MERGER AGREEMENT

between

REVELSTOKE EQUITY INC.

and

ZONETAIL INC.

and

REVELSTOKE SUBCO INC.

NOVEMBER 5, 2018

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SCHEDULES

MERGER AGREEMENT

THIS MERGER AGREEMENT dated as of November 5, 2018

BETWEEN:

REVELSTOKE EQUITY INC., a company incorporated pursuant to the laws of the Province of Ontario ("**Revelstoke**")

- and -

ZONETAIL INC., a company continued under the laws of the Province of Ontario ("**Zonetail**")

- and -

REVELSTOKE SUBCO INC., a company incorporated pursuant to the laws of the Province of Ontario ("**Revelstoke Subco**")

WHEREAS Revelstoke is a "Capital Pool Company" as defined by TSXV Policy 2.4 (as defined herein) and wishes to complete a "Qualifying Transaction" with Zonetail within the meaning thereof;

AND WHEREAS in connection with the proposed Qualifying Transaction, Zonetail intends to amalgamate with Revelstoke Subco pursuant to section 175 of the *Business Corporations Act* (Ontario), and for such purpose Revelstoke has agreed to issue certain of its securities to the securityholders of Zonetail;

AND WHEREAS the Parties (as defined herein) seek to enter into this Agreement to set forth their respective covenants, representations, warranties and obligations with respect to the Amalgamation (as defined herein);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained and for other good and valuable consideration, the receipt and sufficiency whereof being hereby acknowledged, the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.01 Defined Terms

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

(a) "**9827200**" means 9827200 Canada Limited, a wholly-owned subsidiary of Zonetail incorporated under the CBCA.

(b) "**Acquisition Proposal**" means, with respect to Revelstoke or Zonetail, as the case may be, (for purposes of this definition, the "**Targeted Party**") and for certainty excluding the transactions contemplated by this Agreement (including without limitation the Transactions), and including without limitation, any inquiry or the making of any proposal or offer, or public announcement of an intention to make a proposal or offer, to the Targeted Party or its securityholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) which constitutes, or may be reasonably expected to lead to (in either case whether in one transaction or a series of transactions): (i) any take-over bid, issuer bid, amalgamation, plan of arrangement, business combination, merger, tender offer, exchange offer, consolidation, recapitalization, reorganization, liquidation, dissolution or winding-up in respect of the Targeted Party; (ii) any sale of assets (or any lease, long-term supply arrangement, licence or other arrangement having the same economic effect as a sale) of the Targeted Party or its subsidiaries representing 20% or more of the consolidated assets, revenues or earnings of the Targeted Party; and (iii) any arrangement whereby effective operating control of the Targeted Party is granted to another party.

(c) “**Agency Agreement**” means the agency agreement dated July 13, 2018 among Zonetail, Revelstoke and the Agents in respect of the Financing, as the same may be amended and restated, supplemented or otherwise modified from time to time.

(d) “**Agents**” means, collectively, Gravitas Securities Inc., Canaccord Genuity Corp. and Beacon Securities Limited.

(e) “**Agents’ Compensation Warrants**” means the compensation warrants issued to the Agents in connection with the Financing.

(f) “**Agreement**” means this merger agreement, including all recitals, exhibits and schedules hereto.

(g) “**Amalco**” means the corporation to be formed by the amalgamation of Zonetail and Revelstoke Subco, to be named “Zonetail Inc.” or such other name as shall be approved by Zonetail.

(h) “**Amalco Common Shares**” means common shares in the capital of Amalco.

(i) “**Amalgamating Corporations**” means Zonetail and Revelstoke Subco.

(j) “**Amalgamation**” means the amalgamation of the Amalgamating Corporations pursuant to the provisions of the OBCA as contemplated by this Agreement.

(k) “**Applicable Law(s)**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Governmental Entity, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a Governmental Entity having jurisdiction over the person or persons or its or their business, undertaking, property or shares.

(l) “**Applicable Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder and the polices and rules of the TSXV, as the foregoing may be amended or re-enacted from time to time prior.

(m) “**Articles of Amalgamation**” means the articles of amalgamation to be filed to give effect to the Amalgamation pursuant to the provisions of the OBCA, attached hereto as Schedule “A”.

(n) “**Board of Directors**” means the board of directors of the applicable company.

(o) “**Business Day**” means a day which is not a Saturday, a Sunday or a statutory holiday within the meaning of the *Interpretation Act* (Canada).

(p) “**CBCA**” means the *Canada Business Corporations Act*, as amended.

(q) “**Certificate of Amalgamation**” means the certificate of amalgamation to be issued in connection with the Articles of Amalgamation pursuant to the OBCA.

(r) “**Claim**” includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, informations or other similar processes, fines, expenses, costs damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

(s) “**Closing**” means the completion of the Amalgamation set forth herein, including the issuance of Revelstoke Shares described herein, which shall take place on the Effective Date at the offices of Borden Ladner Gervais LLP in Toronto, Ontario.

(t) “**Closing Date**” means November 7, 2018, or such earlier or later date as agreed to in writing by Zonetail and Revelstoke.

(u) “**Completion Deadline**” means the date by which the Transactions are to be completed, which date shall be no later than November 30, 2018, or such later date as agreed to in writing by Zonetail and Revelstoke.

(v) “**Director**” means the director appointed under section 278 of the OBCA.

(w) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation endorsed by the Director giving effect to the Amalgamation.

(x) “**Effective Time**” means 12:01 a.m. (Eastern Daylight Time) on the Effective Date.

(y) “**Encumbrances**” means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law.

(z) “**Environmental Approvals**” means all authorizations, approvals, orders, consents, filings, licenses or permits issued by any Governmental Entity relating to the protection of the environment.

(aa) “**Escrow Agent**” means TSX Trust Company, the escrow agent under the TSXV Escrow Agreement and escrow agent under the Subscription Receipt Agreement.

(bb) “**Exchange Ratio**” has the meaning ascribed thereto in section 2.01(b)(i).

(cc) “**Filing Statement**” means the filing statement of Revelstoke to be prepared by Revelstoke and Zonetail, to be approved by the TSXV and to be filed on SEDAR, which will contain disclosure pertaining to the Transactions and which shall qualify as Revelstoke’s Qualifying Transaction within the meaning of such term set forth in the policies of the TSXV.

(dd) “**Final Exchange Bulletin**” means the TSXV bulletin which is issued following completion of the Qualifying Transaction and the submission of all required documentation and that evidences the final TSXV acceptance of the Amalgamation as the Qualifying Transaction of Revelstoke.

(ee) “**final prescription date**” has the meaning ascribed thereto in section 2.02(g).

(ff) "**Financing**" means the offerings by Zonetail, including: (i) a brokered private placement of Subscription Receipts, for aggregate gross proceeds of $2,003,416.56 at a price of $0.18 per Subscription Receipt, completed on July 13, 2018; and (ii) a non-brokered private placement, of Zonetail Shares for aggregate gross proceeds of $150,004 at a price of $0.18 per Zonetail Share, to be completed on the Closing Date.

(gg) "**Governmental Entity**" means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

(hh) "**IFRS**" means international financial reporting standards.

(ii) "**Intellectual Property Assets**" means any intellectual property and Technology used in the course of the Zonetail's business and which is material to the Zonetail's business, taken as a whole, including but not limited to: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, patent disclosures, invention disclosures, together with all reissue, divisional, continuation or continuation-in-part applications, revisions, extensions and re-examinations thereof; (ii) all trade-marks, trade dress, logos, trade-names, business names, corporate names and domain names together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith; (iii) all copyrightable works, all copyrights, and all applications, registrations and renewals associated therewith; (iv) all industrial designs, applications, registrations and renewals in connection therewith; (v) all proprietary or confidential information and trade-secrets and know-how; (vi) all computer software (including data and related documentation); (vii) all copies and tangible embodiments of the foregoing (in whatever form or medium); and (viii) all common law statutory and contractual rights to the intellectual property and Technology referred to above.

(jj) "**Letter of Intent**" means the letter of intent dated January 29, 2018 between Revelstoke and Zonetail setting out the terms and conditions of the Transactions.

(kk) "**Material Adverse Change**" means, in respect of a Party or its Subsidiaries (if any), any one or more changes, events or occurrences, and "**Material Adverse Effect**" means, in respect of a Party or its Subsidiaries (if any), any effect resulting from any change, event or occurrence that is or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, liabilities or financial condition of, as the case may be, either Revelstoke or Zonetail, other than any effect: (i) the announcement of the execution of this Agreement or the transactions contemplated herein; (ii) relating to the global economy or securities markets in general; (iii) any actions taken (or omitted to be taken) at the written request of the other party hereto including, for greater certainty, any actions requested in writing by the other party hereto that would be implemented following consummation of the transactions contemplated by this Agreement; (iv) any action taken by Revelstoke or Zonetail, as the case may be, or any of its Subsidiaries that is required pursuant to this Agreement (excluding any obligation to act in the ordinary course of business); (v) affecting in general the industry in which Revelstoke or Zonetail, as the case may be, operates, and which does not have a materially disproportionate effect on Revelstoke or Zonetail, respectively; or (vi) any natural disaster; (vii) relating to the rate at which Canadian dollars can be exchanged for United States dollars or vice versa, and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a Material Adverse Change has occurred or whether a state of facts exists that has or would have a Material Adverse Effect and such defined terms and all other references to materiality in this Agreement shall be interpreted without reference to any such amounts.

(ll) “**OBCA**” means the *Business Corporations Act* (Ontario), as amended.

(mm) “**Parties**” means collectively, Revelstoke, Revelstoke Subco and Zonetail, and a “**Party**” means any one of such Parties.

(nn) “**Person**” means any individual, partnership, company, corporation, unincorporated association, person, government or governmental agency, authority or entity, howsoever designated or constituted.

(oo) “**Regulatory Approval**” means any approval, consent, waiver, permit, order or exemption from any Governmental Entity or stock exchange having jurisdiction or authority over any Party or the Subsidiaries of any Party which is required or advisable to be obtained in order to permit the Amalgamation to be effected and “**Regulatory Approvals**” means all such approvals, consents, waivers, permits, orders or exemptions.

(pp) “**Resulting Issuer**” means Revelstoke as it exists upon issuance of the Final Exchange Bulletin.

(qq) “**Resulting Issuer Shares**” means common shares in the capital of the Resulting Issuer, as the same shall be constituted upon completion of the Amalgamation.

(rr) “**Revelstoke**” means Revelstoke Equity Inc.

(ss) “**Revelstoke Financial Statements**” means the audited and unaudited financial statements of Revelstoke included in the Filing Statement under Applicable Securities Laws and TSXV Policies.

(tt) “**Revelstoke Match Period**” has the meaning set out in section 10.06(b)(iv).

(uu) “**Revelstoke Meeting**” means the annual and special meeting of Revelstoke Shareholders held on September 24, 2018, whereby the Revelstoke Shareholders, among other things, approved the Revelstoke Name Change.

(vv) “**Revelstoke Name Change**” means the amendment to the articles of Revelstoke pursuant to which Revelstoke will change its name to “Zonetail Inc.” or such other name as may be agreed to by Revelstoke and Zonetail, to be completed immediately prior to Closing.

(ww) “**Revelstoke Public Documents**” means all prospectuses, financial statements, forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by Revelstoke under Applicable Securities Laws (including any Schedules included therein).

(xx) “**Revelstoke Shareholder**” means a registered holder of Revelstoke Shares, from time to time, and “**Revelstoke Shareholders**” means all of such holders.

(yy) “**Revelstoke Shares**” means common shares in the capital of Revelstoke.

(zz) “**Revelstoke Subco**” means Revelstoke Subco Inc.

(aaa) “**Revelstoke Subco Common Shares**” means common shares in the capital of Revelstoke Subco.

(bbb) “**Revelstoke Superior Proposal Notice**” has the meaning set out in section 10.06(b)(iii).

(ccc) “**Securities Authorities**” means the Ontario Securities Commission and the securities regulatory authorities in the Provinces of Alberta and British Columbia, and appropriate securities commissions, similar regulatory authorities in Canada and each of the applicable provinces and territories thereof, and including the TSXV.

(ddd) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

(eee) "**Subscription Receipt Agreement**" means the subscription receipt agreement dated July 13, 2018 between Zonetail, the Agents and the Escrow Agent providing for the creation of, and governing the terms of, the Subscription Receipts.

(fff) "**Subscription Receipts**" means the subscription receipts issued by Zonetail pursuant to the Financing, each of which shall automatically be deemed to be exchanged, without payment of any additional consideration or further action on the part of the subscribers therefor, into one Zonetail Share which in turn shall be exchanged, pursuant to the terms of the Merger Agreement, for one Resulting Issuer Share upon the satisfaction of certain escrow release conditions, all as more particularly set out in the Subscription Receipt Agreement.

(ggg) "**Subsequent Amalgamation**" means the amalgamation of Revelstoke and Amalco pursuant to section 177(1) of the OBCA, immediately following the completion of the Amalgamation.

(hhh) "**Subsequent Articles of Amalgamation**" means the articles of amalgamation to be filed to give effect to the Subsequent Amalgamation pursuant to the provisions of the OBCA.

(iii) "**Subsidiary**" means any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by a Person and shall include any body corporate, partnership, joint venture or other entity over which the Person exercises direction or control or which is in a like relation to a Subsidiary.

(jjj) "**Superior Proposal**" means a *bona fide* Acquisition Proposal that is made in writing after the date hereof to Revelstoke or Zonetail, as the case may be, (for purposes of this definition, the "**Targeted Party**") that the Board of Directors of the Targeted Party determines in good faith after consultation with its legal and financial advisors: (i) is made to the Targeted Party or all the Targeted Party common shareholders and in compliance with Applicable Securities Laws; (ii) that funds or other consideration necessary for the consummation of such Acquisition Proposal are available to ensure that the third party will have the funds or other consideration necessary for the consummation of the Acquisition Proposal; (iii) if consummated in accordance with its terms, would result in a transaction at least 15% financially superior for the Targeted Party and its securityholders than the transactions contemplated by this Agreement; (iv) is reasonably capable of completion in accordance with its terms taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal; and (v) that the taking of action in respect of such Acquisition Proposal is necessary for the Board of Directors of the Targeted Party in the discharge of its fiduciary duties under Applicable Laws.

(kkk) "**Tax**" and "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity.

(lll) "**Tax Act**" means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended.

(mmm) "**Tax Returns**" means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes.

(nnn) "**Technology**" means any information of a scientific or technical nature which is material to the business of Zonetail, taken as a whole, including without limitation, all inventions, know how, techniques, processes, procedures, methods, trade secrets, research and technical data, records, formulae, designs, sketches, patterns, specifications, blue prints, flow charts or sheets, equipment and parts lists and descriptions, samples, reports, studies, findings, algorithms, instructions, guides, manuals, and plans for new or revised products and/or services.

(ooo) "**Transactions**" means the Amalgamation, the Subsequent Amalgamation and the Financing as contemplated herein.

(ppp) "**TSXV**" means the TSX Venture Exchange.

(qqq) "**TSXV Escrow Agreement**" means an escrow agreement to be entered into between certain securityholders of Zonetail, the Resulting Issuer and the Escrow Agent pursuant to which certain securities held by various Zonetail securityholders will be subject to escrow in accordance with applicable TSXV Policies.

(rrr) "**TSXV Policies**" means policies of the TSXV, as may be amended or restated from time to time.

(sss) "**TSXV Policy 2.4**" means TSXV Policy 2.4 – *Capital Pool Companies*.

(ttt) "**TSXV Policy 5.4**" means TSXV Policy 5.4 – *Escrow, Vendor Consideration and Resale Restriction*.

(uuu) "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

(vvv) "**U.S. Person**" includes a natural person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, an estate of which any executor or administrator is a U.S. Person, a trust of which any trustee is a U.S. Person, an agency or branch of a foreign entity located in the United States; a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and a partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction, and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by "Accredited Investors" who are not natural persons, estates or trusts.

(www) "**U.S. Securities Act**" means the United States Securities Act of 1933, as may be amended or re-enacted from time to time.

(xxx) "**Zonetail**" means Zonetail Inc.

(yyy) "**Zonetail Circular**" means the proxy circular to be prepared by Zonetail in respect of the Zonetail Meeting.

(zzz) "**Zonetail Convertible Debt**" means the convertible debt of Zonetail, the terms of which provide that immediately prior to Closing of the Amalgamation, the principal amount of the Zonetail Convertible Debt and interest accrued thereon will automatically convert into Zonetail Shares at a deemed exercise price per Zonetail Share consistent with the terms of the Zonetail Convertible Debt, as applicable.

(aaaa) "**Zonetail Financial Statements**" means the audited and unaudited financial statements of Zonetail to be included in the Filing Statement under Applicable Securities Laws and TSXV Policies.

(bbbb) "**Zonetail IP**" means the Intellectual Property Assets that have been developed by or for or is being developed by or for Zonetail or that is being used by Zonetail other than trademarks of third parties;

(cccc) “**Zonetail Match Period**” has the meaning set out in section 10.03(b)(iv).

(dddd) “**Zonetail Meeting**” means the special meeting of the shareholders of Zonetail held on October 19, 2018 to, among other things, approve the Amalgamation, the continuance of Zonetail from the CBCA to the OBCA and related matters.

(eeee) “**Zonetail Options**” means options to purchase Zonetail Shares.

(ffff) “**Zonetail Shareholder**” means a registered holder of Zonetail Shares, from time to time, and “**Zonetail Shareholders**” means all such holders of Zonetail Shares.

(gggg) “**Zonetail Shares**” means common shares in the capital of Zonetail.

(hhhh) “**Zonetail Superior Proposal Notice**” has the meaning set out in section 10.03(b)(iii).

(iiii) “**Zonetail Termination Payment**” means $100,000.

(jjjj) “**Zonetail US**” means Zonetail US Inc., a wholly-owned subsidiary of Zonetail incorporated under the laws of the State of Wyoming.

(kkkk) “**Zonetail Warrants**” means the outstanding common share purchase warrants of Zonetail, entitling the holders to acquire Zonetail Shares.

1.02 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.03 Interpretation Not Affected By Heading, Etc.

The division of this Agreement into articles, sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The words “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular article, section, paragraph or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.04 Number and Gender

Unless the subject matter or context requires the contrary, in this Agreement words importing the singular number only 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.

1.05 Date of 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, in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day

1.06 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.07 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.08 Incorporation of Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A – Articles of Amalgamation
Schedule B – Material Contracts

1.09 Knowledge

Where the phrases "to the knowledge of Revelstoke" or "to Revelstoke's knowledge" or "to the knowledge of Zonetail" or "to Zonetail's knowledge" are used: (i) in respect of Revelstoke or Zonetail, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (A) in the case of Revelstoke, the collective actual knowledge (without independent investigation) of Revelstoke's chief executive officer and chief financial officer; and (B) in the case of Zonetail, the collective actual knowledge (without independent investigation) of Zonetail's chief executive officer and chief financial officer; and that they have no actual knowledge that the representation and warranty or statement qualified by such phrase is incorrect.

ARTICLE 2
AMALGAMATION

2.01 Effects of the Amalgamation

Each Party hereby agrees, unless such steps have already been completed, that as soon as reasonably commercially practicable after the date hereof or at such other time as is specifically indicated below in this section 2.01, and subject to the terms and conditions of this Agreement and subject to the approval of the TSXV, it shall take the following steps indicated for it:

(a) Revelstoke Subco and Zonetail shall amalgamate and shall continue as Amalco under the OBCA, in the manner set forth in section 2.04 hereof and with the effect set out in section 179 of the OBCA;

(b) on or prior to the Closing Date, Revelstoke shall complete the Revelstoke Name Change;

(c) at the Effective Time:

   (i) each Zonetail Share (including the Zonetail Shares issued upon the conversion of the Subscription Receipts and Zonetail Convertible Debt) will be cancelled and replaced by one fully paid and non-assessable Resulting Issuer Share (such ratio of 1:1 being the "**Exchange Ratio**");

   (ii) all of the outstanding Agents' Compensation Warrants that are not exercised prior to the Closing Date shall be exercisable for Resulting Issuer Shares in accordance their terms at the Exchange Ratio;

(iii) all of the outstanding Zonetail Options that are not exercised prior to the Closing Date shall be exercisable for Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;

(iv) all of the outstanding Zonetail Warrants that are not exercised prior to the Closing Date shall be exercisable for Resulting Issuer Shares in accordance their terms at the Exchange Ratio;

(v) the Revelstoke Subco Common Shares will be cancelled and replaced by Amalco Common Shares on the basis of one Amalco Common Share for each Revelstoke Subco Common Share;

(vi) as consideration for the issuance of the Revelstoke Shares to effect the Amalgamation, Amalco will issue to Revelstoke one Amalco Common Share for each Revelstoke Share issued to the previous holders of Zonetail Shares;

(vii) all of the property, rights, privileges and franchises of each of Zonetail and Revelstoke Subco shall become the property, rights, privileges and franchises of Amalco and Amalco shall be subject to all of the liabilities and obligations, contractual or otherwise, of each of Zonetail and Revelstoke Subco; and

(viii) Amalco shall be a wholly-owned subsidiary of Revelstoke.

2.02 Delivery of Securities Following Amalgamation.

(a) **Issuance of Certificates**. As soon as practicable following the completion of the Amalgamation, the Resulting Issuer shall cause its transfer agent to send to each Zonetail Shareholder, upon receipt of physical share certificates evidencing their respective Zonetail Shares together with such other documents and instruments as Revelstoke and the transfer agent may reasonably require, where applicable, by ordinary first class mail, certificates evidencing the Revelstoke Shares to which such holder shall have become entitled in accordance with paragraph 2.01(d) hereof. The Resulting Issuer shall cause its transfer agent to deal with Zonetail Shareholders who do not hold physical share certificates in a comparable manner to ensure that they receive their entitlement to Revelstoke Shares.

(b) **Fractional Shares**. No fractional Resulting Issuer Shares will be issued pursuant to this Agreement. In the event that a Zonetail securityholder would otherwise be entitled to a fractional security hereunder, the number of securities issued to such Zonetail securityholder shall be rounded up to the next greater whole number of shares 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 shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Zonetail securities registered in the name of or beneficially held by such Zonetail securityholder or their nominee shall be aggregated.

(c) **Restrictions on Securities**. The Parties acknowledge and agree that the foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws.

(d) **US Legends on Revelstoke Securities.** The Parties acknowledge and agree that, in addition to any other legends affixed to securities of the Resulting Issuer issued in connection with the Amalgamation upon the original issuance of securities of Revelstoke to any U.S. Person in connection with the Amalgamation (and including any Resulting Issuer Shares that may be issued upon exercise of convertible securities), and until such time as the same is no longer required under applicable requirements of the US Securities Act or applicable state securities laws, certificates representing such securities and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend: **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE; OR (D) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, PROVIDED THAT PRIOR TO ANY TRANSFER PURSUANT TO CLAUSES (C) OR (D) ABOVE, AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE CORPORATION SHALL FIRST BE PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAW. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.",**

provided, that if any such securities are being sold pursuant to Rule 904 of Regulation S, the legend may be removed by the holder providing a declaration to the registrar and transfer agent for the applicable securities in a form prescribed by Revelstoke (or the Resulting Issuer) as to matters confirming that the sale is being made in compliance with Rule 904 of Regulation S, together with such additional documentation as Revelstoke (or the Resulting Issuer) or the transfer agent may require, including, if required by Revelstoke's transfer agent, an opinion of counsel of recognized standing or other evidence reasonably satisfactory to Revelstoke (or the Resulting Issuer), to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act; and provided, further, that, if the securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivery to the registrar and transfer agent for the applicable securities of an opinion of counsel, of recognized standing reasonably satisfactory to Revelstoke (or the Resulting Issuer), that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(e) **Escrow Matters**. Zonetail shall use best efforts to arrange for each former Zonetail Shareholder that is required to have the Resulting Issuer Shares issued pursuant to section 2.01(b) escrowed in accordance with TSXV Policies, to enter into and deliver to the Escrow Agent for filing with the TSXV a TSXV Escrow Agreement in respect of their Resulting Issuer Shares.

(f) **Lost Certificates**. In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Zonetail Shares which were exchanged for Revelstoke Shares in accordance with paragraph 2.01(d) hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, Revelstoke shall cause its transfer agent to deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the Revelstoke Shares which such holder is entitled to receive in accordance with section 2.02(a) hereof. When authorizing such delivery of a certificate representing the Revelstoke Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such Revelstoke Shares is to be delivered shall, as a condition precedent to the delivery of such Revelstoke Shares, give a bond satisfactory to Revelstoke and its transfer agent in such amount as Revelstoke and its transfer agent may direct, or otherwise indemnify Revelstoke, Amalco and Revelstoke's transfer agent in a manner satisfactory to Revelstoke and its transfer agent, against any Claim that may be made against Revelstoke, Amalco or Revelstoke's transfer agent with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Amalco.

(g) **Limitation and Prescription**. To the extent that a former Zonetail Shareholder shall not have complied with the provisions of section 2.02 hereof on or before the date which is two (2) years after the Effective Date (the "**final prescription date**"), then the Revelstoke Shares which such former Zonetail Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof, and the interest of the former Zonetail Shareholder in such Revelstoke Shares shall be terminated as of such final prescription date.

2.03 Implementation Steps and Covenants

(a) **Zonetail Circular and Meeting**. The Zonetail Meeting shall have been duly called and convened, and the continuance of Zonetail from the CBCA to the OBCA and the Amalgamation shall have been duly approved by the Revelstoke Shareholders.

(b) **Revelstoke Meeting**. The Revelstoke Meeting shall have been duly called and convened, and the Revelstoke Name Change shall have been duly approved by the Revelstoke Shareholders.

(c) **Revelstoke Subco Approval**. Revelstoke covenants in favour of Zonetail that it shall in its capacity as the sole shareholder of Revelstoke Subco, approve and execute a special resolution approving the Amalgamation as soon as reasonably practicable and, in any event, no later than the Closing Date, or such other date as may be agreed to by Revelstoke and Zonetail.

(d) **Filing Statement**. Zonetail and Revelstoke shall prepare the Filing Statement and shall use all commercially reasonable efforts to prepare the Filing Statement, together with any other documents required by the TSXV and Applicable Securities Laws in connection with the Amalgamation, and to obtain the approval of the TSXV with respect to the Filing Statement.

(e) **Amalgamation**. Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the OBCA and with the terms of this Agreement, and subject to the satisfaction or waiver of all conditions precedent set forth in this Agreement, Zonetail and Revelstoke Subco shall file the Articles of Amalgamation with the Director, as provided under the OBCA.

(f) **Listing**. Revelstoke shall take all steps necessary to have the issuance of all the Revelstoke Shares issued or issuable pursuant to the Amalgamation accepted by the TSXV.

(g) **Preparation of Filings**.

(i) Zonetail and Revelstoke shall cooperate in the preparation of the Zonetail Circular, the Filing Statement and any other documents and taking of all actions reasonably deemed by Zonetail or Revelstoke to be necessary to discharge their respective obligations under Applicable Laws and this Agreement and in connection with the Transactions and all other matters contemplated herein. Each of Zonetail and Revelstoke shall furnish to the other all such information concerning it and its shareholders as may be required to effect the actions described in this Article 2, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Amalgamation will contain any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or to be used.

(ii) Zonetail and Revelstoke shall each promptly notify the other if at any time before the Effective Date it becomes aware that any information provided to the other contains any 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.

(h) The Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments that are necessary or appropriate to give effect to the Amalgamation.

2.04 Amalco

(a) **Name**. The name of Amalco shall be Zonetail Inc. or such other name as the directors of Zonetail shall authorize.

(b) **Registered Office**. Until changed in accordance with the OBCA, the registered office of Amalco shall be at East Tower, Bay Adelaide Centre, 22 Adelaide St W #3400, Toronto, Ontario, M5H 4E3.

(c) **Business and Powers**. There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.

(d) **Authorized Capital**. The authorized capital of Amalco shall be an unlimited number of common shares.

(e) **Transfer Restrictions**. If Amalco:

(i) is not a reporting issuer or an investment fund within the meaning of applicable securities legislation; and

(ii) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities;

then no securities in the capital of Amalco (other than non-convertible debt securities) shall be transferred without either:

(A) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or

(B) the previous consent of the holders of at least 51% of the securities of that class for the time being outstanding expressed by a resolution passed by the security holders or by an instrument or instruments in writing signed by such security holders.

(f) **Stated Capital**. The stated capital account in the records of Amalco for Amalco Common Shares shall be equal to the stated capital attributed to the shares of the Amalgamating Corporations.

(g) **Number of Directors**. The board of directors of Amalco shall consist of not less than one and not more than ten directors, until changed in accordance with the OBCA. Until changed by the shareholders of Amalco, or by the directors of Amalco if authorized by the shareholders of Amalco, the number of directors of Amalco shall be four.

(h) **Initial Directors**. The first directors of Amalco shall be the persons whose name and residential addresses appears below:

Name	**Residence**	**Resident**
Mark Holmes	73 Squires Ave, Toronto, ON, M4B 2R7	Canada
Paul Scott	2044 Montery Road, South Pasadena, California, 91030	U.S.A.
William Morris Rogers	11 The Fairway Woodstock, Georgia, 30188	U.S.A.
Adam Topp	82 Kinkora Drive, Winnipeg, Manitoba, R3R 2L6	Canada
Reetu Gupta	174 The Bridle Path, Toronto, Ontario, M3C 2P2	Canada
David Oliver	57 Huntley Street, Toronto, Ontario, M4Y 2L2	Canada

The first directors named above shall hold office from the Effective Date until the later of the close of the first annual meeting of shareholders of Amalco and the date on which a successor is elected or appointed.

(i) By-laws. The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Revelstoke Subco, unless and until repealed or amended. Prior to the Effective Date, a copy of such by-laws may be examined at the offices of Amalco at 20 Dalhousie Street, Toronto, Ontario, M5B 2A5.

(j) First Auditors. The first auditors of Amalco shall be MNP 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.

(k) Fiscal Year. The fiscal year end of Amalco shall be December 31.

2.05 The Subsequent Amalgamation and the Resulting Issuer.

(a) As soon as practicable following the Amalgamation, Revelstoke and Amalco shall amalgamate and continue as one corporation (referred to in this section 2.05 as the "**Resulting Issuer**") to be named Zonetail Inc. or such other name as Zonetail Inc. shall determine.

(b) The number of directors of the Resulting Issuer shall be six, to serve as directors until the next annual general meeting of the Resulting Issuer and in such case Revelstoke shall cause its directors to resign, in series, effective on completion of the Transactions and cause the appointment of the following as the initial directors of the Resulting Issuer:

Name	**Residence**	**Resident Canadian**
Mark Holmes	73 Squires Ave, Toronto, ON, M4B 2R7	Canada
Paul Scott	2044 Montery Road, South Pasadena, California, 91030	United States
William Chip Rogers	11 The Fairway Woodstock, Georgia, 30188	United States
Adam Topp	82 Kinkora Drive, Winnipeg, Manitoba, R3R 2L6	Canada
Reetu Gupta	174 The Bridle Path, Toronto, Ontario, M3C 2P2	Canada
David Oliver	57 Huntley Street, Toronto, Ontario, M4Y 2L2	Canada

(c) The initial officers of the Resulting Issuer shall be:

Name	**Position**	**Address**
Mark Holmes	President and Chief Executive Officer	73 Squires Ave, Toronto, ON, M4B 2R7
Daniel Crandall	Chief Financial Officer and Secretary	1268 Ludbrook Court, Mississauga, Ontario, L5J 3N9
Paul Scott	Managing Director USA	2044 Montery Road, South Pasadena, California, 91030
Ken Singh	Vice President, Business Development	606 Mount Pleasant Road, Toronto, Ontario, M4S 2M8
Brian Davies	Vice President, Sales	29 Russell Barton Lane, Uxbridge, Ontario, L9P 2A2

(d) The Resulting Issuer shall have an audit committee consisting of Paul Scott, Adam Topp and David Oliver, with the chair to be selected by the committee upon the completion of the Transaction.

(e) The name of the Resulting Issuer shall be changed to Zonetail Inc. concurrently with or shortly after the completion of the Transaction.

(f) The first auditors of the Resulting Issuer shall be MNP LLP, Chartered Accountants. The first auditors of the Resulting Issuer shall hold office until the first annual meeting of shareholders of the Resulting Issuer following the Amalgamation, or until their successor is appointed.

(g) The fiscal year end of the Resulting Issuer shall be December 31.

ARTICLE 3
TERMINATION

3.01 Termination

Subject to Applicable Laws, this Agreement may be terminated at any time prior to the issuance of a Certificate of Amalgamation:

(a) by mutual agreement of the Parties in writing;

(b) by either Zonetail or Revelstoke, if the Effective Date does not occur on or before the Completion Deadline;

(c) by either Zonetail or Revelstoke, if any of the conditions set forth in Article 9 shall not be fulfilled or performed prior to the Completion Deadline in accordance with the provisions of such Article by any Party entitled to the benefit of such condition or conditions;

(d) by Zonetail, if after public announcement of an Acquisition Proposal received by Revelstoke, the Board of Directors of Revelstoke shall have failed to reaffirm its approval, and where approval of Revelstoke Shareholders is required, and its recommendation of, the Amalgamation and this Agreement;

(e) by Revelstoke, if Revelstoke proposes to enter into a definitive agreement with respect to, or approve or recommend a, Superior Proposal, in each case in compliance with the provisions of Article 10, provided that Revelstoke has not breached any of its covenants or obligations in this Agreement;

(f) by Revelstoke, if after public announcement of an Acquisition Proposal received by Zonetail, the Board of Directors of Zonetail shall have failed to reaffirm its recommendation of the Amalgamation and this Agreement; and

(g) by Zonetail, if Zonetail proposes to enter into a definitive agreement with respect to, or approve or recommend a, Superior Proposal, in each case in compliance with the provisions of Article 10, provided that Zonetail has not breached any of its covenants or obligations in this Agreement,

provided that any termination by a Party in accordance with sections (c) (d), (e), (f), and (g) above shall be made by such Party delivering written notice thereof to the other Party prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right. In the event of any such termination each Party will be released, remised and forever discharged in respect of any and all of its obligations, Claims and liabilities arising in respect of this Agreement other than those arising prior to the time of such termination.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF REVELSTOKE

4.01 Representations and Warranties of Revelstoke

Revelstoke hereby represents and warrants to Zonetail, and hereby acknowledges that Zonetail is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transactions, as follows:

(a) **Organization**. Revelstoke has been incorporated under the laws of the province of Ontario, is validly subsisting and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Revelstoke is registered, licensed or otherwise qualified as an extra provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Revelstoke. Revelstoke Subco owns no assets or property, is not subject to any liabilities, has no employees and, save and except for this Agreement, is not a party to any contract, agreement or licence. Revelstoke Subco has been incorporated under laws of Ontario and organized solely to effect the Amalgamation, is validly subsisting and has full corporate power to complete the Amalgamation as contemplated herein.

(b) **Capitalization**. The authorized capital of Revelstoke consists of an unlimited number of Revelstoke Shares. As at the date hereof, there are: (i) 3,789,300 Revelstoke Shares outstanding; (ii) 428,930 options to acquire Revelstoke Shares outstanding, each having an exercise price of $0.20 and an expiry date of August 12, 2025; and (iii) no warrants to acquire Revelstoke Shares. The authorized capital of Revelstoke Subco consists of an unlimited number of Revelstoke Subco Common Shares and there is one Revelstoke Subco Common Share issued to Revelstoke, owned free and clear of any and all Encumbrances. No options to purchase Revelstoke Subco Common Shares and no warrants to purchase Revelstoke Subco Common Shares have been granted. Other than as otherwise disclosed in this Agreement and other than as contemplated by the terms of the Transactions, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Revelstoke or Revelstoke Subco to issue or sell any shares or any securities or obligations of any kind convertible into or exchangeable for any shares of Revelstoke or Revelstoke Subco. All outstanding Revelstoke Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. The one issued and outstanding Revelstoke Subco Common Share has been authorized and validly issued and outstanding as a fully paid and non-assessable share, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Revelstoke or Revelstoke Subco having the right to vote with the Revelstoke Shareholders or Revelstoke Subco shareholders on any matter. There are no outstanding contractual obligations of Revelstoke or Revelstoke Subco to repurchase, redeem or otherwise acquire any outstanding shares or with respect to the voting or disposition of any outstanding shares.

(c) **Authority**. Revelstoke and Revelstoke Subco have all necessary power, authority and capacity, as applicable, to enter into this Agreement, the TSXV Escrow Agreement and all other agreements and instruments to be executed by Revelstoke and Revelstoke Subco as contemplated by this Agreement, and to perform their obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Revelstoke and the issuance by Revelstoke of the Revelstoke Shares upon completion of the

Amalgamation will at the Effective Time be authorized by the Board of Directors of Revelstoke, and no other corporate proceedings on the part of Revelstoke will be necessary to authorize this Agreement or to complete the Amalgamation. This Agreement has been executed and delivered by Revelstoke and Revelstoke Subco and constitutes legal, valid and binding obligations of Revelstoke and Revelstoke Subco, enforceable against Revelstoke and Revelstoke Subco, respectively, in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Revelstoke and Revelstoke Subco of this Agreement, final approval of the TSXV to the Transactions and the performance by Revelstoke and Revelstoke Subco of its obligations hereunder and the completion of the Transactions, do not and will not:

(i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) the articles or by-laws (or their equivalent) of Revelstoke or Revelstoke Subco,

(B) any Applicable Law, or

(C) any contract, agreement, licence or permit to which Revelstoke or Revelstoke Subco are bound or are subject or of which Revelstoke or Revelstoke Subco is the beneficiary;

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco;

(ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by Revelstoke or Revelstoke Subco to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Revelstoke or Revelstoke Subco or restrict, hinder, impair or limit the ability of Revelstoke or Revelstoke Subco to conduct the business of Revelstoke or Revelstoke Subco as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco; or

(iv) result in any material payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to any director or officer of Revelstoke or Revelstoke Subco or increase any benefits otherwise payable under any pension or benefits plan of Revelstoke or Revelstoke Subco or result in the acceleration of the time of payment or vesting of any such benefits.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Revelstoke or Revelstoke Subco in connection with the execution and delivery of this Agreement or the consummation by Revelstoke and Revelstoke Subco of the Transactions other than: (i) any Regulatory Approvals (including approval of the TSXV to the Transactions); and (ii) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco.

(d) **Revelstoke Subsidiaries**. Revelstoke does not own, directly or indirectly, voting or equity interests in any other companies or entities, other than Revelstoke Subco. Revelstoke owns directly all of the issued and outstanding shares of Revelstoke Subco, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Revelstoke Subco.

(e) **No Defaults**. Revelstoke and Revelstoke Subco are not in default under and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Revelstoke or Revelstoke Subco under any contract, agreement or licence that is material to the conduct of the business of Revelstoke or Revelstoke Subco, to which Revelstoke or Revelstoke Subco is a party or by which Revelstoke or Revelstoke Subco is bound that would, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco.

(f) **Absence of Changes**. Since June 30, 2018:

(i) Revelstoke has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Revelstoke Subco has not conducted any business and have not incurred any obligations or liabilities other than entering into this Agreement and it does not have any assets;

(iii) Revelstoke and Revelstoke Subco have not incurred or suffered a Material Adverse Change;

(iv) there has not been any acquisition or sale by Revelstoke or Revelstoke Subco of any material property or assets thereof;

(v) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Revelstoke of any debt for borrowed money, any creation or assumption by Revelstoke of any Encumbrance or any making by Revelstoke of any loan, advance or capital contribution to or investment in any other Person;

(vi) Revelstoke has not declared or paid any dividends or made any other distribution on any of the Revelstoke Shares;

(vii) Revelstoke has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Revelstoke Shares;

(viii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Revelstoke to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of options pursuant to the stock option plan of Revelstoke) made to, for or with any of such directors or officers;

(ix) Revelstoke has not effected any material change in its accounting methods, principles or practices; and

(x) except with respect to its existing stock option plan, Revelstoke does not have in force any collective bargaining agreements, bonus, pension, profit sharing, stock purchase, stock option or other benefit plans or shareholder rights plans.

(g) **Financial Matters**. The Revelstoke Financial Statements were prepared in accordance with IFRS, consistently applied, and fairly presented in all material respects the consolidated financial condition of Revelstoke at the respective dates indicated and the results of operations of Revelstoke for the periods covered on a consolidated basis. Revelstoke has no liabilities or obligations (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, except liabilities and obligations incurred in connection with the completion of the Transactions.

(h) **Books and Records**. The corporate records and minute books of Revelstoke and Revelstoke Subco have been maintained in accordance with all Applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Revelstoke or Revelstoke Subco. Financial books and records and accounts of Revelstoke: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect in all material respects the transactions and acquisitions and dispositions of assets of Revelstoke; and (iii) accurately and fairly reflect in all material respects the basis for the consolidated financial statements of Revelstoke.

(i) **Litigation**. There is no Claim, action, proceeding or investigation pending or in progress or, to the knowledge of Revelstoke or Revelstoke Subco, threatened against or relating to Revelstoke or Revelstoke Subco affecting any of their respective properties or assets which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Revelstoke or Revelstoke Subco. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Revelstoke or Revelstoke Subco, threatened against or relating to Revelstoke or Revelstoke Subco. Neither Revelstoke nor Revelstoke Subco, nor any of their properties or assets, is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Revelstoke or Revelstoke Subco to conduct their business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the Transactions, except to the extent any such matter would not have a Material Adverse Effect on Revelstoke or Revelstoke Subco.

(j) **Licenses, etc**. Revelstoke and Revelstoke Subco hold all requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects except where the failure to hold such licences, registrations, qualifications, permits and consents would not have a Material Adverse Effect on Revelstoke or Revelstoke Subco.

(k) **Operational Matters**. Except as would not reasonably be expected to have a Material Adverse Effect on Revelstoke or Revelstoke Subco all rentals, payments and obligations, and other payments due or payable on or prior to the date hereof under or with respect to the assets of Revelstoke and Revelstoke Subco have been properly and timely paid.

(l) **TSXV Matters**. The Revelstoke Shares are listed on the NEX board of the TSXV. Revelstoke is in material compliance with all of the policies of TSXV and the NEX board. Revelstoke has complied with Policy 2.4 of the TSXV's corporate finance manual in all material respects, including respect to the permitted use of proceeds under section 8 thereof.

(m) **Tax Matters**. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Revelstoke:

(i) Revelstoke has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;

(ii) Revelstoke has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely withheld all Taxes and other amounts required by Applicable Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Applicable Law to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Applicable Law to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Revelstoke Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Revelstoke, adequate under IFRS to cover Taxes with respect to Revelstoke accruing through the date hereof;

(iv) there are no proceedings, investigations, audits, assessments, reassessments or Claims now pending or to the knowledge of Revelstoke, threatened against Revelstoke that propose to assess Taxes in addition to those reported in the Tax Returns;

(v) no waiver of any statute of limitations with respect to Taxes has been given or requested with respect to Revelstoke; and

(vi) as at the date hereof, Revelstoke Subco has not been required to file any Tax Returns nor pay any Taxes and has not incurred any Tax liabilities.

(n) **Employee Benefits**. Revelstoke and Revelstoke Subco have no employees and no employee compensation or benefit obligations.

(o) **Reporting Status**. Revelstoke is a reporting issuer or its equivalent in the Provinces of British Columbia, Alberta and Ontario. Revelstoke is in material compliance with all of its obligations as a reporting issuer in the jurisdictions where it is a reporting issuer, including those imposed pursuant to securities legislation, and the regulations and policies thereunder.

(p) **Reports**. Since January 1, 2018, Revelstoke has filed with the Securities Authorities and the TSXV and all applicable self-regulatory authorities a true and complete copy of the Revelstoke Public Documents. The Revelstoke Public Documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Revelstoke except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on Revelstoke. Revelstoke has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

(q) **Compliance with Applicable Laws**. Revelstoke and Revelstoke Subco have complied with and are not in violation of any Applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Revelstoke or Revelstoke Subco.

(r) **No Cease Trade**. Neither Revelstoke nor Revelstoke Subco is subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Revelstoke and Revelstoke Subco, no investigation or other proceedings involving Revelstoke or Revelstoke Subco is currently in progress or pending by any applicable stock exchange or Securities Authority.

(s) **Certain Contracts**. Revelstoke is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to (i) limit the manner or the localities in which all or any material portion of the business of Revelstoke are conducted, (ii) limit any business practice of Revelstoke in any material respect, or (iii) restrict any acquisition or disposition of any property by Revelstoke in any material respect. Revelstoke Subco is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree other than this Agreement.

(t) **Liabilities**. There are no material liabilities of Revelstoke whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Revelstoke Financial Statements, except those incurred in the ordinary course of business since June 30, 2018, none of which has had or may reasonably be expected to have a Material Adverse Effect on Revelstoke. Revelstoke Subco has no liabilities.

(u) **No Adverse Change**. There has not been any Material Adverse Change of any kind whatsoever in the financial position or condition of Revelstoke or Revelstoke Subco or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business or assets, or the right or capacity of Revelstoke or Revelstoke Subco to carry on their business, such business having been carried on in the ordinary course.

(v) **No Indebtedness**. Neither Revelstoke nor Revelstoke Subco owes any money to, has any present loans to or is otherwise indebted to any officer, director, employee, shareholder or any Person not dealing at “arm’s length” (as such term is defined in the Tax Act) with Revelstoke or Revelstoke Subco.

(w) **No Agreement to Merge**. Except with respect to the Amalgamation, neither Revelstoke nor Revelstoke Subco has entered into any agreement of any nature whatsoever to acquire, merge or enter into any business combination with any entity, or to acquire or lease any other business operations.

(x) **Disclosure of Material Contracts**. All contracts and agreements material to Revelstoke have been disclosed in the Revelstoke Public Documents and Revelstoke has not approved, entered into any binding agreement in respect of, or has any knowledge of, 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 Revelstoke, whether by asset sale, transfer of shares or otherwise.

(y) **Corruption**. None of Revelstoke, Revelstoke Subco, their directors or officers, nor, to the knowledge of Revelstoke or Revelstoke Subco, any director, officer, employee, consultant or agent or other Person acting on behalf of Revelstoke or Revelstoke Subco is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation of the *Corruption of Foreign Public Officials Act* (Canada) (the "**CFPOA**") including, without limitation, making use of the mail or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign public official" (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the CFPOA. Revelstoke and Revelstoke Subco will monitor their business to ensure compliance with the CFPOA, as applicable, and, if violations of the CFPOA are found, will take remedial action to remedy such violations.

(z) **Money Laundering**. The operations of Revelstoke and Revelstoke Subco are, and have been conducted at all times, in compliance with all material applicable financial record keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Entity, or any arbitrator involving Revelstoke or Revelstoke Subco with respect to the Money Laundering Laws is pending or, to the knowledge of Revelstoke or Revelstoke Subco, threatened.

(aa) **Approval of Amalgamation and Recommendation**. The Board of Directors of Revelstoke has determined that the Amalgamation is in the best interests of Revelstoke, has unanimously approved the transactions contemplated in this Agreement and the entering into of this Agreement and, subject to the terms of this Agreement, has resolved to vote in favour of all matters relating to the Amalgamation as sole shareholder of Revelstoke Subco.

(bb) **Disclosure/Internal Controls**. Revelstoke has designed disclosure controls and procedures to ensure that material information relating to Revelstoke is made known to the management of Revelstoke by others within its organization. Revelstoke's chief executive officer and its chief financial officer have disclosed, based on their most recent evaluation, to Revelstoke's auditors (i) all significant deficiencies in the design or operation of the internal controls that are reasonably likely to adversely affect Revelstoke's ability to record, process, summarize and report financial data and have identified for Revelstoke's auditors any material weakness in internal controls, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Revelstoke's internal controls.

(cc) **No Broker's Commission**. Revelstoke and Revelstoke Subco have not taken any action that would entitle any Person to any valid Claim against Zonetail for a broker's commission, finder's fee or any like payment in respect of the Transactions or any other matter contemplated by this Agreement except for the fees payable to the Agent in connection with the Financing.

(dd) **No Disagreement with Auditors**. There is no pending disagreement between Revelstoke and its auditors which could materially affect the financial situation of Revelstoke.

(ee) **No Shareholder Agreements**. To the best of the knowledge of Revelstoke, there does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Revelstoke except for a Form 2F CPC Escrow Agreement dated June 10, 2015 entered into in compliance with TSXV Policy 2.4.

(ff) **Loan Agreements**. Revelstoke is not party to any loan agreement, credit agreement, hypothec agreement or other agreement of the same nature.

(gg) **Cash**. The cash and near cash assets of Revelstoke as at September 30, 2018, net of liabilities, were approximately $311,353.

(hh) **Creditors Not Prejudiced**. Revelstoke has no reasonable grounds for believing that a creditor of Revelstoke will be prejudiced by the Amalgamation.

(ii) **No Bankruptcy**. No proceedings have been taken, are pending or authorized by Revelstoke or Revelstoke Subco or, to the knowledge of Revelstoke or Revelstoke Subco, by any other Person in respect of the bankruptcy, insolvency, liquidation or winding up of Revelstoke or Revelstoke Subco.

(jj) **Non-Arm's Length Dealings**. Except as disclosed in the Revelstoke Public Documents, Revelstoke 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 Revelstoke, and there are no off-balance sheet structures or transactions with respect to Revelstoke and there will be no such structures or transactions in place immediately before or immediately after the Effective Date.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF ZONETAIL

5.01 Representations and Warranties of Zonetail

Zonetail hereby represents and warrants to Revelstoke and Revelstoke Subco, and hereby acknowledges that each of Revelstoke and Revelstoke Subco is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transactions, as follows:

(a) **Organization**.

(i) Zonetail has been incorporated under the laws of Canada and continued under the laws of Ontario, is validly subsisting and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Zonetail is registered, licensed or otherwise qualified as an extra provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Zonetail.

(ii) 9827200 has been incorporated under the laws of Canada, is validly subsisting and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. 9827200 is registered, licensed or otherwise qualified as an extra provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Zonetail.

(b) **Capitalization**.

(i) The authorized capital of Zonetail consists of an unlimited number of Zonetail Shares. As at the date hereof, there are: (A) 40,148,420 Zonetail Shares outstanding; (B) 1,044,000 options to purchase Zonetail Shares outstanding (504,000 of which are exercisable at $0.25 for 24 months from the date of the Transaction and 540,000 of which are exercisable at $0.15 until February 16, 2021); and (C) 7,158,051 Zonetail Warrants outstanding.

(ii) The authorized capital of 9827200 consists of an unlimited number of Class “A” common shares and an unlimited number of Class “D” preferred shares. As at the date hereof, there are: (A) 10,099 Class “A” common shares of 9827200 outstanding; and (B) 750,000 Class “D” preferred shares of 9827200 outstanding.

(iii) The authorized capital of Zonetail US consists of an unlimited number of common shares. As at the date hereof, there is 1 common share of Zonetail US outstanding.

Except as disclosed in this Agreement and the Filing Statement and as contemplated pursuant to the Financing, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Zonetail, 9827200 or Zonetail US to issue or sell any shares or any securities or obligations of any kind convertible into or exchangeable for any shares of Zonetail, 9827200 or Zonetail US. All outstanding Zonetail Shares, shares of 9827200 and shares of Zonetail US have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Zonetail having the right to vote with the Zonetail Shareholders on any matter. There are no outstanding contractual obligations of Zonetail, 9827200 or Zonetail US to repurchase, redeem or otherwise acquire any outstanding shares or with respect to the voting or disposition of any outstanding shares.

(c) **Authority**. Zonetail has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Zonetail as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Zonetail has been authorized by the Board of Directors of Zonetail and, subject to the receipt of director approval authorizing same and the receipt of shareholder approval authorizing the Amalgamation, no other corporate proceedings on the part of Zonetail are necessary to authorize this Agreement or to complete the Transactions. This Agreement has been executed and delivered by Zonetail and constitutes a legal, valid and binding obligation of Zonetail, enforceable against Zonetail in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. Save and except for requisite director and shareholder approvals in relation to the Amalgamation, the execution and delivery by Zonetail of this Agreement and the performance by Zonetail of its obligations hereunder and the completion of the Transactions, do not and will not:

(i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) the articles or by-laws (or their equivalent) of Zonetail,

(B) any Applicable Law, or

(C) any contract, agreement, licence or permit to which Zonetail is bound or is subject or of which Zonetail is the beneficiary;

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Zonetail;

(ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by Zonetail to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Zonetail;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Zonetail or restrict, hinder, impair or limit the ability of Zonetail to conduct its business as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Zonetail; or

(iv) result in any material payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to any director or officer of Zonetail or increase any benefits otherwise payable under any pension or benefits plan of Zonetail or result in the acceleration of the time of payment or vesting of any such benefits.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Zonetail in connection with the execution and delivery of this Agreement or the consummation by Zonetail of the Amalgamation other than: (i) shareholder approval in respect of the Amalgamation; (ii) filing of the Articles of Amalgamation in compliance with the OBCA; (iii) any other Regulatory Approvals, and (iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Zonetail.

(d) **Zonetail Subsidiaries**. The only Subsidiaries of Zonetail are 9827200 and Zonetail US and save and except for 9827200 and Zonetail US, Zonetail does not own, directly or indirectly, voting or equity interest in any other companies or entities. Zonetail owns directly all of the issued and outstanding shares of 9827200 and Zonetail US, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of 9827200 and Zonetail US.

(e) **No Defaults**. Zonetail is not in default under and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Zonetail under any contract, agreement or licence that is material to the conduct of the business of Zonetail, to which any of them is a party or by which they are bound that would, individually or in the aggregate, have a Material Adverse Effect on Zonetail.

(f) **Absence of Changes**. Since June 30, 2018:

(i) Zonetail has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Zonetail has not incurred nor suffered a Material Adverse Change;

(iii) there has not been any acquisition or sale by Zonetail of any material property or assets thereof;

(iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Zonetail of any debt for borrowed money, any creation or assumption by Zonetail of any Encumbrance, any making by Zonetail of any loan, advance or capital contribution to or investment in any other Person;

(v) Zonetail has not declared or paid any dividends or made any other distribution on any of the Zonetail Shares;

(vi) Zonetail has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Zonetail Shares;

(vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Zonetail to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of options pursuant to the stock option plan of Zonetail) made to, for or with any of such directors or officers; and

(viii) Zonetail does not have in force any collective bargaining agreements, bonus, pension, profit sharing, stock purchase, stock option or other benefit plans or shareholder rights plans.

(g) **Employment Agreements**.

(i) Zonetail is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Zonetail that cannot be terminated without payment of a maximum of one year of that individual's salary.

(ii) Zonetail does not have any employee or consultant whose employment or contract with Zonetail cannot be terminated without payment upon a maximum of one year's notice.

(iii) No employee has made any Claim or, to the best of Zonetail's knowledge and belief, has any basis for any action or proceeding against Zonetail, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation.

(iv) Zonetail has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements.

(v) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees or Zonetail by way of certification, interim certification, voluntary recognition, designation or successor rights.

(h) **Financial Matters**. The Zonetail Financial Statements were prepared in accordance with IFRS, consistently applied, and fairly present in all material respects the financial condition of Zonetail at the respective dates indicated and the results of operations of Zonetail for the periods covered. Zonetail does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, not reflected in the Zonetail Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business since June 30, 2018, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Zonetail.

(i) **Books and Records**. The corporate records and minute books of Zonetail and 9827200 have been maintained in accordance with all Applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Zonetail 9827200. Financial books and records and accounts of Zonetail: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Zonetail; and (iii) accurately and fairly reflect the basis for the financial statements of Zonetail.

(j) **Litigation**. There is no Claim, action, proceeding or investigation pending or in progress or, to the knowledge of Zonetail, threatened against or relating to Zonetail, 9827200 or Zonetail US affecting any of its properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Zonetail. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Zonetail, threatened against or relating to Zonetail. Neither Zonetail, nor 9827200 nor Zonetail US nor any of their respective properties or assets, is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Zonetail to conduct its respective business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the Transactions, except to the extent any such matter would not have a Material Adverse Effect on Zonetail.

(k) **Licenses, etc.** Zonetail holds all requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its respective business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects except where the failure to hold such licences, registrations, qualifications, permits and consents would not have a Material Adverse Effect on Zonetail.

(l) **Operational Matters**. Except as would not reasonably be expected to have a Material Adverse Effect on Zonetail, all rentals, payments and obligations, royalties, overriding royalty interests, production payments, net profits, interest burdens and other payments due or payable on or prior to the date hereof under or with respect to the direct or indirect assets of Zonetail have been properly and timely paid.

(m) **Tax Matters**. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Zonetail:

(i) Zonetail has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;

(ii) Zonetail has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely withheld all Taxes and other amounts required by Applicable Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Applicable Law to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Applicable Law to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Zonetail Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Zonetail, adequate under IFRS to cover Taxes with respect to Zonetail accruing through the date hereof;

(iv) there are no proceedings, investigations, audits, assessments, reassessments or Claims now pending or to the knowledge of Zonetail, threatened against Zonetail that propose to assess Taxes in addition to those reported in the Tax Returns; and

(v) no waiver of any statute of limitations with respect to Taxes has been given or requested with respect to Zonetail.

(n) **Employee Benefits**. Zonetail, 9827200 and Zonetail US have complied, in all material respects, with all of the terms of all employee compensation and benefit obligations of Zonetail, 9827200 and Zonetail US, as applicable.

(o) **Compliance with Applicable Laws**. Zonetail has complied with and is not in violation of any Applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Zonetail.

(p) **Certain Contracts**. With the exception of certain non-disclosure agreements entered into in the ordinary course of business, Zonetail is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to (i) limit the manner or the localities in which all or any material portion of the business of Zonetail is conducted, (ii) limit any business practice of Zonetail in any material respect, or (iii) restrict any acquisition or disposition of any property by Zonetail in any material respect.

(q) **Liabilities.** There are no material liabilities of Zonetail whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Zonetail Financial Statements, except, those incurred in the ordinary course of business since June 30, 2018.

(r) **No Adverse Change**. There has not been any adverse material change of any kind whatsoever in the financial position or condition of Zonetail or 9827200 and Zonetail US or any damage, loss or other change of any kind whatsoever in circumstances materially affecting their respective businesses or assets, taken as a whole, or the right or capacity of any of them to carry on their respective business, such businesses having been carried on in the ordinary course.

(s) **No Indebtedness**. Except as disclosed in the Zonetail Financial Statements or other than in the ordinary course of business, neither Zonetail, nor 9827200 nor Zonetail US owe any money to, have any present loans to, has borrowed any monies from and is otherwise indebted to any officer, director, employee, shareholder or any Person not dealing at "arm's length" (as such term is defined in the Tax Act) with Zonetail, 9827200 or Zonetail US.

(t) **No Agreement to Merge**. Except with respect to the Amalgamation, neither Zonetail, nor 9827200 nor Zonetail US have entered into any agreement of any nature whatsoever to acquire, merge or enter into any business combination with any entity, or to acquire or lease any other business operations.

(u) **Disclosure of Material Contracts**. Schedule "B" hereto contains a list of all material contracts, agreements and commitments (whether written or oral) to which Zonetail is a party, and all of such material contracts, agreements and commitments, are in full force and effect and Zonetail is not in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived in writing by the other party to such contract, agreement or commitment.

(v) **No Broker's Commission**. Zonetail has not taken any action that would entitle any Person to any valid Claim against Revelstoke for a broker's commission, finder's fee or any like payment in respect of the Amalgamation.

(w) **Corruption**. None of Zonetail, its directors or officers, nor, to the knowledge of Zonetail, any director, officer, employee, consultant or agent or other Person acting on behalf of Zonetail is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation of the CFPOA including, without limitation, making use of the mail or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign public official" (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the CFPOA. Zonetail will monitor its business to ensure compliance with the CFPOA, as applicable, and, if violations of the CFPOA are found, will take remedial action to remedy such violations.

(x) **Money Laundering**. The operations of Zonetail are, and have been conducted at all times, in compliance with all material applicable financial record keeping and reporting requirements of the Money Laundering Laws and no action, suit or proceeding by or before any

Governmental Entity, or any arbitrator involving Zonetail with respect to the Money Laundering Laws is pending or, to the knowledge of Zonetail, threatened.

(y) **Approval of Amalgamation and Recommendation**. The Board of Directors of Zonetail has determined that the Amalgamation is in the best interests of Zonetail, has unanimously approved the transactions contemplated in this Agreement and the entering into of this Agreement and, subject to the terms of this Agreement, has resolved to recommend that Zonetail Shareholders vote in favour of the Amalgamation resolution at the Zonetail Meeting.

(z) **Insurance**. At the present time Zonetail does not have any insurance coverage in place, other than directors and officer liability insurance and property and casualty insurance with respect to certain of Zonetail's properties in Canada.

(aa) **Disclosure/Internal Controls**. Zonetail has designed disclosure controls and procedures to ensure that material information relating to Zonetail is made known to the management of Zonetail by others within those entities. Zonetail's chief executive officer and its chief financial officer have disclosed, based on their most recent evaluation, to Zonetail's auditors (i) all significant deficiencies in the design or operation of the internal controls that are reasonably likely to adversely affect Zonetail's ability to record, process, summarize and report financial data and have identified for Zonetail's auditors any material weakness in internal controls, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Zonetail's internal controls.

(bb) **Intellectual Property**

(i) Zonetail is not bound by any agreement that materially affects Zonetail's exclusive right to develop, manufacture, assemble, distribute, market or sell its products;

(ii) Zonetail is the sole legal and beneficial owner of, has good and marketable title to, and owns all right, title and interest in all Zonetail IP free and clear of all encumbrances, charges, covenants, conditions, options to purchase and restrictions or other adverse Claims or interests of any kind or nature which could reasonably be expected to have a Material Adverse Effect, and Zonetail has no knowledge of any Claim of adverse ownership in respect thereof. No consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Zonetail IP;

(iii) to the best of Zonetail's knowledge and belief, (i) Zonetail has not received any notice or Claim (whether written, oral or otherwise) challenging Zonetail's ownership or right to use of any of Zonetail IP or suggesting that any other person has any claim of legal or beneficial ownership or other Claim or interest with respect thereto, (ii) nor is there a reasonable basis for any Claim that any Person other than Zonetail has any Claim of legal or beneficial ownership or other Claim or interest in any of Zonetail IP;

(iv) to the best of Zonetail's knowledge and belief, the conduct of Zonetail's business (including, without limitation, the sale of its products and services, or the use or other exploitation of Zonetail IP by Zonetail or any customers, distributors or other licensees) has not infringed, violated, misappropriated or otherwise conflicted with any intellectual property right of any Person;

(v) Zonetail is not a party to any action or proceeding, nor, to Zonetail's knowledge, after appropriate inquiries and investigations, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of its business (including, without limitation, the sale of its products and services, or use or other exploitation of any Zonetail IP by Zonetail or any customers, distributors or other licensees) has or will infringe, violate or misappropriate or otherwise conflict with any Intellectual Property Assets right of any person;

(vi) except as disclosed in the Filing Statement, to Zonetail's knowledge, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of Zonetail in or to any Zonetail IP;

(vii) Zonetail has and enforces an unwritten policy requiring each employee and consultant to execute a non-disclosure agreement substantially in the forms provided to the Agent and its counsel and all employees and consultants of Zonetail have executed such agreement.

(cc) **No Disagreement with Auditors**. There is no pending disagreement between Zonetail and its auditors which could materially affect the financial situation of Zonetail.

(dd) **No Shareholder Agreements**. There does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Zonetail.

(ee) **Loan Agreements**. Zonetail is not party to any loan agreement, credit agreement, hypothec agreement or other agreement of the same nature, except as disclosed in the Zonetail Financial Statements.

(ff) **Creditors Not Prejudiced**. Zonetail has no reasonable grounds for believing that a creditor of Zonetail will be prejudiced by the Amalgamation.

(gg) **No Bankruptcy**. No proceedings have been taken, are pending or authorized by Zonetail, 9827200 or Zonetail US or, to the knowledge of Zonetail, 9827200 or Zonetail US, by any other Person in respect of the bankruptcy, insolvency, liquidation or winding up of Zonetail, 9827200 or Zonetail US.

(hh) **Non-Arm's Length Dealings**. Except as disclosed in the Zonetail Financial Statements, Zonetail 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 Zonetail, and there are no off-balance sheet structures or transactions with respect to Zonetail and there will be no such structures or transactions in place immediately before or immediately after the Effective Date.

(ii) **Proposed Management**. To the best of the knowledge of Zonetail, none of the proposed officers or directors of the Resulting Issuer, is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere that are required to be disclosed in the Filing Statement or in a TSXV Personal Information Form.

(jj) **Private Placements**. All private placements of Zonetail Shares and Zonetail Warrants have been completed in accordance with all Applicable Securities Laws.

ARTICLE 6
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

6.01 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall merge on the completion of the Transactions. Any investigation by Revelstoke or Zonetail and their respective advisors shall not mitigate, diminish or affect the representations and warranties contained in this Agreement.

ARTICLE 7
COVENANTS OF REVELSTOKE

7.01 Covenants of Revelstoke

Revelstoke hereby covenants and agrees with Zonetail as follows:

(a) **Usual Business**. Other than in contemplation of or as required to give effect to the Transactions, Revelstoke shall conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice and shall continue to operate as a "Capital Pool Company" pursuant to TSXV Policy 2.4.

(b) **Certain Actions Prohibited**. Other than in contemplation of or as required to give effect to the Transactions, Revelstoke shall not, without the prior written consent of Zonetail, such consent not to be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following:

(i) issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of Revelstoke, including without limitation, the Revelstoke Shares;

(ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons), sell, lease, pledge or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;

(iii) other than in connection with the Revelstoke Name Change, amend or propose to amend the Articles or by-laws (or their equivalent) of Revelstoke;

(iv) split, combine or reclassify any of the Revelstoke Shares, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the shares of Revelstoke;

(v) redeem, purchase or offer to purchase any Revelstoke Shares;

(vi) reorganize, amalgamate or merge Revelstoke with any other Person;

(vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;

(viii) (A) satisfy or settle any Claim or dispute; (B) relinquish any contractual rights that are, individually or in the aggregate, in an amount in excess of $10,000; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;

(ix) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money; or

(x) enter into new commitments of a capital expenditure nature or incur any new contingent liabilities other than: (A) ordinary course expenditures; (B) expenditures required by Applicable Law; and (C) expenditures made in connection with the Transactions.

(c) **Employment Arrangements**. Revelstoke shall not, without the prior written consent of Zonetail, such consent not to be unreasonably withheld or delayed, enter into or modify any employment, consulting, severance, or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Revelstoke.

(d) **Certain Actions**. Revelstoke shall:

(i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the Transactions or would render, or that could reasonably be expected to render, any representation or warranty made by Revelstoke in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or which would have a Material Adverse Effect on Revelstoke, provided that Revelstoke may take any such action or refrain from taking such action (subject to commercially reasonable best efforts) as a result of this Agreement, in the event Revelstoke immediately notifies Zonetail in writing of such circumstances;

(ii) promptly notify Zonetail of: (A) any change, event, occurrence or state of facts that would reasonably be expected to have a Material Adverse Effect on Revelstoke, (B) any material breach by Revelstoke of any covenant or agreement contained in this Agreement, and (C) any event occurring subsequent to the date hereof that would render any representation or warranty of Revelstoke contained in this Agreement, if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;

(iii) in consultation with Zonetail and its counsel, prepare and file the Filing Statement all in accordance with Applicable Laws, including the policies of the TSXV;

(iv) file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and

(v) neither declare nor pay any dividends or other distributions or returns of capital on Revelstoke Shares from the date of this Agreement until the Closing Date without the prior consent of Zonetail.

(e) **Contractual Obligations**. Revelstoke shall not, enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which Revelstoke is a party or by which it is bound, except insofar as may be necessary to permit or provide for the completion of the Transactions or where to do so would not have a Material Adverse Effect.

(f) **Notification**. Revelstoke shall promptly notify Zonetail, to the extent not previously disclosed of:

(i) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Revelstoke,

(ii) any material breach by Revelstoke of any covenant or agreement contained in this Agreement, and

(iii) any event occurring subsequent to the date hereof that would render any representation or warranty of Revelstoke contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

(g) **Satisfaction of Conditions**. Revelstoke shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Transactions, including using its commercially reasonable efforts to:

(i) obtain all other consents, approvals and authorizations as are required to be obtained by Revelstoke under any Applicable Law or from any Governmental Entity (including the TSXV) and shareholder approval for Revelstoke Subco, that would, if not obtained, materially impede the completion of the Transactions or have a Material Adverse Effect on Revelstoke;

(ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transactions and participate and appear in any proceedings of any party hereto before any Governmental Entity;

(iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the Transactions or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate, the Transactions;

(iv) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Revelstoke; and

(v) cooperate with Zonetail in connection with the performance by each of them of their respective obligations hereunder, provided however that the foregoing shall not be construed to obligate Revelstoke to pay or cause to be paid any monies to cause such performance to occur.

(h) **Keep Fully Informed**. Subject to Applicable Laws, Revelstoke shall use commercially reasonable efforts to conduct itself so as to keep Zonetail fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.

(i) **Cooperation**. Revelstoke shall make, or cooperate as necessary in the making of, all necessary filings and applications under all Applicable Laws required in connection with the Transactions and take all reasonable action necessary to be in compliance with such Applicable Laws.

(j) **Representations**. Revelstoke shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Revelstoke contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

(k) **Closing Documents**. Revelstoke shall execute and deliver, or cause to be executed and delivered, at the closing of the Transactions such customary agreements, certificates, resolutions and other customary closing documents as may be required by Zonetail including opinion of Revelstoke's legal counsel with regard to corporate and securities laws, all in form satisfactory to Zonetail, acting reasonably in each case.

(l) **Completion Date**. Revelstoke shall use commercially reasonable efforts to complete the Transactions herein on or prior to the Completion Deadline.

(m) **Zonetail Board Nominees**. Upon completion of the Transactions, the Board of Directors of the Resulting Issuer shall consist of six members as outlined above under section 2.05, each member being a nominee of Zonetail.

(n) **Articles of Amalgamation**. Promptly following the satisfaction of all of the conditions precedent contained in this Agreement, Revelstoke shall file articles the Articles of Amalgamation in accordance with the requirements of the OBCA to give effect to the Amalgamation on the Effective Date.

(o) **Stock Exchange Listing**. Revelstoke shall use all commercially reasonable efforts to obtain the conditional approval of the TSXV to the Transactions and the listing of the Revelstoke Shares required to be issued in connection with the Amalgamation, including on exercise of the Zonetail Warrants and the Zonetail Options. Revelstoke covenants and agrees that, at the Effective Time, Revelstoke will satisfy the public distribution initial listing requirements applicable to a Tier 2 issuer under the TSX Venture Exchange Corporate Finance Manual.

(p) **Reporting Issuer Status**. Revelstoke shall use its best efforts to maintain its status as a reporting issuer in Ontario, Alberta and British Columbia.

(q) **Cash on Hand**. Following the completion of the Transactions, Revelstoke shall have at least $295,000 in cash on hand.

(r) **Issuance of Securities**. Revelstoke shall on Closing validly issue the Revelstoke Shares issuable hereunder as fully paid and non-assessable common shares in the capital of Revelstoke, free and clear of Encumbrances;

(s) **Subsequent Amalgamation**. Concurrently with or shortly after the Amalgamation, obtain director approval for the Subsequent Amalgamation and file the Subsequent Articles of Amalgamation to effect the Subsequent Amalgamation.

ARTICLE 8
COVENANTS OF ZONETAIL

8.01 Zonetail hereby covenants and agrees with Revelstoke as follows:

(a) **Conduct of Business**. Other than in contemplation of or as required to give effect to the Transactions, Zonetail shall conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice.

(b) **Certain Actions Prohibited**. Other than in contemplation of or as required to give effect to the Transactions, Zonetail shall not, without the prior written consent of Revelstoke, such consent not to be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following:

(i) issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, or agree to issue, sell, pledge, lease, dispose of, or encumber or create any

Encumbrance on any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of Zonetail, including without limitation, the Zonetail Shares, other than pursuant to (A) the issue of Zonetail Shares pursuant to the exercise of the Zonetail Options and Zonetail Warrants issued and outstanding on the date hereof in accordance with their terms as of the date hereof; (B) the issue of Zonetail Shares pursuant to the terms of the Zonetail Convertible Debt; and (C) the Financing;

(ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons), sell, lease, pledge or otherwise dispose of, any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;

(iii) amend or propose to amend the Articles or by-laws (or their equivalent) of Zonetail;

(iv) split, combine or reclassify any of the Zonetail Shares, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Zonetail Shares;

(v) redeem, purchase or offer to purchase any Zonetail Shares;

(vi) reorganize, amalgamate or merge Zonetail with any other Person;

(vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;

(viii) (A) satisfy or settle any Claim or dispute, except such as have been included in the Zonetail Financial Statements and which are, individually or in the aggregate, in an amount in excess of $100,000; (B) relinquish any contractual rights that are, individually or in the aggregate, in an amount in excess of $100,000; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;

(ix) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money; or

(x) enter into new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) ordinary course expenditures; (B) expenditures required by Applicable Law; and (C) expenditures made in connection with the Transactions.

(c) **Employment Arrangements**. Zonetail shall not, prior to the Closing Date, without the prior written consent of Revelstoke, such consent not to be unreasonably withheld or delayed, enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Zonetail.

(d) **Certain Actions**. Zonetail shall:

(i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the Transactions or would render, or that could reasonably be expected to render, any representation or warranty made by Zonetail in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or which would have a Material Adverse Effect on Zonetail, provided that Zonetail may take any such action or refrain from taking such action (subject to commercially reasonable best efforts) as a result of this Agreement, in the event Zonetail immediately notifies Revelstoke in writing of such circumstances; and

(ii) promptly notify Revelstoke of: (A) any change, event, occurrence or state of facts that would reasonably be expected to have a Material Adverse Effect on Zonetail, (B) any material breach by Zonetail of any covenant or agreement contained in this Agreement, and (C) any event occurring subsequent to the date hereof that would render any representation or warranty of Zonetail contained in this Agreement, if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect.

(e) **Contractual Obligations**. Zonetail shall not enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which Zonetail is a party or by which Zonetail is bound, except insofar as may be necessary to permit or provide for the completion of the Transactions or where to do so would not have a Material Adverse Effect.

(f) **Notification**. Zonetail shall promptly notify Revelstoke, to the extent not previously disclosed of:

(i) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Zonetail;

(ii) any material breach by Zonetail of any covenant or agreement contained in this Agreement; and

(iii) any event occurring subsequent to the date hereof that would render any representation or warranty of Zonetail contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

(g) **Satisfaction of Conditions**. Zonetail shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Transactions, including using its commercially reasonable efforts to:

(i) obtain all other consents, approvals and authorizations as are required to be obtained by Zonetail under any Applicable Law, under any contract to which Zonetail is bound or from any Governmental Entity that would, if not obtained, materially impede the completion of the Transactions or have a Material Adverse Effect on Zonetail;

(ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transactions and participate and appear in any proceedings of any party hereto before any Governmental Entity;

(iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement and the Transactions or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate the Transactions;

(iv) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Zonetail;

(v) cooperate with Revelstoke in connection with the performance by each of them of their respective obligations hereunder, provided however that the foregoing shall not be construed to obligate Zonetail to pay or cause to be paid any monies to cause such performance to occur; and

(vi) if the TSXV requires that the Zonetail Warrant or the Zonetail Options have a higher exercise price or such other amendments, Zonetail shall make its best efforts to obtain such amendments from the holders of the Zonetail Warrants and Zonetail Options and will provide Revelstoke with compensation equivalent to the difference in the aggregate exercise price for any holders that do not consent to such amendments.

(h) **Cooperation**. Zonetail shall make, or cooperate as necessary in the making of all necessary filings and applications, under all Applicable Laws required in connection with the Transactions and take all reasonable action necessary to be in compliance with such Applicable Laws.

(i) **Representations**. Zonetail shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Zonetail contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

(j) **Closing Documents**. Zonetail shall execute and deliver, or cause to be executed and delivered, at the closing of the Transactions such customary agreements, certificates, resolutions and other customary closing documents as may be required by Revelstoke, all in form satisfactory to Revelstoke, acting reasonably in each case.

(k) **Completion Date**. Zonetail shall use commercially reasonable efforts to complete the Transactions on or prior to the Completion Deadline.

ARTICLE 9
CONDITIONS

9.01 Mutual Conditions

The respective obligations of Revelstoke and Zonetail to complete the Transactions are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

(a) the TSXV shall have conditionally approved the listing thereon of the Revelstoke Shares to be issued pursuant to the Transactions, including the Revelstoke Shares to be issued should any Agents' Compensation Warrants, Zonetail Warrants or Zonetail Options be exercised in the future and the Amalgamation as of the Effective Date and the TSXV shall have accepted notice for filing of all transactions of Revelstoke and Zonetail contemplated herein or necessary to complete the Transactions, subject only to compliance with the usual requirements of the TSXV;

(b) the Effective Time shall be on or before the Completion Deadline;

(c) all Regulatory Approvals and the expiry, waiver or termination of any waiting periods, in connection with, or required to permit, the completion of the Transactions, all of which have been previously disclosed in writing by Zonetail to Revelstoke and by Revelstoke to Zonetail, and all third Person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements shall have been obtained or received on terms that are reasonably satisfactory to each of Revelstoke and Zonetail, except where the failure to obtain such Regulatory Approvals or approvals, agreements, amendments or modifications or the non-expiry of such waiting periods would not, either individually or in the aggregate, have a Material Adverse Effect on Zonetail or Revelstoke or materially impede the completion of the Transactions;

(d) any escrow and/or pooling agreements (including the TSXV Escrow Agreement) in respect of the Revelstoke Shares to be issued pursuant to the Amalgamation required under the policies of the TSXV shall have been executed and delivered by the parties thereto; and

(e) this Agreement shall not have been terminated pursuant to section 3.01 hereof.

The foregoing conditions are for the mutual benefit of the Parties and may be waived in respect of a Party, in whole or in part by such Party in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the satisfaction thereof, then any Party may terminate this Agreement by written notice to the other Party in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement or caused by such rescinding Party.

9.02 Conditions Precedent to the Obligations of Revelstoke

The obligation of Revelstoke to complete the Transactions is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

(a) approval of all regulatory bodies having jurisdiction in connection with the Transactions, including without limitation the TSXV and the Ontario Securities Commission, as may be applicable;

(b) the Zonetail Shares shall be free and clear of any and all Encumbrances other than Encumbrances acceptable to Revelstoke and expressly so stated in writing and shall be legally and validly issued, and outstanding as fully paid and non-assessable securities;

(c) there shall be no other issued and outstanding securities in the capital of Zonetail other than as disclosed herein or in the Filing Statement and Zonetail shall become a wholly-owned subsidiary of Revelstoke upon completion of the Amalgamation;

(d) the representations and warranties of Zonetail contained herein and in the Agreement shall be deemed to have been made again on the Closing Date and shall then be true and correct in all material respects as of that date;

(e) there shall be no material breach of the covenants of Zonetail contained herein or in the other documents with respect to the Transactions;

(f) Zonetail shall be in material compliance with the terms of this Agreement;

(g) no Material Adverse Change shall have occurred in the business, assets, liabilities, results, financial condition or affairs of Zonetail from the date hereof to Closing;

(h) satisfactory completion of due diligence review by Revelstoke, acting reasonably and in good faith in connection with all matters relating to the Transactions;

(i) there being no legal proceeding or regulatory actions, investigation or proceedings against or threatened against Zonetail as at Closing;

(j) no inquiry or investigation (whether formal or informal) in relation to Zonetail or its directors or officers, shall have been commenced or threatened by any officer or official of the TSXV or any securities commission, or similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on Zonetail;

(k) there being no prohibition at law against the consummation of the Transactions;

(l) receipt of all required approvals, consents or waivers to the Transactions and all related matters and transaction documents, including the approval or consent of any third party whose consent is required by Revelstoke or Zonetail to complete the Transactions;

(m) Zonetail shall make available to Revelstoke all relevant financial statements, documents, reports, files, books, papers, documents and agreements, and all other relevant information relating to the business, assets, operations, prospects, financial condition and affairs of Zonetail, such that Revelstoke shall satisfactorily complete its due diligence review of such materials on the later of: (i) the business day immediately preceding the date on which the Filing Statement is filed on SEDAR in accordance with the policies of TSXV; and (ii) such other date as agreed to by the Parties;

(n) the completion of the Financing on the terms described herein, the Agency Agreement, and/or on such other terms and conditions as the Parties hereto may agree upon in writing; and

(o) Zonetail shall not have issued securities materially exceeding the Zonetail Shares, the Zonetail Warrants and the Zonetail Options currently outstanding as of the date hereof other than pursuant to the Financing.

The foregoing conditions are for the benefit of Revelstoke and may be waived, in whole or in part, by Revelstoke in writing at any time. If any of such conditions shall not be complied with or waived by Revelstoke on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then Revelstoke may terminate this Agreement by written notice to Zonetail in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement or caused by Revelstoke.

9.03 Conditions Precedent to the Obligations of Zonetail

The obligation of Zonetail to complete the Transactions is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

(a) approval of the Transactions by all regulatory bodies having jurisdiction in connection with the subject transactions, including the TSXV and the Ontario Securities Commission, as may be applicable;

(b) the Revelstoke Shares issued in consideration for all Zonetail Shares shall be issued as fully paid common shares in the capital of Revelstoke, free and clear of any and all Encumbrances except those imposed by statute and pursuant to any relevant escrow restrictions or resale restrictions of the TSXV or governing regulatory authorities;

(c) the representations and warranties of Revelstoke contained herein shall be deemed to have been made again on Closing and shall then be true and correct in all material respects as of that date;

(d) there shall be no material breach of the covenants of Revelstoke contained herein or in the documents with respect to the closing of the Transactions;

(e) material compliance by Revelstoke with the terms of this Agreement;

(f) no Material Adverse Change shall have occurred in the business, assets, liabilities, results, financial condition, affairs or prospects of Revelstoke from the date hereof to Closing;

(g) satisfactory completion of due diligence review by Zonetail, acting reasonably and in good faith in connection with all matters relating to the Transactions;

(h) there being no legal proceeding or material regulatory actions or proceedings against Revelstoke as at Closing;

(i) no inquiry or investigation (whether formal or informal) in relation to Revelstoke or its directors or officers, shall have been commenced or threatened by any officer or official of the TSXV or any securities commission, or similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on Revelstoke;

(j) there being no prohibition at law against consummation of the Transactions;

(k) receipt of all required approvals, consents and waivers to the Transactions and all related matters and the documents with respect to the Transactions, including the approval or consent of any third party whose consent is required by Zonetail to complete the Transactions;

(l) Revelstoke shall make available to Zonetail all relevant financial statements, documents, reports, files, books, papers, documents and agreements, and all other relevant information relating to the business, assets, operations, prospects, financial condition and affairs of Revelstoke, such that Zonetail shall satisfactorily complete its due diligence review of such materials on the later of: (i) the date on which the Filing Statement is filed on SEDAR in accordance with the policies of the TSXV; and (ii) such other date as agreed to by the Parties; and

(m) the completion of the Financing on the terms described herein, the Agency Agreement, and/or on such other terms and conditions as the Parties hereto may agree upon in writing.

The foregoing conditions are for the benefit of Zonetail and may be waived, in whole or in part, by Zonetail in writing at any time. If any of such conditions shall not be complied with or waived by Zonetail on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, Zonetail may terminate this Agreement by written notice to Revelstoke in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement or caused by Zonetail.

9.04 Notice and Cure Provisions

Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could reasonably be expected to:

(a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;

(b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party prior to the Effective Date; or

(c) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in this Article 9, as the case may be.

Subject as herein provided, a Party may (a) elect not to complete the Transactions by virtue of the conditions contained in Article 9 hereof not being satisfied or waived or (b) exercise any termination right arising therefrom; *provided*, *however*, that (i) the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (ii) if any such notice is delivered, and a Party is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the Party that has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of five (5) days from date of delivery of such notice.

9.05 Amalgamation of Conditions

The conditions set out in this Article 9 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 10
COVENANTS RELATING TO ACQUISITION PROPOSALS

10.01 Non-Solicitation by Revelstoke

(a) Except as otherwise provided in this Agreement, Revelstoke shall not, directly or indirectly through any representative of Revelstoke:

(i) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of discussion, negotiation, furnishing information, permitting any visit to any facilities or properties of Revelstoke or entering into any form of written or oral agreement, arrangement or understanding, other than a confidentiality agreement as contemplated under section 10.03) any inquiries, proposals or offers regarding, or that may reasonably be expected to lead to, any Acquisition Proposal;

(ii) engage or participate in any discussions or negotiations regarding, or provide any information with respect to or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, an effort or attempt by a Person (other than Zonetail and its representatives) to do or seek to do any of the foregoing regarding any Acquisition Proposal or potential Acquisition Proposal;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Zonetail, the approval or recommendation of this Agreement or the Transactions by the Board of Directors of Revelstoke or any of its committees;

(iv) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement as contemplated under section 10.03).

(b) Revelstoke shall: (i) immediately cease, and will instruct its representatives to immediately cease, and cause to be terminated any existing solicitation, discussion or negotiation, encouragement or activity with any Person (other than Zonetail or any of its representatives) by Revelstoke or any of its representatives with respect to any Acquisition Proposal or any potential Acquisition Proposal whether or not initiated by Revelstoke or its representatives; and (ii) immediately cease to provide any Person (other than Zonetail or any of its representatives) with access to information concerning Revelstoke in respect of any Acquisition Proposal or any potential Acquisition Proposal, and request the return or destruction of all confidential information provided to any Person (other than Zonetail or any of its representatives) that has entered into a confidentiality agreement with Revelstoke relating to any Acquisition Proposal or potential Acquisition Proposal to the extent provided for in such confidentiality agreement and shall use all commercially reasonable efforts to ensure that such requests are honoured.

(c) Revelstoke shall not amend, modify, waive or fail to enforce on a timely basis any obligation under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between Revelstoke and a third party that would facilitate the making or implementation of an Acquisition Proposal.

(d) Revelstoke shall ensure that its representatives are aware of the prohibitions in this section 10.01 and Revelstoke shall be responsible for any breach of section 10.01 by its representatives.

10.02 Revelstoke Notification of Acquisition Proposals

Revelstoke shall promptly (and in any event within 24 hours) notify Zonetail, at first orally and then in writing, of any proposal, inquiry, offer or request received by Revelstoke or its representatives after the date hereof: (i) relating to an Acquisition Proposal or potential Acquisition Proposal or inquiry that could reasonably lead or be expected to lead to an Acquisition Proposal; (ii) for discussions or negotiations in respect of an Acquisition Proposal or potential Acquisition Proposal; (iii) for non-public information relating to Revelstoke, access to its properties, books and records or a list of securityholders; (iv) for representation on the Board of Directors of Revelstoke; or (v) any material amendments to any of the foregoing. Such notice shall include the identity of the Person making such proposal, inquiry, offer or request, a description of the terms and conditions thereof and Revelstoke shall provide a copy of any Acquisition Proposal and all written communications, and such details of the proposal, inquiry, offer or request that Zonetail may reasonably request. Revelstoke shall keep Zonetail promptly and fully informed of the status, including any change to the material terms, of such proposal, inquiry, offer or request and shall respond promptly to all inquiries by Zonetail with respect thereto.

10.03 Revelstoke Responding to Acquisition Proposals and Superior Proposals

(a) Notwithstanding sections 10.01(a) and (b), if after the date hereof, Revelstoke receives a written Acquisition Proposal that was not solicited, assisted, initiated, knowingly encouraged or facilitated after the date hereof in contravention of section 10.01, Revelstoke and its representatives may, if the Board of Directors of Revelstoke determines, after receiving advice from its outside legal advisor, that such Acquisition Proposal constitutes, or is reasonably likely to lead to, a Superior Proposal:

(i) provide information with respect to Revelstoke to the Person making such Acquisition Proposal; and/or

(ii) engage in discussions with the Person making such Acquisition Proposal and its representatives for the sole purpose of explaining or supplementing Revelstoke's due diligence materials;

provided that all such information, access and discussions shall cease during the Zonetail Match Period (as defined below) and subject in each case to the following requirements:

(A) Revelstoke shall have first received an executed confidentiality and standstill agreement, on terms satisfactory to Zonetail, acting reasonably and without unreasonable delay, executed by such Person after the date hereof;

(B) Zonetail shall be provided with (i) a copy of such confidentiality and standstill agreement promptly following its execution, and (ii) a list of, and access to (to the extent not previously provided to Zonetail), the information provided to such Person; and

(C) when it becomes reasonably apparent that such Person will not make a Superior Proposal, Revelstoke shall comply with section 10.01(b) with respect to such Person.

(b) Notwithstanding sections 10.01(a) and (b), Revelstoke may enter into an agreement (other than a confidentiality agreement contemplated by section 10.03(a)) with respect to an Acquisition Proposal that is a Superior Proposal, and/or withdraw, modify or qualify its approval or recommendation of the Transactions and recommend or approve, an Acquisition Proposal that is a Superior Proposal, provided in each case:

(i) Revelstoke shall have complied with all of its obligations under this Article 10;

(ii) the Board of Directors of Revelstoke has determined, after receiving advice from its outside legal advisor, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties;

(iii) Revelstoke has delivered written notice to Zonetail of the determination of the Board of Directors of Revelstoke that the Acquisition Proposal is a Superior Proposal and of the intention of the Board of Directors of Revelstoke to approve or recommend such Superior Proposal and/or of Revelstoke to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement (the "**Zonetail Superior Proposal Notice**");

(iv) at least ten (10) Business Days have elapsed since the date the Zonetail Superior Proposal Notice was received by Zonetail, which ten (10) Business Day period is referred to herein as the "**Zonetail Match Period**";

(v) if Zonetail has offered to amend the provisions of the Amalgamation and this Agreement during the Zonetail Match Period pursuant to section 10.03(c), the Board of Directors of Revelstoke shall have determined that such Acquisition Proposal continues to be a Superior Proposal compared to the proposed amended provisions of this Agreement offered by Zonetail at the termination of the Zonetail Match Period; and

(vi) Revelstoke terminates this Agreement pursuant to section 3.01 and Revelstoke has paid the Zonetail Termination Payment to Zonetail.

(c) During the Zonetail Match Period, Zonetail shall have the opportunity, but not the obligation, to offer to amend the provisions of this Agreement and Revelstoke shall negotiate in good faith with Zonetail to enable Zonetail to make such adjustments to the provisions of this Agreement as Zonetail deems appropriate and as would enable Zonetail to proceed with the Transactions on such adjusted provisions. The Board of Directors of Revelstoke shall review any such offers by Zonetail to amend the provisions of this Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether Zonetail's offer to amend the provisions of this Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the provisions of this Agreement offered by Zonetail. If the Board of Directors of Revelstoke determines that the Acquisition Proposal would cease to be a Superior Proposal, Revelstoke and Zonetail shall enter into an amendment to this Agreement reflecting the offer by Zonetail to amend the provisions of this Agreement and Revelstoke shall comply with section 10.01 with respect to such Superior Proposal.

(d) The Board of Directors of Revelstoke shall promptly reaffirm its recommendation of the Transactions by press release after: (i) any Acquisition Proposal (which is determined not to be a Superior Proposal) is publicly announced or made; or (ii) the Board of Directors of Revelstoke determines that a proposed amendment to the provisions of this Agreement would result in the Acquisition Proposal not being a Superior Proposal. Zonetail and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release and Revelstoke shall incorporate all reasonable comments made by Zonetail and its counsel. Such press release shall state that the Board of Directors of Revelstoke has determined that such Acquisition Proposal is not a Superior Proposal.

(e) Nothing in this Agreement shall prevent the Board of Directors of Revelstoke from responding through a directors' circular or otherwise as required by Applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Zonetail and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any directors' circular prior to its printing and Revelstoke shall incorporate all reasonable comments given without unreasonable delay made by Zonetail and its counsel.

(f) Each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of section 10.03(b) and all of the provisions of section 10.03(b) shall apply again to such new Acquisition Proposal.

10.04 Non-Solicitation by Zonetail

(a) Except as otherwise provided in this Agreement, Zonetail shall not, directly or indirectly through any representative of Zonetail:

(i) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of discussion, negotiation, furnishing information, permitting any visit to any facilities or properties of Zonetail or entering into any form of written or oral agreement, arrangement or understanding, other than a confidentiality agreement as contemplated under section 10.06) any inquiries, proposals or offers regarding, or that may reasonably be expected to lead to, any Acquisition Proposal;

(ii) engage or participate in any discussions or negotiations regarding, or provide any information with respect to or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, an effort or attempt by a Person (other than Revelstoke and its representatives) to do or seek to do any of the foregoing regarding any Acquisition Proposal or potential Acquisition Proposal;

(iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Revelstoke, the approval or recommendation of this Agreement or the Transactions by the Board of Directors of Zonetail or any of its committees;

(iv) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal; or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement as contemplated under section 10.06).

(b) Zonetail shall: (i) immediately cease, and will instruct its representatives to immediately cease, and cause to be terminated any existing solicitation, discussion or negotiation, encouragement or activity with any Person (other than Revelstoke or any of its representatives) by Zonetail or any of its representatives with respect to any Acquisition Proposal or any potential Acquisition Proposal whether or not initiated by Zonetail or its representatives; and (ii) immediately cease to provide any Person (other than Revelstoke or any of its representatives) with access to information concerning Zonetail in respect of any Acquisition Proposal or any potential Acquisition Proposal, and request the return or destruction of all confidential information provided to any Person (other than Revelstoke or any of its representatives) that has entered into a confidentiality agreement with Zonetail relating to any Acquisition Proposal or potential Acquisition Proposal to the extent provided for in such confidentiality agreement and shall use all commercially reasonable efforts to ensure that such requests are honoured.

(c) Zonetail shall not amend, modify, waive or fail to enforce on a timely basis any obligation under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between Zonetail and a third party that would facilitate the making or implementation of an Acquisition Proposal.

(d) Zonetail shall ensure that its representatives are aware of the prohibitions in this section 10.04 and Zonetail shall be responsible for any breach of section 10.04 by its representatives.

10.05 Zonetail Notification of Acquisition Proposals

Zonetail shall promptly (and in any event within 24 hours) notify Revelstoke, at first orally and then in writing, of any proposal, inquiry, offer or request received by Zonetail or its representatives after the date hereof: (i) relating to an Acquisition Proposal or potential Acquisition Proposal or inquiry that could reasonably lead or be expected to lead to an Acquisition Proposal; (ii) for discussions or negotiations in respect of an Acquisition Proposal or potential Acquisition Proposal; (iii) for non-public information relating to

Zonetail, access to its properties, books and records or a list of securityholders; (iv) for representation on the Board of Directors of Zonetail; or (v) any material amendments to any of the foregoing. Such notice shall include the identity of the Person making such proposal, inquiry, offer or request, a description of the terms and conditions thereof and Zonetail shall provide a copy of any Acquisition Proposal and all written communications, and such details of the proposal, inquiry, offer or request that Revelstoke may reasonably request. Zonetail shall keep Revelstoke promptly and fully informed of the status, including any change to the material terms, of such proposal, inquiry, offer or request and shall respond promptly to all inquiries by Revelstoke with respect thereto.

10.06 Zonetail Responding to Acquisition Proposals and Superior Proposals

(a) Notwithstanding sections 10.04(a) and (b), if after the date hereof, Zonetail receives a written Acquisition Proposal that was not solicited, assisted, initiated, knowingly encouraged or facilitated after the date hereof in contravention of section 10.04, Zonetail and its representatives may, if the Board of Directors of Zonetail determines, after receiving advice from its outside legal advisor, that such Acquisition Proposal constitutes, or is reasonably likely to lead to, a Superior Proposal:

(i) provide information with respect to Zonetail to the Person making such Acquisition Proposal; and/or

(ii) engage in discussions with the Person making such Acquisition Proposal and its representatives for the sole purpose of explaining or supplementing Zonetail’s due diligence materials;

provided that all such information, access and discussions shall cease during the Revelstoke Match Period (as defined below) and subject in each case to the following requirements:

(A) Zonetail shall have first received an executed confidentiality and standstill agreement, on terms satisfactory to Revelstoke, acting reasonably and without unreasonable delay, executed by such Person after the date hereof;

(B) Revelstoke shall be provided with (i) a copy of such confidentiality agreement promptly following its execution, and (ii) a list of, and access to (to the extent not previously provided to Revelstoke), the information provided to such Person; and

(C) when it becomes reasonably apparent that such Person will not make a Superior Proposal, Zonetail shall comply with section 10.04(b) with respect to such Person.

(b) Notwithstanding sections 10.04(a) and (b), Zonetail may enter into an agreement (other than a confidentiality agreement contemplated by section 10.06(a)) with respect to an Acquisition Proposal that is a Superior Proposal, and/or withdraw, modify or qualify its approval or recommendation of the Transactions and recommend or approve, an Acquisition Proposal that is a Superior Proposal, provided in each case:

(i) Zonetail shall have complied with all of its obligations under this Article 10;

(ii) the Board of Directors of Zonetail has determined, after receiving advice from its outside legal advisor, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties;

(iii) Zonetail has delivered written notice to Revelstoke of the determination of the Board of Directors of Zonetail that the Acquisition Proposal is a Superior Proposal and of the intention of the Board of Directors of Zonetail to approve or recommend such Superior Proposal and/or of Zonetail to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement (the "**Revelstoke Superior Proposal Notice**");

(iv) at least ten (10) Business Days have elapsed since the date the Revelstoke Superior Proposal Notice was received by Revelstoke, which ten (10) Business Day period is referred to herein as the "**Revelstoke Match Period**";

(v) if Revelstoke has offered to amend the provisions of the Amalgamation and this Agreement during the Revelstoke Match Period pursuant to section 10.06(c), the Board of Directors of Zonetail shall have determined that such Acquisition Proposal continues to be a Superior Proposal compared to the proposed amended provisions of this Agreement offered by Revelstoke at the termination of the Revelstoke Match Period; and

(vi) Zonetail terminates this Agreement pursuant to section 3.01.

(c) During the Revelstoke Match Period, Revelstoke shall have the opportunity, but not the obligation, to offer to amend the provisions of this Agreement and Zonetail shall negotiate in good faith with Revelstoke to enable Revelstoke to make such adjustments to the provisions of this Agreement as Revelstoke deems appropriate and as would enable Revelstoke to proceed with the Transactions on such adjusted provisions. The Board of Directors of Zonetail shall review any such offers by Revelstoke to amend the provisions of this Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether Revelstoke's offer to amend the provisions of this Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the provisions of this Agreement offered by Revelstoke. If the Board of Directors of Zonetail determines that the Acquisition Proposal would cease to be a Superior Proposal, Revelstoke and Zonetail shall enter into an amendment to this Agreement reflecting the offer by Revelstoke to amend the provisions of this Agreement and Zonetail shall comply with section 10.04 with respect to such Superior Proposal.

(d) The Board of Directors of Zonetail shall promptly reaffirm its recommendation of the Transactions by press release after: (i) any Acquisition Proposal (which is determined not to be a Superior Proposal) is publicly announced or made; or (ii) the Board of Directors of Zonetail determines that a proposed amendment to the provisions of this Agreement would result in the Acquisition Proposal not being a Superior Proposal. Revelstoke and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release and Zonetail shall incorporate all reasonable comments made by Revelstoke and its counsel. Such press release shall state that the Board of Directors of Zonetail has determined that such Acquisition Proposal is not a Superior Proposal.

(e) Nothing in this Agreement shall prevent the Board of Directors of Zonetail from responding through a directors' circular or otherwise as required by Applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Revelstoke and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any directors' circular prior to its printing and Zonetail shall incorporate all reasonable comments given without unreasonable delay made by Revelstoke and its counsel.

(f) Each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of section 10.06(b) and all of the provisions of section 10.06(b) shall apply again to such new Acquisition Proposal.

ARTICLE 11
AMENDMENT

11.01 Amendment

This Agreement may, at any time and from time to time be amended by mutual written agreement of the Parties and any such amendment may, without limitation:

(a) change the time for the performance of any of the obligations or acts of either of the Parties;

(b) waive any inaccuracies in 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 the performance of any of the obligations of any of the Parties; and

(d) waive compliance with or modify any condition herein contained.

ARTICLE 12
GENERAL

12.01 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party to which the notice is to be given at the following address or sent by facsimile or electronic mail in Portable Document Format to the following numbers or to such other address or facsimile number or email address as shall be specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile or electronic mail be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Toronto time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

(a) if to Revelstoke:

Revelstoke Equity Inc.
29 Berwick Avenue
Toronto, Ontario M5P 1G9

Attention: Craig Leon, President
Email: cleon@rangercap.ca

with a copy (which shall not constitute notice) to:

Nauth LPC
2150-121 King St W
Toronto, ON
M5H 3T9

Attention: Daniel D. Nauth
E-mail: dnauth@nauth.com

(b) if to Zonetail:

Zonetail Inc.
20 Dalhousie Street
Toronto, Ontario
M5B 2A5

Attention: Mark Holmes
Email: mark@zonetail.com

with a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide St W
Toronto, ON
M5H 4E3

Attention: Manoj Pundit
Email: mpundit@blg.com

12.02 Announcements

So long as this Agreement is in effect, the Parties shall advise, consult and cooperate with each other prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement and the Transactions from the date hereof until the Effective Date. The Parties shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by Applicable Law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable efforts to consult with the other Party taking into account the time constraints to which it is subject as a result of such Applicable Law or obligation.

12.03 Expenses

The Parties agree that all reasonable out-of-pocket expenses incurred in connection with this Agreement and the Transactions, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the party incurring such costs.

12.04 Time of the Essence

Time shall be of the essence in this Agreement.

12.05 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof, including, without limitation, the Letter of Intent, which is hereby terminated. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

12.06 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

12.07 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the province of Ontario and the federal laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the province of Ontario.

12.08 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile and electronic mail in Portable Document Format shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by facsimile or electronic mail to the other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

12.09 Waiver

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

12.10 Enurement and Assignment

This Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

[The remainder of this page is intentionally left blank.]

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

REVELSTOKE EQUITY INC.
Per:

(signed) "Craig Leon"
Name: Craig Leon
Title: Chief Executive Officer

ZONETAIL INC.
Per:

(signed) "Mark Holmes"
Name: Mark Holmes
Title: Chief Executive Officer

REVELSTOKE SUBCO INC.
Per:

(signed) "Craig Leon"
Name: Craig Leon
Title: Chief Executive Officer

SCHEDULE "A"

ARTICLES OF AMALGAMATION

(Attached)

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

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) :

   Z O N E T A I L   I N C .

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

   20 Dalhousie Street
   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 édifice à bureaux, numéro du bureau

   Toronto — **ONTARIO** — M 5 B 2 A 5
   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 / OU minimum and maximum / minimum et maximum: 1 — 10

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
Mark Holmes	20 Dalhousie St, Toronto, Ontario, Canada M5B 2A5	Yes
Paul Scott	201 Daisy Avenue, Pasadena, California, USA 91107	No
Adam Topp	20 Dalhousie St, Toronto, Ontario, Canada M5B 2A5	Yes
William Rogers	11 The Fairway, Woodstock, Georgia USA 30188	No

First name, initials and surname *Prénom, initiales et nom de famille*	Address for service, giving Street & No. or R.R. No., Municipality and Postal Code. *Domicile élu, y compris la rue et le numéro, le numéro de la R.R. ou le nom de la municipalité et le code postal*	Resident Canadian State Yes or No *Résident Canadien Oui/Non*
Reetu Gupta	20 Dalhousie St, Toronto, Ontario, Canada M5B 2A5	Yes
David Oliver	20 Dalhousie St, Toronto, Ontario, Canada M5B 2A5	Yes

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

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

[X] 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
Zonetail Inc.	003081736	2018/11/
Revelstoke Subco Inc.	002659667	2018/11/

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 :

an unlimited number of Common shares

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 :

Common Shares

Voting: The holders of the Common Shares shall be entitled to one vote in respect of each Common Share held at any meeting of the shareholders of the corporation except meetings at which only holders of a specified class or series of shares are entitled to vote.

Dividends: The holders of the Common Shares shall be entitled to receive dividends as and when declared by the directors in their discretion from time to time out of moneys of the corporation properly applicable to the payment of dividends.

Winding-Up: In the event of the liquidation, dissolution or winding-up of the corporation or other distribution of the assets of the corporation among its shareholders, the holders of the Common Shares shall be entitled to share pro rata in the distribution of the balance of the assets of the corporation.

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**.

ZONETAIL INC.

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
	Mark Holmes	Chief Executive Officer

REVELSTOKE SUBCO INC.

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
	Craig Leon	Chief Executive Officer

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 "B"

MATERIAL CONTRACTS

Agency Agreement dated July 13, 2018 among Zonetail, Revelstoke, Gravitas Securities Inc., Canaccord Genuity Corp. and Beacon Securities Limited
Letter of Intent dated January 29, 2018 between Revelstoke and Zonetail
Subscription Receipt Agreement dated July 13, 2018 between Zonetail, Gravitas Securities Inc. and TSX Trust Company
Found Silver Medallion Member Agreement dated December 4, 2017 between Zonetail and the Asian American Hotel Owners Association
Strategic Alliance Agreement dated June 18, 2015 between Zonetail and Shiftsuite