 3.1, 3.2 and 3.5 hereof shall have been complied with in all material respects and Mira II shall have received a certificate of an officer of Mira II to such effect and outlining the cash on hand and liabilities of Mira II on the Closing Date;

(c) Mira II shall have furnished Element with:

(i) a certified copy of the resolutions passed by the board of directors of Mira II approving this Agreement and the consummation of the transactions contemplated herein;

(ii) a certified copy of the special resolution of the Mira II shareholders authorizing and approving the Amalgamation and the special resolution of the holders of Mira II Common Shares approving the Consolidation;

(iii) a certified copy of the articles of amendment of Mira II giving effect to the Consolidation;

(iv) written approval of the TSXV of the Amalgamation as a Qualifying Transaction under the TSXV rules and policies, approval of the TSXV of the Consolidation and such other matters as may require TSXV approval in order to give effect to the transactions contemplated hereby;

(v) a conditional listing approval from the TSX for the Amalco Shares and such other approvals as may be required from the TSX in order to give effect to the transactions contemplated hereby; and

(vi) a certificate of the Registrar and Transfer Agent setting forth the number of issued and outstanding Mira II Common Shares immediately prior to the Amalgamation;

(d) receipt of all regulatory and third party approvals, authorizations and consents as are required to be obtained by Mira II or Element in connection with the Amalgamation, including the approval of the TSX, TSX Venture and any other applicable regulatory authorities;

(e) the shareholders of Mira II approving at the Mira II Meeting among other matters: (i) the Amalgamation and this Amalgamation Agreement; (ii) the Consolidation; and (iii) such other matters that may be required to be approved in order to give effect to the Amalgamation;

(f) the shareholders of Element approving at the Element Meeting the Amalgamation and this Amalgamation Agreement;

(g) the Element Private Placement being completed and the net proceeds thereof have been released from escrow and are held by Element;

(h) the Amalco Shares that are issued as consideration for the Element Common Shares shall be issued as fully paid and non-assessable Amalco Shares in the capital of Amalco, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to escrow restrictions of the TSX;

(i) no Material Adverse Change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Mira II since the date of this Amalgamation Agreement, other than a reduction of its cash position in order to pay its professional fees in connection with Amalgamation;

(j) there being no legal proceeding or regulatory actions or proceedings against any Person to enjoin, restrict or prohibit the Amalgamation or which could reasonably be expected to result in a Material Adverse Effect on Mira II; and

(k) there being no prohibition at law against completion of Amalgamation and the transactions contemplated hereby.

The conditions described above are for the exclusive benefit of Element and may be asserted by Element regardless of the circumstances, or may be waived by Element in its sole discretion, in whole or in part, at any time and from time to time prior to the Amalgamation without prejudice to any other rights which Element may have hereunder or at law and notwithstanding the approval of this Agreement by the shareholders of Mira II or Element.

5.2 **Conditions to Obligations of Mira II**. The obligations of Mira II to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) except as affected by the transactions contemplated herein, the representations and warranties of Element contained in Section 4.2 hereof shall be true in all material respects on the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, other than in respect of representations and warranties qualified by materiality which representations and warranties shall be true and correct, and Mira II shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Element to the best of his knowledge having made reasonable inquiry;

(b) the covenants of Element contained in Sections 3.3, 3.4 and 3.5 hereof shall have been complied with in all material respects, and Mira II shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Element;

(c) Element shall have furnished Mira II with:

(i) certified copies of the directors' resolutions passed by the board of directors of Element approving this Agreement, as well as the consummation of the transactions contemplated therein;

(ii) certified copies of the special resolution of the shareholders of Element authorizing and approving the Amalgamation; and

(iii) a certificate of Element, or Element's registrar and transfer agent, setting forth the number of issued and outstanding Element Common Shares immediately prior to the Amalgamation;

(d) receipt of all regulatory or third party approvals, authorizations and consents as are required to be obtained by Mira II or Element in connection with the Amalgamation, including the approval of the TSX, TSX Venture, the Required Consent and any other applicable regulatory authorities;

(e) no Material Adverse Change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Element since the date of this Amalgamation Agreement;

(f) the Element Private Placement being completed and the net proceeds thereof have been released from escrow and are held by Element;

(g) the Amalco Shares that are issued as consideration for the Mira II Common Shares shall be issued as fully paid and non-assessable Amalco Shares in the capital of Amalco, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature, except those imposed pursuant to escrow restrictions of the TSX;

(h) the shareholders of Mira II approving at the Mira II Meeting among other matters: (i) the Amalgamation and this Agreement; (ii) the Consolidation; and (iii) such other matters that may be required to be approved in order to give effect to the Amalgamation;

(i) the shareholders of Element approving at the Element Meeting the Amalgamation and this Amalgamation Agreement;

(j) there being no legal proceeding or regulatory actions or proceedings against any Person to enjoin, restrict or prohibit the Amalgamation or which could reasonably be expected to result in a Material Adverse Effect on Element; and

(k) there being no prohibition at law against the completion of the transactions contemplated hereby.

The conditions described above are for the exclusive benefit of Mira II and may be asserted by Mira II regardless of the circumstances, or may be waived by Mira II in its sole discretion, in whole or in part, at any time and from time to time prior to the Amalgamation without prejudice to any other rights which Mira II may have hereunder or at law and notwithstanding the approval of this Agreement by the shareholders of Mira II or Element.

5.3 **Merger of Conditions**. The conditions set out in Sections 5.1 and 5.2 hereof shall be conclusively deemed to have been satisfied, waived or released on the filing by Element and Mira II of the Articles of Amalgamation with the Director.

5.4 **Alternative Transactions – Mira II.** In the event that Mira II receives a bona fide offer, whether written or oral, (a "**Mira II Offer**") from a third party to acquire the assets or shares of Mira II or to enter into an arrangement or agreement which would materially interfere with the Amalgamation which Mira II wishes to pursue at the instruction of its board of directors or a committee thereof, including without in any way limiting the generality of the foregoing, any such arrangement or agreement resulting from an unsolicited offer or proposal from a third party (a "**Mira II Alternative Transaction"**), then Mira II shall provide forthwith a copy of the Mira II Offer to Element or if made orally, a written summary of the Mira II Offer (and in any event within one Business Day following receipt thereof) and Mira II may terminate this Agreement upon written notice to Element. Upon termination of this Agreement by Mira II by written notice to Element (the "**Mira II Termination**") or upon Mira II entering into an agreement, including a letter of intent, whether or not binding (the "**Mira II Alternative Transaction Agreement**"), prior to the termination of this Agreement, with respect to the Mira II Alternative Transaction, Mira II shall forthwith provide Element with a copy of the Mira II Alternative Transaction Agreement and shall, within five (5) Business Days following the earlier of the Mira II Termination or the entering into of the Mira II Alternative Transaction Agreement (collectively and individually referred to as a "**Mira II Event**"), as applicable, make a cash payment to Element in the amount of: (a) $250,000 if the Mira II Event occurs after the entering into of this Agreement but prior to the mailing of the Mira II Information Circular in respect of the Amalgamation; and (b) $400,000 if the Mira II Event occurs on or after the mailing of the Mira II Information Circular, and which payment shall constitute full and final compensation and remedy to Element for any breach or the non-performance of this Agreement and any and all fees and expenses associated therewith.

5.5 **Alternative Transactions – Element.** In the event that Element or its Subsidiary receives a *bona fide* offer, whether written or oral, (an "**Element Offer**") from a third party to acquire the assets or shares of Element or of its Subsidiary or to enter into an arrangement or agreement which would materially interfere with the Amalgamation which Element wishes to pursue at the instruction of its board of directors or a committee thereof, including without in any way limiting the generality of the foregoing, any such arrangement or agreement resulting from an unsolicited offer or proposal from a third party (a "**Element Alternative Transaction**"), then Element shall provide forthwith a copy of the Offer to Mira II or if made orally, a written summary of the Element Offer (and in any event within one Business Day following receipt thereof) and Element may terminate this Agreement upon written notice to Mira II. Upon termination of this Agreement by Element by written notice to Mira II (the "**Element Termination**") or upon Element entering into an agreement, including a letter of intent (the "**Element Alternative Transaction Agreement**") prior to the termination of this Agreement, with respect to the Element Alternative Transaction, Element shall forthwith provide Mira II with a copy of the Element Alternative Transaction Agreement and shall, within five (5) Business Days following the earlier of the Element Termination or the entering into of the Element Alternative Transaction Agreement (collectively and individually referred to as a "**Element Event**"), as applicable, make a cash payment to Mira II in the amount of: (a) $250,000 if the Element Event occurs after the entering into of this Agreement but prior to the mailing of the Mira II Information Circular; and (b) $400,000 if the Element Event occurs on or after the mailing of the Mira II Information Circular, and which payment shall constitute full and final compensation and remedy to Mira II for any breach or the non-performance of this Agreement and any and all fees and expenses associated therewith.

ARTICLE 6
NOTICES

6.1 **Notices**. All notices, requests and demands hereunder, which may or are required to be given pursuant to any provision of this Agreement, shall be given or made in writing and shall be delivered by courier, telecopier or e-mail as follows:

(a) to Mira II, addressed to:

Mira II Acquisition Corp.
Suite 300, 5 Hazelton Avenue
Toronto, ON M5R 2E1

Attn: Ronald D. Schmeichel
Tel: (416) 972-9993
Fax: (416) 972-6208
Email: ron.schmeichel@windsorgp.com

with a copy to:

Fasken Martineau DuMoulin LLP
Suite 2400, Bay Adelaide Centre
Toronto, ON M5H 2T6

Attn: Rubin Rapuch
Fax: (416) 364-7813
Email: rrapuch@fasken.com

(b) to Element, addressed to:

Element Financial Corporation
41 Lesmill Road
Toronto, ON M3B 2T3

Attn: Jim More
Tel: (416) 386-1067 ext. 219
Fax: (888) 772-8129
Email: jmore@elementfinancial.ca

with a copy to:

Blake, Cassels & Graydon LLP
Box 25, Commerce Court West
Toronto, ON M5L 1A9

Attn: David J. Toswell
Fax: (416) 863-2653
Email: david.toswell@blakes.com

or to such other addresses and telecopier numbers or e-mail addresses as the parties may, from time to time, advise to the other parties hereto by notice in writing. All notices, requests and demands hereunder shall be deemed to have been received, if delivered by courier on the date of delivery and if sent by telecopier or e-mail, on the next Business Day after the telecopy or e-mail was sent.

ARTICLE 7
AMENDMENT AND TERMINATION OF AGREEMENT

7.1 **Amendment**. This Agreement may, at any time and from time to time before or after the holding of the Mira II Meeting or the Element Meeting, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties hereto;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by securityholders of Element and the securityholders of Mira II without approval by such securityholders of Element and Mira II given in the same manner as required for the approval of the Amalgamation.

7.2 **Rights of Termination**. This Agreement may be terminated as follows:

(a) by Element (i) by notice to Mira II if any of the conditions contained in Section 5.1 hereof shall not be fulfilled or performed by December 30, 2011 or such other date as the parties may agree upon in writing (the "**Termination Date**") or (ii) upon a breach by Mira II of Section 3.1(a) hereof that could reasonably result in a condition set forth in Section 5.1 which has not been waived to be incapable of being satisfied on or before the Termination Date;

(b) by Mira II (i) by notice to Element if any of the conditions contained in Section 5.2 hereof shall not be fulfilled or performed by the Termination Date or (ii) upon a breach by Element of Section 3.3(a) hereof that could reasonably result in a condition set forth in Section 5.2 which has not been waived to be incapable of being satisfied on or before the Termination Date;

(c) upon provision of notice in accordance with Section 5.4 or 5.5; or

(d) at any time before or after the holding of the Mira II Meeting or the Element Meeting by mutual agreement of the parties hereto in writing, without further action on the part of the shareholders of Element or Mira II.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement other than the obligations that by their terms survive the termination of this Agreement (including the obligation to make payments under Section 5.4, 5.5 and 8.7), all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder, except any liability expressly contemplated hereby; and further provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfilment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Conditions**. If either of Element or Mira II shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Element or Mira II, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

ARTICLE 8
GENERAL

8.1 **Entire Agreement.** The terms and provisions herein contained and the schedules hereto constitute the entire agreement between the parties and shall supersede all previous oral or written communications, including the Letter Agreement.

8.2 **Binding Effect**. This Agreement shall be binding upon and enure to the benefit of the parties hereto.

8.3 **Waiver and Modification.** Mira II and Element may waive or consent to the modification of, in whole or in part, any inaccuracy or any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. No waiver, or consent to the modification or any inaccuracy of any provision of this Agreement constitutes a waiver of or consent to any proceeding continuing or succeeding inaccuracy of such provision or of any other provision of this Agreement. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

8.4 **No Personal Liability**.

(a) No director, officer, employee or agent of either Element or any of its subsidiaries shall have any personal liability whatsoever to Mira II under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Element.

(b) No director, officer, employee or agent of either Mira II or any of its subsidiaries shall have any personal liability whatsoever to Element under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Mira II.

8.5 **Assignment**. No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto.

8.6 **Confidentiality**.

(a) No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any party hereto or its representatives without the prior agreement of the other party as to timing, content and method, hereto, provided that the obligations herein will not prevent any party from making, after consultation with the other party, such disclosure as its counsel advises is required by applicable law or the rules and policies of the TSX or TSX Venture.

(b) Except as and only to the extent required by applicable law, a Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished, or to be furnished, by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner other than for purposes of evaluating the transactions proposed in this Agreement.

(c) If this Agreement is terminated pursuant to Article 7, each Receiving Party will promptly return to the Disclosing Party or destroy any Confidential Information and any work product produced from such Confidential Information in its possession or in the possession of any of its representatives.

(d) None of Mira II or its directors or officers shall, other than the press release issued by Mira II upon execution of this Agreement (which shall be in a form acceptable to Element), make any public or media statement, appearance or comment regarding the transactions contemplated hereby, without the prior consent of Element or otherwise as required by applicable law.

8.7 **Costs**. Each of the parties hereto shall be responsible for their own costs and charges incurred with respect to the transactions contemplated herein including all costs and charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to preparing the documents relating to the transactions contemplated herein. For the purposes of clarity, Element shall be responsible for paying the costs and fees payable to the TSX or TSX Venture regarding their review of the personal information forms to be submitted by the proposed executive officers and directors of Amalco following completion of Amalgamation, and Element shall be responsible for all TSX listing fees in connection with any securities issued pursuant to the Amalgamation.

8.8 **Time of Essence**. Time shall be of the essence of this Agreement.

8.9 **Currency.** All monetary amounts in this Agreement are in Canadian dollars, unless otherwise indicated.

8.10 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

8.11 **Severability**. In the event that any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by-law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

8.12 **Further Assurances**. Each party hereto shall, from time to time, and at all times hereafter, at the request of the other parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

8.13 **Survival.** The representations and warranties of each of Mira II and Element contained herein shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination of this Agreement in accordance with its terms and the day after the Effective Date.

8.14 **Counterparts and Facsimile Copies**. This Agreement may be executed in separate counterparts, and all such counterparts when taken together shall constitute one (1) agreement. The parties shall be entitled to rely on delivery of a facsimile copy of the executed Agreement and such facsimile copy shall be legally effective to create a valid and binding Agreement.

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

ELEMENT FINANCIAL CORPORATION	**MIRA II ACQUISITION CORP.**
Per: ____________	Per: ____________
Name:	Name:
Title:	Title:

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

ELEMENT FINANCIAL CORPORATION	**MIRA II ACQUISITION CORP.**
Per: ______________________	Per: ______________________
Name:	Name: [illegible]
Title:	Title: President & CEO