

MERGER AGREEMENT

THIS MERGER AGREEMENT is made as of the 12th day of July, 2022,

BETWEEN:

IV HYDREIGHT INC., a corporation incorporated under the laws of Nevada, United States of America

("Hydreight")

AND:

PERIHELION CAPITAL LTD., a corporation incorporated under the laws of British Columbia, Canada

("PCL")

AND:

1203500 B.C. LTD., a corporation incorporated under the laws of British Columbia, Canada

("PCL AcquisitionCo")

AND:

VICTORY SQUARE TECHNOLOGIES INC., a corporation incorporated under the laws of British Columbia, Canada

("VST")

AND:

1362795 B.C. LTD., a corporation incorporated under the laws of British Columbia, Canada

("AssetCo")

WHEREAS:

- A. terms denoted with initial capital letters and not otherwise defined herein have the meanings assigned to them in Section 1.1;
- B. PCL, Hydreight and VST are parties to the Letter of Intent;
- C. PCL AcquisitionCo is a wholly-owned subsidiary of PCL;
- D. AssetCo and Hydreight are currently wholly-owned subsidiaries of VST;
- E. immediately prior to the Effective Time, VST shall transfer all of its interest in Hydreight to AssetCo;
- F. PCL desires to acquire all of the issued and outstanding securities of Hydreight through the Amalgamation of AssetCo and PCL AcquisitionCo pursuant to the terms set out in the Amalgamation Agreement attached as Schedule A hereto;

- G. at the Effective Time, among other things, the outstanding AssetCo Shares will be exchanged for Resulting Issuer Shares in accordance with the provisions of this Agreement and the Amalgamation Agreement; and
- H. the completion of the Amalgamation is intended to, among other things, constitute the Qualifying Transaction of PCL pursuant to the policies of the TSXV and result in the listing of the Resulting Issuer Shares on the TSXV.

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms will have the meanings hereinafter set forth:

- (a) **"Acquisition Transaction"** means, other than in connection with the transactions contemplated in this Agreement, including, but not limited to, the Hydrecht Equity Transfer, Amalgamation and Concurrent Financing, any offer, proposal or inquiry relating to, or any Person's indication of interest in: (i) the sale, license, disposition, or acquisition of all or a material portion of the business or Assets of Hydrecht, AssetCo, PCL AcquisitionCo or PCL; (ii) the issuance, disposition, or acquisition of (A) any capital stock or other equity security of Hydrecht, AssetCo, PCL AcquisitionCo, or PCL, (B) any subscription, option, call, warrant, preemptive rights, right of first refusal, or any other right (whether or not exercisable) to acquire any capital stock or other equity security of Hydrecht, AssetCo, PCL AcquisitionCo, or PCL, or (C) any security, instrument or obligation that is or may become convertible into or exchangeable for any capital stock or other equity security of Hydrecht, AssetCo, PCL AcquisitionCo, or PCL; or (iii) any merger, consolidation, business combination, reorganization, or similar transaction involving Hydrecht, AssetCo, PCL AcquisitionCo, or PCL.
- (b) **"Agreement"** means this merger agreement, including all Schedules, as it may be supplemented or amended by written agreement among the Parties.
- (c) **"Amalco Share"** means a common share of Amalco.
- (d) **"Amalco"** means the corporation resulting from the Amalgamation.
- (e) **"Amalgamating Companies"** means PCL AcquisitionCo and AssetCo.
- (f) **"Amalgamation Agreement"** means the amalgamation agreement among PCL, PCL AcquisitionCo and AssetCo substantially in the form attached as Schedule A, including the recitals, schedules and exhibits thereto, as the same may be amended, modified or supplemented in accordance with its terms.
- (g) **"Amalgamation Application"** means the amalgamation application to be filed by the Amalgamating Companies with the Registrar in accordance with Section 275(1)(a) of the BCBCA.
- (h) **"Amalgamation"** means the amalgamation of the Amalgamating Companies under Section 269 of the BCBCA upon the terms and subject to the conditions set forth in the Amalgamation Agreement, as contemplated by this Agreement.

- (i) **"AssetCo Amalgamation Resolution"** means the unanimous resolution of VST as the sole shareholder of AssetCo in respect of the Amalgamation substantially in the form and content of Schedule B attached hereto.
- (j) **"AssetCo Financial Statements"** means the consolidated audited financial statements for the period from the date of incorporation (May 13, 2022) to June 30, 2022, and such other financial statements of AssetCo that may be reasonably required in order to facilitate the completion of the Qualifying Transaction of PCL.
- (k) **"AssetCo Shareholders"** means the registered holders of AssetCo Shares, immediately prior to the Effective Time, including any holders of AssetCo Shares received in connection with the Concurrent Financing and the Hydreight Equity Transfer; and **"AssetCo Shareholder"** will mean any of the AssetCo Shareholders.
- (l) **"AssetCo Shares"** means the common shares without par value in the capital of AssetCo.
- (m) **"Assets"** means, with respect to a Party to this Agreement, all property (tangible or intangible) owned, leased or otherwise held for or used by the Party in the operation of its business.
- (n) **"Associate"** has the meaning ascribed to such term in the Securities Act.
- (o) **"Authorizations"** means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of any Governmental Authority, regulatory agency or self-regulatory organizations required by Hydreight, AssetCo, PCL AcquisitionCo, or PCL in connection with the completion of the Amalgamation and the transactions contemplated by this Agreement.
- (p) **"BCBCA"** means the *Business Corporations Act* (British Columbia).
- (q) **"Board Lot"** has the meaning ascribed to such term in Policy 1.1.
- (r) **"Books and Records"** means all books and records of Hydreight or PCL, as applicable, and all copies of Material Contracts, deeds or instruments, evidence of ownership and other material documents relating to and used or held for use by Hydreight with its Assets or the Business, as applicable, whether in print, stored electronically or otherwise.
- (s) **"Business Day"** means any day other than a Saturday or Sunday or a statutory or civic holiday in the City of Vancouver, British Columbia.
- (t) **"Business"** means the business carried on, conducted and operated by Hydreight, as of the date of this Agreement, being the provision and development of digital health and wellness and medical solutions.
- (u) **"Closing Documents"** has the meaning ascribed thereto in Section 8.1.
- (v) **"Concurrent Financing"** has the meaning ascribed thereto in Section 2.2.
- (w) **"Consents"** means all consents, approvals or other waivers, as applicable, from any party to any contracts, leases, licenses, permits, agreements or other arrangements that directly relate to the business of Hydreight, AssetCo, PCL AcquisitionCo, or PCL, and that are necessary or advisable in connection with the execution of this Agreement, or the performance of any terms hereof or any document delivered pursuant hereto, or the

completion of any of the transactions contemplated by this Agreement and the Amalgamation Agreement.

- (x) **"Constating Documents"** means the charter, the memorandum, the articles of association, the articles of incorporation, the articles of continuance, the articles of amalgamation, notice of articles, the by-laws or any other instrument pursuant to which a corporation, partnership, trust or other Person is created, incorporated, continued, amalgamated or otherwise established, as the case may be, and/or which governs in whole or in part such Person's affairs, together with any amendments thereto.
- (y) **"Disclosure Document"** means a document containing the information in respect of the Parties and the transactions contemplated by this Agreement in a form prescribed by TSXV to permit the Amalgamation to constitute the Qualifying Transaction of PCL.
- (z) **"Effective Date"** means the effective date of the Amalgamation as set forth in and indicated on the certificate of amalgamation issued by the Registrar and giving effect to the Amalgamation.
- (aa) **"Effective Time"** means 10:00 a.m. (Vancouver time) on the Effective Date or such other time as AssetCo and PCL, each acting reasonably, may agree to in writing, such agreement to be evidenced by the filing of the Amalgamation Application with such other Effective Time.
- (bb) **"Governmental Authority"** means any foreign, national, provincial, local, or state government, any political subdivision or any governmental, judicial, public, or statutory instrumentality, court, tribunal, agency, including those pertaining to health, safety, or the environment, authority, body, or entity, or other regulatory bureau, authority, body, or entity, having legal jurisdiction over the activity or Person in question, and for greater certainty includes the TSXV.
- (cc) **"Hydreight Balance Sheet"** has the meaning ascribed thereto in Section 3.1(bb)(i).
- (dd) **"Hydreight Equity Transfer"** has the meaning ascribed thereto in Section 2.1.
- (ee) **"Hydreight Equity Transfer Agreement"** means the equity transfer agreement between Hydreight, VST and AssetCo attached as Schedule D.
- (ff) **"Hydreight Financial Statements"** means the consolidated audited financial statements of Hydreight as at and for the financial year ended December 31, 2021, the consolidated unaudited financial statements of Hydreight as at and for the financial year ended December 31, 2020, the unaudited interim financial statements of Hydreight as at and for the three months ended March 31, 2022, and such other financial statements of Hydreight that may be reasonably required in order to facilitate the completion of the Qualifying Transaction of PCL.
- (gg) **"Hydreight Shares"** means the common stock with a par value of \$0.01 in the capital of Hydreight.
- (hh) **"IFRS"** means the International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.
- (ii) **"ITA"** means the *Income Tax Act* (Canada), as amended.
- (jj) **"Law"** means any federal, provincial, local, municipal, state, foreign or other administrative statute, law, order, constitution, ordinance, principle of common law, regulation, rule or treaty.

- (kk) **"Letter of Intent"** means the letter of intent dated May 2, 2022, between PCL, VST and Hydrecht contemplating the Amalgamation and the other transactions contemplated by this Agreement.
- (ll) **"Lien"** means any mortgage, hypothec, lien, security interest, lease, option, right of third parties or other charge or encumbrance, including the lien or retained title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.
- (mm) **"Material Adverse Change"** means any change (or any condition, event or development involving a prospective change) in the business, operations, affairs, Assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, financial condition, prospects, licenses, permits, rights or privileges, of a corporation or any of its subsidiaries which could reasonably be expected to materially and adversely affect such corporation and its subsidiaries taken as a whole.
- (nn) **"Material Contract"** means, in relation to Hydrecht and AssetCo, the contracts and agreements listed in Schedule E and, in relation to PCL and PCL AcquisitionCo, the contracts and agreements part of the PCL Public Disclosure Record.
- (oo) **"material fact", "material change" and "misrepresentation"** are used in this Agreement as defined under the Securities Act.
- (pp) **"Name Change"** has the meaning ascribed to such term in Section 2.11.
- (qq) **"Other Party"** means Hydrecht and AssetCo in relation to PCL, and PCL in relation to Hydrecht and AssetCo.
- (rr) **"Outside Date"** means December 31, 2022, or such later date as may be agreed upon in writing by Hydrecht and PCL.
- (ss) **"Party"** means a party to this Agreement and **"Parties"** means all of them, collectively.
- (tt) **"PCL AcquisitionCo Amalgamation Resolution"** means the unanimous resolution of PCL as the sole shareholder of PCL AcquisitionCo in respect of the Amalgamation substantially in the form and content of Schedule B attached hereto.
- (uu) **"PCL AcquisitionCo Share"** means a common share in the capital of PCL AcquisitionCo.
- (vv) **"PCL Balance Sheet"** has the meaning ascribed thereto in Section 3.2(gg)(i).
- (ww) **"PCL Consolidation"** means the consolidation of all of the issued and outstanding PCL Pre-Consolidation Shares on the basis of 6.46805 PCL Pre-Consolidation Shares for each one PCL Post-Consolidation Share.
- (xx) **"PCL Financial Statements"** means PCL's consolidated audited financial statements as at and for the financial years ended December 31, 2021 and 2020, PCL's unaudited interim financial statements as at and for the three months ended March 31, 2022, and such other financial statements of PCL that may be reasonably required in order to facilitate the completion of the Qualifying Transaction of PCL.
- (yy) **"PCL Option Plan"** means the incentive stock option plan of PCL.
- (zz) **"PCL Options"** means the incentive stock options of PCL governed by the PCL Option Plan.

- (aaa) **"PCL Post-Consolidation Shares"** means the common shares without par value in the capital of PCL immediately following the PCL Consolidation.
- (bbb) **"PCL Pre-Consolidation Shares"** means the common shares without par value in the capital of PCL prior to the PCL Consolidation.
- (ccc) **"PCL Public Disclosure Record"** means all press releases, material change reports, material contracts, management proxy circulars, financial statements, management's discussion & analyses, prospectuses and all other documents required by applicable Laws to be filed by or on behalf of PCL on SEDAR.
- (ddd) **"PCL Shareholders"** means the registered holders of PCL Shares, immediately prior to the Effective Time, and **"PCL Shareholder"** will mean any of the PCL Shareholders.
- (eee) **"PCL Shares"** means either the PCL Post-Consolidation Shares or the PCL Pre-Consolidation Shares, as applicable.
- (fff) **"Permit"** means any license, permit, certificate, consent, order, grant, approval, classification, registration, flagging or other authorization of and from any Governmental Authority.
- (ggg) **"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.
- (hhh) **"Place of Closing"** has the meaning ascribed thereto in Section 8.1;
- (iii) **"Policy 1.1"** means TSXV Corporate Finance Policy 1.1 – *Interpretation*.
- (jjj) **"Policy 2.1"** means TSXV Corporate Finance Policy 2.1 – *Initial Listing Requirements*.
- (kkk) **"Policy 2.4"** means TSXV Corporate Finance Policy 2.4 – *Capital Pool Companies*.
- (lll) **"Proceeding"** means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.
- (mmm) **"Public Shareholder"** has the meaning ascribed to such term in Policy 1.1.
- (nnn) **"Qualifying Transaction"** has the meaning ascribed thereto in Policy 2.4.
- (ooo) **"Registrar"** means the Registrar of Companies under the BCBCA.
- (ppp) **"Representative"** means, as to any Person, such Person's subsidiaries and affiliates and its directors, officers, employees, agents and advisors (including without limitation, financial advisors, counsel and accountants).
- (qqq) **"Resulting Issuer Shares"** means the PCL Post-Consolidation Shares as they are constituted immediately after the Effective Time.
- (rrr) **"Resulting Issuer"** means PCL immediately after the Effective Time.
- (sss) **"Securities Act"** means the *Securities Act* (British Columbia).

- (ttt) **"SEDAR"** means the System for Electronic Document Analysis and Retrieval of the Canadian securities administrators.
- (uuu) **"Tax Return"** means all returns, information returns, reports, declarations, elections, notices, filings, forms, statements and other documents and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes.
- (vvv) **"Tax"** or, collectively, **"Taxes"** means any and all federal, state, provincial, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, taxable income, profits, sales, use and occupation, and value added, ad valorem, goods and services, employer health, capital gains, transfer, franchise, withholding, payroll, recapture, employment, excise, capital, lease, service, license, severance, stamp, occupation, premium, environmental, windfall profit and property taxes, customs, duties and other taxes, governmental fees and other like assessments or charges of any kind whatsoever, including Canada Pension Plan or provincial pension plan premiums and employment insurance payments, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other Person with respect to such amounts and including any liability for taxes of a predecessor entity.
- (www) **"Transfer Agent"** means TSX Trust Company, the transfer agent and registrar for the PCL Pre-Consolidation Shares, and the proposed transfer agent and registrar for the Resulting Issuer.
- (xxx) **"TSXV"** means the TSX Venture Exchange.
- (yyy) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- (zzz) **"Working Capital"** means the current assets of a Person minus its current liabilities.

1.2 Schedules

This Agreement contains the following schedules, which form an integral part of this Agreement:

- Schedule A: Form of Amalgamation Agreement
- Schedule B: PCL AcquisitionCo Amalgamation Resolution
- Schedule C: AssetCo Amalgamation Resolution
- Schedule D: Hydreight Equity Transfer Agreement
- Schedule E: List of Hydreight Material Contracts
- Schedule F: List of Hydreight Intellectual Property Rights

1.3 Corporation, Subsidiaries and Affiliates

When a reference is made in this Agreement to subsidiaries of a corporation or any other entity, the word "subsidiary" means any corporation of which outstanding voting securities carrying more than 50% of the votes for the election of directors are, or any partnership, joint venture or other entity more than 50% of whose total equity interest is, directly or indirectly, owned by such corporation or such other entity, as the case may be, and such greater than 50% ownership constitutes "control", and "controlling" and "controlled"

have corresponding meanings. When a reference is made in this Agreement to “affiliates” of a corporation or any other entity, “affiliate” of any given Person, means a Person that, directly or indirectly, owns a controlling or majority interest in, is owned by, controls or is controlled by, has the power and authority to direct, or is directed by, or is under common ownership with, such given Person.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons will include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind.

1.5 Interpretations Not Affected by Headings, etc.

The division of this Agreement into Parts, Sections and other parts and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a “Part”, “Section” or “Schedule” followed by a number and/or a letter refer to the specified Part, Section or Schedule of this Agreement. The terms “hereof”, “hereby”, “herein” and “hereunder” and similar expressions refer to this Agreement (including the Schedules hereto) and not to any particular Part, Section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. Any capitalized terms used in any Schedule, but not otherwise defined therein, will have the meaning as defined in this Agreement. Wherever the term “includes” or “including” is used, it will be deemed to mean “includes, without limitation” or “including, without limitation”, respectively.

1.6 Date for Any Action

If any date on which any action is required or permitted to be taken hereunder is not a Business Day, such action will be required or permitted to be taken on or by the next succeeding day which is a Business Day.

1.7 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.8 Time and Currency

All times expressed herein are local time (Vancouver, British Columbia) unless otherwise stipulated. All sums of money, references to “dollars” or “\$” in this Agreement will be in Canadian funds unless otherwise specified.

1.9 Knowledge

Where any representation or warranty in this Agreement is expressly qualified by reference to the knowledge of a Person, it is deemed to refer to the knowledge which such Person has or would have had if it had made a diligent inquiry (including of appropriate officers and directors) as a prudent Person would have considered necessary or advisable as to the matters that are the subject of the representations and warranties.

1.10 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute, regulation, direction or instrument is to that statute, regulation, direction or instrument as now enacted or as the same may from time to time be amended, re-

enacted or replaced, and in the case of a reference to a statute, includes any regulations, rules, policies or directions made thereunder.

1.11 No Presumption

The Parties hereto and their counsel have participated jointly in the negotiation and drafting of this Agreement and the Amalgamation Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement and the Amalgamation Agreement are to be construed as if drafted jointly by the Parties hereto. No presumption or burden of proof will arise in favour of any Party by virtue of the authorship of any provision of this Agreement or the Amalgamation Agreement.

ARTICLE 2 MERGER AND RELATED TRANSACTIONS

2.1 Hydrecht Equity Transfer

Immediately prior to the Effective Time, VST will transfer all of the issued and outstanding Hydrecht Shares to AssetCo (the **"Hydrecht Equity Transfer"**) in consideration for the issuance by AssetCo to VST of 27,896,825 AssetCo Shares, on a fully tax-deferred basis pursuant to subsection 85(1) of the ITA, such that, immediately following the Hydrecht Equity Transfer, Hydrecht will be a wholly owned subsidiary of AssetCo. In connection with the Hydrecht Equity Transfer, VST, AssetCo and Hydrecht will execute the Hydrecht Equity Transfer Agreement.

2.2 Target Loans

- (a) Subject to compliance with applicable laws and the policies of the TSXV, including approval of the TSXV, PCL will provide a refundable secured, non-interest bearing advance to Hydrecht in the amount of \$200,000, which Hydrecht will use for working capital purposes. Such advance will be fully refundable to PCL within seven days of receipt of written notice demanding the refund given by PCL to Hydrecht.
- (b) Hydrecht acknowledges the receipt of a refundable unsecured, non-interest bearing advance to Hydrecht by PCL in the amount of \$25,000, which Hydrecht will use for working capital purposes. Such advance will be fully refundable to PCL within seven days of receipt of written notice demanding the refund given by PCL to Hydrecht.

2.3 Concurrent Financing

As soon as reasonably practicable after the date hereof and, in any event, prior to the Effective Time, AssetCo will undertake a private placement of AssetCo Shares (the **"Concurrent Financing"**):

- (a) at a price of not less than \$0.63 per AssetCo Share;
- (b) for gross proceeds of not less than \$500,000;
- (c) which shall include a minimum of such number of Public Shareholders each holding at least one Board Lot as is sufficient to ensure that the Resulting Issuer shall satisfy the public distribution requirements in respect of a Tier 2 issuer as set forth in Policy 2.1; and
- (d) otherwise on such terms and conditions as AssetCo, Hydrecht and PCL mutually agree.

2.4 AssetCo Shareholder Approval

Prior to the Effective Time and following the Hydrecht Equity Transfer, VST will execute the AssetCo Amalgamation Resolution in its capacity as the sole shareholder of AssetCo such that the AssetCo

Amalgamation Resolution constitutes a unanimous resolution under the BCBCA of the sole shareholder of AssetCo approving the Amalgamation.

2.5 PCL AcquisitionCo Shareholder Approval

Prior to the Effective Time, PCL will execute the PCL AcquisitionCo Amalgamation Resolution in its capacity as the sole shareholder of PCL AcquisitionCo such that the PCL AcquisitionCo Amalgamation Resolution constitutes a unanimous resolution under the BCBCA of the sole shareholder of PCL AcquisitionCo approving the Amalgamation.

2.6 Amalgamation

Provided that the conditions precedent in Article 7 that must be satisfied prior to the Effective Time are satisfied or waived (by the Party entitled to waive) and the Closing Documents have been executed and delivered to the satisfaction of the Parties and their counsel, each of PCL and AssetCo will, in accordance with and subject to the terms and conditions of this Agreement and the Closing Documents, cause the Amalgamation Application to be filed with the Registrar to effect the Amalgamation pursuant to which:

- (a) the Amalgamating Companies will amalgamate by way of statutory amalgamation under the BCBCA and continue as one company, being Amalco;
- (b) immediately prior to the Effective Time, the PCL Pre-Consolidation Shares will be consolidated on the basis of 6.46805 PCL Pre-Consolidation Shares for each one PCL Post-Consolidation Share.
- (c) each issued and outstanding PCL AcquisitionCo Share will be exchanged for one issued, fully paid and non-assessable Amalco Share, and the issued and outstanding PCL AcquisitionCo Shares will be cancelled;
- (d) the AssetCo Shareholders will receive, as consideration for their AssetCo Shares, one fully paid and non-assessable PCL Post-Consolidation Share for each AssetCo Share held, which, in the interest of clarity, includes the AssetCo Shares received in connection with the Concurrent Financing; every share certificate or written acknowledgement of uncertificated shares representing an AssetCo Share will be deemed to be cancelled and will represent only the right to receive certificates representing the PCL Post-Consolidation Shares in accordance with Section 2.6 hereof;
- (e) as consideration for the issuance of the PCL Post-Consolidation Shares to the AssetCo Shareholders, Amalco will issue to PCL, 100 Amalco Shares; and
- (f) all of the property, rights, privileges and Assets of each of PCL AcquisitionCo and AssetCo will be the property, rights, privileges and assets of Amalco, and Amalco will assume all of the liabilities and obligations of each of PCL AcquisitionCo and AssetCo.

2.7 Securities and Corporate Law Compliance

The Parties will diligently do all such acts and things as may be necessary to:

- (a) comply with applicable Laws in relation to the proposal and, if approved, passing of the PCL AcquisitionCo Amalgamation Resolution and the AssetCo Amalgamation Resolution;
- (b) prepare and submit the Amalgamation Application to the Registrar in accordance with the requirements of the BCBCA, including, without limitation, the affidavits required under Section 277 of the BCBCA;

- (c) make the necessary filings with, and applications to, the TSXV to list the PCL Post-Consolidation Shares issued in connection with the Amalgamation on the TSXV; and
- (d) comply with any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by any Party to be necessary to discharge its respective obligations or otherwise advisable under applicable Laws in connection with this Agreement or the Amalgamation.

2.8 Consolidation of PCL Pre-Consolidation Shares and Issuance of PCL Post-Consolidation Shares

Provided that the conditions precedent in Article 7 that may be satisfied prior to the Effective Time are satisfied or waived by PCL, PCL will, in accordance with and subject to the terms and conditions of this Agreement and the Closing Documents, provide the Transfer Agent with a treasury order in connection with the consolidation of the PCL Pre-Consolidation Shares as set forth herein, and the issuance of the PCL Post-Consolidation Shares to be issued to the AssetCo Shareholders pursuant to the Amalgamation.

2.9 PCL Board of Directors

PCL will procure the resignations of the incumbent directors of PCL other than Alexandros Tziliotis and the appointment of the following additional individuals as directors of PCL with effect as of the Effective Time:

<u>Name</u>	<u>Address</u>
Shane Francis Madden	8321 Olive Canyon Drive, Las Vegas, Nevada, U.S.A. 89128
Joseph Matthew Palumbo	584 Clinton Lane, Highland Heights, Ohio, U.S.A. 44143
Gabriel Kabazo	2264 East 11th Ave, Vancouver, B.C., Canada V5N 1Z6

The above-named individuals will hold office until the next meeting of the shareholders of PCL after the Effective Time or until their successor(s) are elected or appointed in accordance with the provisions of PCL's Constatting Documents and the BCBCA.

2.10 PCL Officers

PCL will procure the resignations of the incumbent officers of PCL and the appointment of the following individuals as officers of PCL with effect as of the Effective Time:

<u>Name</u>	<u>Position</u>
Shane Francis Madden	Chief Executive Officer
Joshua Sorin	Chief Financial Officer, Corporate Secretary

2.11 Name Change

Following the Effective Time, the Resulting Issuer will be such name as may be agreed upon in writing by Hydreight and PCL (the "**Name Change**").

2.12 Equity Incentive Plan

PCL has adopted and implemented an equity incentive plan providing for the awarding of incentive stock options and other equity incentive securities to directors, officers, employees, and service providers of PCL and its affiliates all in accordance with the applicable rules and policies of the TSXV. Subject to any

amendments to the equity incentive plan as agreed to between the Parties, the equity incentive plan of PCL will continue in effect after the Effective Time.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Hydreight, VST and AssetCo

Hydreight, VST and AssetCo hereby make, as of the date hereof, the following representations and warranties and acknowledges that PCL and PCL AcquisitionCo are relying upon such representations and warranties for the purpose of entering into this Agreement:

- (a) Hydreight is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada, United States;
- (b) each of VST and AssetCo is a corporation duly incorporated, validly existing and in good standing under the BCBCA;
- (c) Hydreight is duly registered and licensed to carry on the Business in the jurisdictions in which it carries on the Business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on the Business or owning property in such jurisdictions by any other commitment, agreement or document;
- (d) Hydreight is in material compliance with all applicable laws in the jurisdictions in which it carries on the Business and which may materially affect Hydreight, has not received a notice of non-compliance, nor does Hydreight know of any facts that could give rise to a notice of such non-compliance with any applicable laws and Hydreight is not aware of any pending change or contemplated change to any applicable law or governmental position that would materially affect the Business or legal environment under which Hydreight operates;
- (e) AssetCo does not actively carry on any business;
- (f) no proceedings have been taken or authorized by either of Hydreight, VST and AssetCo or, to the knowledge of either of Hydreight, VST or AssetCo, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of either of Hydreight, VST or AssetCo or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to either of Hydreight, VST or AssetCo;
- (g) Hydreight has an authorized share capital consisting of 1,500 Hydreight Shares, of which all are issued and outstanding as fully paid and non-assessable and held by VST, and, such Hydreight Shares are free and clear of all liens, charges or encumbrances of any kind whatsoever;
- (h) AssetCo has an authorized share capital consisting of an unlimited number of AssetCo Shares of which currently 100 AssetCo Shares, all held by VST, are issued and outstanding as fully paid and non-assessable, and, such AssetCo Shares are free and clear of all liens, charges or encumbrances of any kind whatsoever. After the completion of the Hydreight Equity Transfer and prior to closing of the Concurrent Financing, AssetCo anticipates having 27,896,825 AssetCo Shares, all held by VST, issued and outstanding as fully paid and non-assessable;
- (i) Hydreight does not have any subsidiaries (as such term is defined in the Securities Act);
- (j) AssetCo does not have any subsidiaries (as such term is defined in the Securities Act) and upon the completion of the Hydreight Equity Transfer, Hydreight will be the sole subsidiary of AssetCo;

- (k) all securities of each of Hydreight and AssetCo have been issued in compliance with applicable laws including the Securities Act and the U.S. Securities Act, as applicable;
- (l) there are no outstanding securities convertible into or exercisable to acquire any Hydreight Shares or AssetCo Shares or any other securities or agreements which could result in the issuance of shares or securities of Hydreight or AssetCo;
- (m) Hydreight and AssetCo are not subject to any regulatory decision or order prohibiting or restricting transfer of its securities;
- (n) neither Hydreight nor AssetCo are a reporting issuer or equivalent in any jurisdiction and the Hydreight Shares and AssetCo Shares are not publicly listed on any securities exchange;
- (o) each of Hydreight, VST and AssetCo has the power, authority and capacity to execute and perform its obligations under this Agreement and each of the Closing Documents to which it is, or will be, a party;
- (p) the execution and delivery by Hydreight, VST and AssetCo of this Agreement, the Amalgamation Agreement, as applicable, and, once signed, each of the Closing Documents to which it is a party and the performance of its obligations thereunder and contained therein have been or, as the case may be, will have been duly authorized by all applicable corporate action;
- (q) each of this Agreement and the Amalgamation Agreement constitutes a legal, valid and binding obligation of Hydreight, VST and AssetCo, enforceable in accordance with its terms, and upon the execution and delivery by of Hydreight, VST and AssetCo of the Closing Documents to which it is a party, each will constitute a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms;
- (r) neither the execution and delivery of this Agreement, the Amalgamation Agreement and the Closing Documents nor the consummation of the Amalgamation will directly or indirectly (with or without notice or lapse of time) conflict with or result in a breach or violation of (i) any provision of the Constatng Documents of Hydreight, VST or AssetCo; (ii) any applicable Law to which Hydreight, VST or AssetCo are subject, the effect of which would cause a Material Adverse Change to Hydreight, VST and AssetCo, taken as a whole. Hydreight and VST are not aware of any pending or contemplated change to any applicable Law or governmental position that would cause a Material Adverse Change to its Business as currently conducted or the legal environment under which Hydreight and VST operates; (iii) constitute a default under or give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which Hydreight, VST or AssetCo are entitled, under any Material Contract to which Hydreight, VST or AssetCo is a party or any permit or similar authorization relating to Hydreight, VST or AssetCo, or the Business; or (iv) result in the creation or imposition of any Lien relating to Hydreight, VST or AssetCo;
- (s) no approval, order, consent of or filing with any Governmental Authority is required on the part of Hydreight, VST or AssetCo (other than as expressly contemplated herein) in connection with the execution and delivery of this Agreement and, once signed, the Closing Documents, or the performance by Hydreight, VST or AssetCo of its respective obligations pursuant to this Agreement and the Amalgamation Agreement and, once signed, the Closing Documents, the absence of which would cause a Material Adverse Change to Hydreight, VST or AssetCo;
- (t) each of Hydreight, VST and AssetCo has prepared and filed all applicable tax returns on time with all appropriate Governmental Authorities which were required to be filed on or prior to the Effective Date. Each such tax return of Hydreight, VST and AssetCo was correct and complete in all material respects;

- (u) each of Hydrecht, VST and AssetCo has paid all Taxes shown as due and payable by it on all its tax returns, has paid all assessments and reassessments it has received in respect of Taxes, and each of Hydrecht, VST and AssetCo has paid all Tax installments due and payable by it;
- (v) there are no assessments or reassessments of Taxes that have been issued and are outstanding. Each of Hydrecht, VST and AssetCo is not negotiating any assessment or reassessment with any Governmental Authority. Each of Hydrecht, VST and AssetCo is not aware of any liabilities of such company for Taxes or any grounds for an assessment or reassessment including aggressive treatment of income expenses, credits or other claims for deduction under any tax return;
- (w) there is no requirement for any of Hydrecht, VST or AssetCo to make any filing with, give any notice to, or obtain any consent, approval, waiver or other similar authorization of, any Person (other than as expressly contemplated herein), as a result of, or in connection with, with the execution and delivery of this Agreement and, once signed, the Closing Documents or as a requirement or condition of the lawful completion of the Amalgamation, for which the failure to do so would cause a Material Adverse Change to Hydrecht, VST or AssetCo;
- (x) the data and information in respect of Hydrecht, VST and AssetCo and its Assets, liabilities, Business and operations provided, or to be provided, by Hydrecht, VST or their Representatives to PCL or its Representatives is, and will be, accurate and correct in all material respects as at the date hereof or the date provided, as applicable, and, in respect of any information provided or to be provided, do not omit to state a material fact (as such term is defined in the Securities Act), did not and will not knowingly omit any material data or information necessary to make any data or information provided or to be provided not misleading in any material respect as at the date hereof or the date provided, as applicable. Hydrecht or VST has no knowledge of any Material Adverse Change to Hydrecht or VST from that disclosed in such data and information;
- (y) Hydrecht holds title to its Assets free and clear of all Liens, adverse claims, easements, rights of way, servitudes, zoning or building restrictions or any, other rights of others or other adverse interests of any kind, including leases, chattel mortgages, conditional sales contracts, collateral security arrangements and other title or interest retention arrangements (collectively, "**Encumbrances**"), except any Encumbrances which would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Change;
- (z) other than as disclosed in writing to PCL, Hydrecht does not currently have, any employment, consulting, severance pay, continuation pay, termination pay, change of control or indemnification agreements or other similar agreements of any nature whatsoever (collectively, "**Employment Agreements**") between Hydrecht, on the one hand, and any current or former stockholder, officer or director of Hydrecht, or any other employee or consultant for which such employee or consultant receives a salary of greater than \$100,000, that are currently in effect;
- (aa) there has been no material change in Hydrecht's accounting policies or in the financial condition of Hydrecht since its inception;
- (bb) Hydrecht has no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those that will be set forth or adequately provided for in the balance sheet and associated notes thereto included in the Hydrecht Financial Statements (the "**Hydrecht Balance Sheet**");

- (ii) those incurred in the ordinary course of business and not required to be set forth in the Hydrecht Balance Sheet under IFRS;
 - (iii) those incurred in the ordinary course of business from the date of the Hydrecht Balance Sheet and consistent with past practice; and
 - (iv) those incurred in connection with the execution of this Agreement;
- (cc) AssetCo has no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those that will be set forth or adequately provided for in the balance sheet and associated notes thereto included in the AssetCo Financial Statements (the **"AssetCo Balance Sheet"**);
 - (ii) those incurred in the ordinary course of business and not required to be set forth in the AssetCo Balance Sheet under IFRS;
 - (iii) those incurred in the ordinary course of business from the date of the AssetCo Balance Sheet and consistent with past practice; and
 - (iv) those incurred in connection with the execution of this Agreement;
- (dd) each of Hydrecht and AssetCo has maintained proper accounting records such that an audit can readily be completed on its financial statements;
- (ee) since the date of the Letter of Intent, the Business has been conducted in the ordinary course, and there has not been
 - (i) any event, occurrence, state of circumstances, or facts or change in Hydrecht or in the Business that has had, or which Hydrecht may, after reasonable inquiry, expect to have, either individually or in the aggregate, a Material Adverse Change;
 - (ii) any (A) change in any the liabilities of Hydrecht that has had, or which Hydrecht may, after reasonable inquiry, expect to have, a Material Adverse Change or (B) any incurrence, assumption or guarantee of any indebtedness for borrowed money by Hydrecht in connection with the Business or otherwise;
 - (iii) any (A) payments by Hydrecht in respect of any indebtedness of Hydrecht for borrowed money or in satisfaction of any liabilities of Hydrecht related to the Business, other than in the ordinary course of business or the guarantee by Hydrecht of any of the indebtedness of any other Person or (B) creation, assumption or sufferance of (whether by action or omission) the existence of any Lien on any assets reflected on the Hydrecht Balance Sheet;
 - (iv) any transaction or commitment made, or any Material Contract entered into, by Hydrecht, or any waiver, amendment, termination or cancellation of any Material Contract by Hydrecht, or any relinquishment of any rights thereunder by Hydrecht or of any other right or debt owed to Hydrecht, other than, in each such case, actions taken in the ordinary course of business consistent with past practice;
 - (v) other than in the ordinary course of business and consistent with past practice, any: (A) grant of any severance, continuation or termination pay to any director, officer, stockholder or employee of Hydrecht or any affiliate of Hydrecht, (B) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director,

- officer, stockholder or employee of Hydrecht or any affiliate of Hydrecht, (C) increase in benefits payable or potentially payable under any severance, continuation or termination pay policies or employment agreements with any director, officer, stockholder or employee of Hydrecht or any affiliate of Hydrecht, (D) increase in compensation, bonus or other benefits payable or potentially payable to directors, officers, stockholders or employees of Hydrecht or any affiliate of Hydrecht, (E) change in the terms of any bonus, pension, insurance, health or other employee benefit plan of Hydrecht or (F) representation of Hydrecht to any employee or former employee of Hydrecht that Hydrecht promised to continue any employee benefit plan after the Effective Date;
- (vi) any change by Hydrecht in its accounting principles, methods or practices or in the manner it keeps its books and records that is not prescribed to be in accordance with IFRS; or
 - (vii) any distribution, dividend, bonus, management fee or other payment by Hydrecht to any officer, director, stockholder or affiliate of Hydrecht or any of their respective affiliates or Associates, other than payments of salaries or compensation in connection with services rendered in the normal course;
- (ff) Hydrecht maintains insurance policies customary to businesses similar to the one carried on by Hydrecht;
 - (gg) the financial books, records and accounts of Hydrecht and AssetCo have in all material respects, been maintained in accordance with applicable law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the Assets of such company and accurately and fairly reflect the basis for all financial statements of such company, including the Hydrecht Financial Statements and the AssetCo Financial Statements, as applicable;
 - (hh) Hydrecht has made available to PCL for inspection true and complete copies of all material contracts to which Hydrecht is a party and that are currently in force (the “**Hydrecht Material Contracts**”). The Hydrecht Material Contracts are in full force and effect, and Hydrecht is entitled to all rights and benefits thereunder in accordance with the terms thereof. All the Hydrecht Material Contracts are valid and binding obligations, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors’ rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. Hydrecht has complied in all material respects with all terms of the Hydrecht Material Contracts, has paid all amounts due thereunder if, as and when due, has not waived any rights thereunder and no material default or breach exists in respect thereof on the part of Hydrecht or, to the knowledge of Hydrecht, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, could constitute such a default or breach or trigger a right of termination of any of the Hydrecht Material Contracts;
 - (ii) other than this Agreement and the Amalgamations Agreement, once entered, AssetCo has not entered into any material contracts;
 - (jj) Hydrecht has all material approvals, authorizations, certificates, consents, licences, orders and permits and other similar authorizations of all Governmental Authorities (and all other Persons) necessary for the operation of the Business in substantially the same manner as currently operated by Hydrecht or affecting or relating in any way to the Business;
 - (kk) Schedule F sets forth a complete and correct list of each patent, patent application and invention, trademark, tradename, trademark or tradename registration or application,

copyright or copyright registration or application for copyright registration, and each licence or licensing agreement, for any of the foregoing relating to the Business as conducted by Hydrecht or held by Hydrecht (together the **"Intellectual Property Rights"**). The Intellectual Property Rights also include any trade secrets that are material to the conduct of the Business in the manner that the Business has heretofore been conducted;

- (ll) Hydrecht has not, during the three years preceding the date of this Agreement, been a party to any Proceeding, nor is any Proceeding threatened as to which there is a reasonable possibility of a determination adverse to Hydrecht, involving a claim of infringement by any Person (including any Governmental Authority) of any Intellectual Property Right. No Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement restricting the use thereof by Hydrecht or restricting the licensing thereof by Hydrecht to any Person. Hydrecht does not have any knowledge that would cause such Person to believe that the use of the Intellectual Property Rights or the conduct of the Business conflicts with, infringes upon or violates any patent, patent licence, patent application, trademark, tradename, trademark or tradename registration, copyright, copyright registration, service mark, brand mark or brand name or any pending application relating thereto, or any trade secret, know-how, programs or processes, or any similar rights, of any Person;
- (mm) Hydrecht either owns the entire right, title and interest in, to and under, or has acquired a licence to use, any and all patents, trademarks, tradenames, brand names and copyrights that are material to the conduct of the Business in the manner that the Business has heretofore, been conducted. The Intellectual Property Rights are in full force and effect and have not been used or enforced or failed to be used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of any of the Intellectual Property Rights. All registrations and filings necessary to preserve the rights of Hydrecht in and to the Intellectual Property Rights have been made;
- (nn) there is no investment banker, broker, finder or other intermediary or advisor that has been retained by or is authorized to act on behalf of Hydrecht, who might be entitled to any fee, commission or reimbursement of expenses from Hydrecht or any of its respective affiliates or any of its respective Associates upon consummation of the transactions contemplated by this Agreement;
- (oo) there are no actions, suits or proceedings in existence or pending or, to the knowledge of Hydrecht, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Hydrecht or affecting or that would reasonably be expected to affect any of Hydrecht's property or Assets at law or equity or before or by any Governmental Authority which action, suit or proceeding involves a possibility of any judgment against or liability of Hydrecht which, if successful, would reasonably be expected to cause a Material Adverse Change, or would significantly impede the ability of Hydrecht to consummate the Amalgamation;
- (pp) to the knowledge of each of Hydrecht, VST and AssetCo, Hydrecht, VST and AssetCo have not withheld from PCL any material information or documents concerning Hydrecht, AssetCo or their respective Assets or liabilities during the course of PCL's review of Hydrecht, AssetCo and its Assets. No representation or warranty contained herein, and no statement contained in any schedule or other disclosure document provided or to be provided to PCL by Hydrecht, VST or AssetCo pursuant hereto contains or will contain an untrue statement of a material fact which is necessary to make the statements herein or therein not misleading; and
- (qq) the information contained in the documents, certificates and written statements (including this Agreement and the schedules and exhibits hereto) furnished to PCL by or on behalf of Hydrecht, VST and AssetCo with respect to Hydrecht or AssetCo (including the Business and the results of operations, financial condition and prospects of Hydrecht) for use in

connection with this Agreement or the transactions contemplated by this Agreement is true and complete in all material respects and does not, to the best of the knowledge of Hydrecht, VST and AssetCo after conducting an inquiry which a reasonably prudent person would make under the circumstances, omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. There is no fact known to Hydrecht, VST or AssetCo that has not been disclosed to PCL by Hydrecht, VST or AssetCo in writing that has had a Material Adverse Change on or, so far as Hydrecht, VST and AssetCo can now foresee, would reasonably be likely to have a Material Adverse Change on Hydrecht or AssetCo (including the Business and the results of operations, financial condition or prospects of Hydrecht).

3.2 Representations and Warranties of PCL and PCL AcquisitionCo

PCL and PCL AcquisitionCo hereby make, as of the date hereof, the following representations and warranties and acknowledge that VST, AssetCo and Hydrecht are relying upon such representations and warranties for the purpose of entering into this Agreement:

- (a) each of PCL and PCL AcquisitionCo is a corporation duly incorporated, validly existing and in good standing under the BCBCA;
- (b) each of PCL and PCL AcquisitionCo is duly registered and licensed to carry on its business in the jurisdictions in which it carries on such business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on such business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) each of PCL and PCL AcquisitionCo is in material compliance with all applicable laws in the jurisdictions in which it carries on its business and which may materially affect such company, has not received a notice of non-compliance, nor does such company know of any facts that could give rise to a notice of such non-compliance with any applicable laws and such company is not aware of any pending change or contemplated change to any applicable law or governmental position that would materially affect its business or legal environment under which such company operates;
- (d) No proceedings have been taken or authorized by either of PCL and PCL AcquisitionCo or, to the knowledge of either PCL or PCL AcquisitionCo, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of either PCL or PCL AcquisitionCo or with respect to any amalgamation, merger, consolidation, arrangement or reorganization relating to either PCL or PCL AcquisitionCo;
- (e) PCL has an authorized share capital consisting of an unlimited number of PCL Pre-Consolidation Shares, of which 51,333,727 PCL Pre-Consolidation Shares are issued and outstanding as fully paid and non-assessable, and, to the knowledge of PCL, such PCL Pre-Consolidation Shares are free and clear of all liens, charges or encumbrances of any kind whatsoever;
- (f) PCL AcquisitionCo has an authorized share capital consisting of an unlimited number of PCL AcquisitionCo Shares of which 100 PCL AcquisitionCo Shares legally and beneficially owned by PCL are issued and outstanding as fully paid and non-assessable, and, to the knowledge of PCL AcquisitionCo, such PCL AcquisitionCo Shares are free and clear of all liens, charges or encumbrances of any kind whatsoever;
- (g) there are no outstanding securities convertible into or exercisable to acquire any PCL Pre-Consolidation Shares or PCL Post-Consolidation Shares or any other securities or agreements which could result in the issuance of shares or securities of PCL except for 100,000 PCL Options, all of which will be adjusted on the same terms as the adjustment applicable to the PCL Pre-Consolidation Shares in connection with the PCL Consolidation;

- (h) there are no outstanding securities convertible into or exercisable to acquire any PCL AcquisitionCo Shares or any other securities or agreements which could result in the issuance of shares or securities of PCL AcquisitionCo;
- (i) PCL does not have any subsidiaries (as such term is defined in the Securities Act) other than PCL AcquisitionCo;
- (j) all securities of PCL and PCL AcquisitionCo have been issued in compliance with applicable laws including the Securities Act;
- (k) neither of PCL and PCL AcquisitionCo is subject to any regulatory decision or order prohibiting or restricting transfer of its securities;
- (l) PCL is:
 - (i) a “reporting issuer” only in British Columbia, Alberta and Ontario; and
 - (ii) a “capital pool company” under the rules and policies of the TSXV;
 - (iii) the PCL Pre-Consolidation Shares are listed on the TSXV; and
 - (iv) PCL is not in default of any of its obligations as a reporting issuer or as a TSXV capital pool company;
- (m) each of PCL and PCL AcquisitionCo has the power, authority and capacity to execute and perform its obligations under this Agreement and each of the Closing Documents to which it is, or will be, a party;
- (n) the Name Change and PCL Consolidation does not require the approval of the PCL Shareholders and may be approved by the directors of PCL, subject to the approval of the TSXV;
- (o) the execution and delivery by PCL and PCL AcquisitionCo of this Agreement, the Amalgamation Agreement and, once signed, each of the Closing Documents to which it is a party and the performance of their respective obligations thereunder and contained therein have been or, as the case may be, will have been duly authorized by all applicable corporate action;
- (p) each of this Agreement and the Amalgamation Agreement constitutes legal, valid and binding obligations of PCL and PCL AcquisitionCo, as the case may be, enforceable against each of them in accordance with their terms and upon the execution and delivery by of PCL and PCL AcquisitionCo of the Closing Documents to which it is a party, each will constitute legal, valid and binding obligations of such Person, enforceable against such Person in accordance with its terms;
- (q) neither the execution and delivery of this Agreement, the Amalgamation Agreement and the Closing Documents nor the consummation of the Amalgamation will directly or indirectly (with or without notice or lapse of time) conflict with or result in a breach or violation of (i) any provision of the Constatting Documents of PCL or PCL AcquisitionCo; (ii) any applicable Law to which either of PCL or PCL AcquisitionCo is subject, the effect of which would cause a Material Adverse Change to PCL and PCL AcquisitionCo, taken as a whole. PCL is not aware of any pending or contemplated change to any applicable Law or governmental position that would cause a Material Adverse Change to the business of PCL and PCL AcquisitionCo, taken as a whole, as currently conducted or the legal environment under which PCL operates; (iii) constitute a default under or give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit to which PCL or PCL AcquisitionCo is entitled, under any Material Contract to which PCL or PCL AcquisitionCo

is a party or any permit or similar authorization relating to PCL or PCL AcquisitionCo, or its business; or (iv) result in the creation or imposition of any Lien relating to PCL or PCL AcquisitionCo;

- (r) no approval, order, consent of or filing with any Governmental Authority is required on the part of PCL or PCL AcquisitionCo (other than as expressly contemplated herein) in connection with the execution and delivery of this Agreement and, once signed, the Closing Documents, or the performance by PCL and PCL AcquisitionCo of their respective obligations pursuant to this Agreement and, once signed, the Closing Documents, the absence of which would cause a Material Adverse Change to PCL or PCL AcquisitionCo;
- (s) each of PCL and PCL AcquisitionCo has prepared and filed all applicable tax returns on time with all appropriate Governmental Authorities which were required to be filed on or prior to the Effective Date. Each such tax return of PCL and PCL AcquisitionCo was correct and complete in all material respects;
- (t) each of PCL and PCL AcquisitionCo has paid all Taxes shown as due and payable by it on all its tax returns and has paid all assessments and reassessments it has received in respect of Taxes. Each of PCL and PCL AcquisitionCo has paid all Tax installments due and payable by it;
- (u) there are no assessments or reassessments of Taxes that have been issued and are outstanding. Each of PCL and PCL AcquisitionCo is not negotiating any assessment or reassessment with any Governmental Authority. Each of PCL and PCL AcquisitionCo is not aware of any liabilities of such company for Taxes or any grounds for an assessment or reassessment including aggressive treatment of income expenses, credits or other claims for deduction under any tax return;
- (v) there is no requirement for any of PCL or PCL AcquisitionCo to make any filing with, give any notice to, or obtain any consent, approval, waiver or other similar authorization of, any Person (other than as expressly contemplated herein), as a result of, or in connection with, with the execution and delivery of this Agreement and, once signed, the Closing Documents or as a requirement or condition of the lawful completion of the Amalgamation and the other transactions contemplated by this Agreement, for which the failure to do so would cause a Material Adverse Change to PCL or PCL AcquisitionCo;
- (w) the data and information in respect of PCL and PCL AcquisitionCo and their Assets, liabilities, business and operations provided, or to be provided, by PCL or its advisors to VST or Hydrecht or their advisors is, and will be, accurate and correct in all material respects as at the date hereof or the date provided, as applicable, and, in respect of any information provided or to be provided, do not omit to state a material fact (as such term is defined in the Securities Act), did not and will not knowingly omit any material data or information necessary to make any data or information provided or to be provided not misleading in any material respect as at the date hereof or the date provided, as applicable. PCL has no knowledge of any Material Adverse Change to PCL from that disclosed in such data and information;
- (x) PCL does not hold any Assets other than cash;
- (y) each of PCL and PCL AcquisitionCo does not currently have, and has never had, any Employment Agreements with any Person whatsoever;
- (z) other than as disclosed in writing to Hydrecht, each of PCL and PCL AcquisitionCo does not currently have, and has never had, any employees or consultants in Canada that the Canada Revenue Agency may construe as employees;

- (aa) each filing forming a part of the PCL Public Disclosure Record was as at the date it was filed, true, correct, and complete and did not contain any misrepresentation as of the respective dates of such information or statements, and no material change has occurred in relation to PCL which is not disclosed in the PCL Public Disclosure Record, and PCL has not filed any confidential material change reports which continue to be confidential;
- (bb) all financial statements of PCL, including the PCL Financial Statements: (i) have been prepared in accordance with IFRS and/or generally accepted accounting principles, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of PCL, as of the date thereof, and there has been no Material Adverse Change in the financial position of PCL since the date of the PCL Financial Statements and the business of PCL has been carried on in the usual and ordinary course consistent with past practice since the date thereof; (ii) contain and reflect all necessary adjustments and accruals for a fair presentation of its financial position and the results of its operations for the periods covered by said financial statements; (iii) contain and reflect adequate provisions for all reasonably anticipated liabilities (including Taxes) with respect to the periods then ended and all prior periods; and (iv) with respect to Material Contracts to which PCL is a party and commitments for the sale of goods or the provision of services by PCL, contain and reflect adequate reserves for all reasonably anticipated material losses and costs and expenses in excess of expected receipts;
- (cc) the financial books, records and accounts of each of PCL or PCL AcquisitionCo have in all material respects, been maintained in accordance with applicable law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the Assets of each of PCL or PCL AcquisitionCo and accurately and fairly reflect the basis for all financial statements of each of PCL or PCL AcquisitionCo, including the PCL Financial Statements;
- (dd) PCL AcquisitionCo is not party to any material contracts other than this Agreement and those material contracts disclosed as part of the PCL Public Disclosure Record;
- (ee) there are no approvals, authorizations, certificates, consents, licences, orders and permits and other similar authorizations required from any Governmental Authorities (and all other Persons) necessary for, affecting or relating in any way to PCL or PCL AcquisitionCo;
- (ff) other than as disclosed in writing to Hydrecht, there is no investment banker, broker, finder or other intermediary or advisor that has been retained by or is authorized to act on behalf of PCL, who might be entitled to any fee, commission or reimbursement of expenses from any party hereto or any of its respective affiliates or any of its respective Associates upon consummation of the transactions contemplated by this Agreement;
- (gg) neither PCL nor PCL AcquisitionCo has any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the PCL Financial Statements (the “**PCL Balance Sheet**”);
 - (ii) those incurred in the ordinary course of business and not required to be set forth in the PCL Balance Sheet under IFRS; and
 - (iii) those incurred in the ordinary course of business since the date of the PCL Balance Sheet and consistent with past practice;
- (hh) there are no actions, suits or proceedings in existence or pending or, to the knowledge of PCL, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect PCL or affecting or that would reasonably be expected to affect any

of PCL's property or Assets at law or equity or before or by any Governmental Authority which action, suit or proceeding involves a possibility of any judgment against or liability of PCL which, if successful, would reasonably be expected to cause a Material Adverse Change, or would significantly impede the ability of PCL to consummate the Amalgamation;

- (ii) to the knowledge of PCL, PCL has not withheld from VST or Hydrecht any material information or documents concerning PCL or its respective Assets or liabilities during the course of VST or Hydrecht's review of PCL and its Assets. No representation or warranty contained herein, and no statement contained in any schedule or other disclosure document provided or to be provided to VST or Hydrecht by PCL pursuant hereto contains or will contain an untrue statement of a material fact which is necessary to make the statements herein or therein not misleading; and
- (jj) the minute books and records of PCL and PCL AcquisitionCo made available to Hydrecht and VST in connection with the due diligence investigation of PCL and PCL AcquisitionCo for the period from the date of incorporation to the date hereof are all of the minute books of PCL and PCL AcquisitionCo and contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of PCL and PCL AcquisitionCo to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of PCL and PCL AcquisitionCo to the date hereof not reflected in such minute books.

ARTICLE 4 COVENANTS

4.1 Operation of Business by Hydrecht

From the date hereof to the Effective Date, unless PCL otherwise agrees in writing or as otherwise expressly contemplated or permitted by this Agreement, Hydrecht will conduct the Business in the ordinary course consistent with past practice, and, except as required to effect the transactions contemplated herein, Hydrecht will use reasonable efforts to preserve intact the current business organization of Hydrecht, keep available the services of the present employees and agents of Hydrecht, if applicable, and its subsidiaries and maintain good relations with, and the goodwill of, suppliers, clients, landlords and all other Persons having business relationships with Hydrecht, if applicable.

4.2 Negative Covenants

From the date hereof to the Effective Date, unless the Other Party otherwise agrees in writing or as otherwise expressly contemplated or permitted by this Agreement or in the ordinary course of business, neither Hydrecht and AssetCo, on the one hand, nor PCL, on the other hand, will:

- (a) take any action (directly or indirectly) with respect to any of the following, except to the extent necessary to give effect to its obligations under or as expressly permitted by, this Agreement:
 - (i) amending its or its subsidiaries' Constatng Documents;
 - (ii) any acquisition or disposition of Assets in excess of \$15,000;
 - (iii) any acquisition or disposition of securities with a fair market value in an amount in excess of \$15,000;
 - (iv) any change in its capitalization (including, but not limited to, any increase in the amount or maturity of its consolidated borrowings) or any conversion of an amount of short-term borrowings into long-term borrowings in an amount in excess of \$15,000;

- (v) split, combine or reclassify any shares or undertake any capital reorganization or combination thereof other than as contemplated by this Agreement;
 - (vi) declaring or paying any dividend or declaring, authorizing or making any distribution of, on or in respect of any of its securities whether payable in cash, securities or otherwise;
 - (vii) any release or relinquishment of any rights under or make amendments to a Material Contract, an Authorization or a Permit;
 - (viii) the entering into any joint venture or similar agreement, arrangement or relationship;
 - (ix) the grant of any license or other right with respect to any property;
 - (x) the issuance or purchase or other acquisition of any equity securities, including any securities convertible into, or rights, warrants or options to acquire, any equity securities other than such securities of PCL listed in Section 3.2(d);
 - (xi) agreeing or committing to the guarantee of payment of any material indebtedness;
 - (xii) making any material change in methods of accounting, except as required by concurrent changes in IFRS;
 - (xiii) canceling, waiving, releasing, assigning, settling or comprising any material claims or rights;
 - (xiv) granting any Lien on any of its Assets; and
 - (xv) amending, modifying or terminating any material insurance policy in effect on the date of this Agreement;
- (b) grant to any employee any increase in compensation or in severance or termination pay, or enter into any employment agreement;
 - (c) enter into any written or oral agreements, commitments or contracts or amend its existing Material Contracts which, individually or in the aggregate, result in new or additional obligations being imposed in excess of \$5,000 in the case of PCL, and \$15,000 in the case of Hydreight or AssetCo;
 - (d) take, or fail to take, any action which would reasonably be expected to result in PCL ceasing to be a reporting issuer under the securities Laws of British Columbia, Alberta or Ontario, or being noted in default thereunder, or to result in the delisting or suspension of the PCL Pre-Consolidation Shares or PCL Post-Consolidation Shares from the TSXV;
 - (e) fail to promptly advise the Other Party first orally and then in writing of any material change in its financial condition or operations that is likely to result in a Material Adverse Change;
 - (f) enter into any transaction or perform any act which might:
 - (i) interfere or be inconsistent with the successful completion of the Amalgamation;
 - (ii) render inaccurate any of the representations and warranties set forth herein; or
 - (iii) adversely affect its ability to perform its covenants and agreements under this Agreement; and

- (g) make, revoke or amend any Tax election, amend any Tax Return, settle or compromise any action in respect of Taxes, consent to the extension of any extension or waiver of any limitation period applicable to Taxes, make any change in any method of accounting or auditing practice other than as required or contemplated by IFRS.

4.3 Proceedings

Each of PCL, PCL AcquisitionCo, VST, AssetCo and Hydreight will defend or cause to be defended any lawsuits or other legal proceedings brought against it or any affiliate or subsidiary thereof challenging this Agreement or the completion of the Amalgamation. PCL will not settle, compromise or release any claim brought by its present, former or purported holders of any of its securities in connection with the Amalgamation prior to the Effective Time without the prior written consent of Hydreight.

4.4 Disclosure Document

Hydreight and PCL will:

- (a) cooperate and use their commercial reasonable efforts in:
 - (i) the preparation of the Disclosure Document;
 - (ii) obtaining all Consents and Authorizations, including orders of any Governmental Authority, TSXV and third parties as are necessary for the consummation of the Amalgamation; and
 - (iii) taking all such actions as may be required under or pursuant to the Act in connection with the Amalgamation;
- (b) each furnish to one another, on a timely basis, all such information as may be required to prepare and submit the Disclosure Document to TSXV and complete the other actions required under this Section 4.4(b), and each hereby covenants that no information so furnished by it in writing 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 order to make any information so furnished, in light of the circumstances in which they were made, not misleading;
- (c) each ensure that the information relating to it disclosed in the Disclosure Document will not contain any material misrepresentation;
- (d) each promptly notify the Other Party if at any time before or after the Effective Time it becomes aware that the Disclosure Document contains a misrepresentation or 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 under which they were made and cooperate in the preparation of a supplement or amendment to the Disclosure Document, as the case may be, that corrects any such misstatement or omission;
- (e) ensure that the Disclosure Document is prepared in compliance with the applicable provisions of the rules of TSXV and applicable securities Laws; and
- (f) cooperate with each other in connection with the preparation of documentation for submission to TSXV and any other applicable regulatory authorities and keep each other informed of any requests or comments made by regulatory authorities in connection with such documentation.

4.5 Consents

The Parties will use their commercially reasonable efforts to obtain all required third party consents, permits, approvals, authorizations, filings, assignments or waivers and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil their obligations hereunder and to carry out the transactions contemplated by this Agreement and the Amalgamation Agreement, including obtaining any shareholder approvals, consents or agreements as may be required under applicable laws the rules and policies of the TSXV and their Constatng Documents to be able to fulfill their obligations hereunder and in connection with the delivery of all of the Closing Documents;

4.6 Rectification of Corporate Records

Hydrecht, AssetCo and PCL and their respective officers and directors will, in consultation and cooperation with one another, rectify all material deficiencies and irregularities in the corporate records, record-keeping, resolutions, minutes, registers and other similar and related corporate documents customarily maintained in a body corporate's minute books as such deficiencies and irregularities are identified by the Other Party, as soon as practicable following the execution of this Agreement and, in any event, prior to the Effective Date, to the satisfaction of the Other Party, acting reasonably.

4.7 PCL Consolidation and Name Change

PCL will take all action necessary to consummate the PCL Consolidation and Name Change immediately prior to the Effective Time in accordance with applicable Laws.

4.8 Hydrecht Equity Transfer

VST, AssetCo and Hydrecht will take all action necessary to consummate the Hydrecht Equity Transfer immediately prior to the Effective Time in accordance with applicable Laws.

4.9 Public Announcements

None of VST, AssetCo, Hydrecht, PCL or PCL AcquisitionCo will (and each such Party will use reasonable efforts to cause its Representatives not to), issue any press release, make any public announcement or public filing, conduct any interviews, or furnish any written statement to its employees or shareholders generally concerning the Amalgamation without the consent of the other Parties, such consent not to be unreasonably withheld, except to the extent required by applicable Laws or securities Laws (and in any such case, each Party, as applicable, will, to the extent consistent with timely compliance with such requirement, consult with the other Parties prior to making the required release, announcement, filing or statement).

4.10 Notification of Certain Matters

Between the date hereof and the Effective Date, each Party will give prompt notice in writing to each other Party of:

- (a) any information that indicates that any of its representations or warranties contained herein was not true and correct as of the date hereof or will not be true and correct at and as of the Effective Time with the same force and effect as if made at and as of the Effective Time (except for changes specifically permitted or contemplated by this Agreement),
- (b) the occurrence of any event that will result, or has a reasonable prospect of resulting, in the failure of any condition specified in Article 7 hereof to be satisfied, and
- (c) any notice or other communication from any third party alleging that the Consent of such third party is or may be required in connection with the Amalgamation, or that the Amalgamation may otherwise violate the rights of or confer remedies upon such third party.

4.11 Listing

PCL will use its commercially reasonable best efforts to have all of the PCL Post-Consolidation Shares issuable pursuant to, or as consequence of, the Amalgamation accepted for listing by TSXV and to fulfill all of the conditions of such acceptance stipulated by the TSXV. Each Party will provide all other Parties with all communications sent to or received from TSXV or any Governmental Authority in connection with the Amalgamation and the Disclosure Document.

4.12 Hydreight Financial Statements

Hydreight agrees that it will prepare and provide the Hydreight Financial Statements, in accordance with IFRS and ensure that:

- (a) such Hydreight Financial Statements present fairly in accordance with IFRS the consolidated financial position, results of operations and changes in financial position of Hydreight as of the date thereof and for the periods indicated therein;
- (b) such Hydreight Financial Statements reflect appropriate and adequate reserves in respect of contingent liabilities (including Taxes), if any, of Hydreight on a consolidated basis;
- (c) with respect to the Financial Statements of Hydreight and any subsequent interim period for which financial statements of Hydreight will be required to be included in the Disclosure Document, ensure such financial statements are audited or reviewed, as applicable pursuant to Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual, by an independent public accountant in accordance with the CPA Canada Handbook;
- (d) with respect to Material Contracts to which Hydreight is a party and commitments for the sale of goods or the provision of services by Hydreight, such Hydreight Financial Statements contain and reflect adequate reserves for all reasonably anticipated material losses and costs and expenses in excess of expected receipts; and
- (e) any Material Adverse Change in the financial position of Hydreight subsequent to the date of the Hydreight Financial Statements will be adequately disclosed to PCL and reflected in the Hydreight Financial Statements, as necessary.

4.13 AssetCo Financial Statements

AssetCo agrees that it will prepare and provide the AssetCo Financial Statements, in accordance with IFRS and ensure that:

- (a) such AssetCo Financial Statements present fairly in accordance with IFRS the consolidated financial position, results of operations and changes in financial position of AssetCo as of the date thereof and for the periods indicated therein;
- (b) such AssetCo Financial Statements reflect appropriate and adequate reserves in respect of contingent liabilities (including Taxes), if any, of AssetCo on a consolidated basis;
- (c) with respect to the AssetCo Financial Statements and any subsequent interim period for which financial statements of AssetCo will be required to be included in the Disclosure Document, ensure such financial statements are audited or reviewed, as applicable pursuant to Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual, by an independent public accountant in accordance with the CPA Canada Handbook;
- (d) with respect to Material Contracts to which AssetCo is a party and commitments for the sale of goods or the provision of services by AssetCo, such AssetCo Financial Statements

contain and reflect adequate reserves for all reasonably anticipated material losses and costs and expenses in excess of expected receipts; and

- (e) any Material Adverse Change in the financial position of AssetCo subsequent the date of the AssetCo Financial Statements will be adequately disclosed to PCL and reflected in any subsequent disclosures of AssetCo, as necessary.

4.14 Representations and Warranties

Each of Party covenants and agrees that from the date hereof until the termination of this Agreement, it will not take any action, or fail to take any action, which would or may reasonably be expected to result in its representations and warranties set out in Article 3 being untrue in any material respect at any time prior to the Effective Date or termination of this Agreement whichever is first.

ARTICLE 5 COMMITMENT TO THE AMALGAMATION

5.1 Acquisition Transactions

Each of VST, AssetCo, Hydrecht and PCL hereby covenants that from the date hereof until the earlier of: (i) the Effective Time; (ii) this Agreement having been terminated pursuant to and in accordance with Article 6; and (iii) the Outside Date, it will:

- (a) not directly or indirectly through any Representative take any action of any kind which could reasonably be construed to reduce the likelihood of success of consummating the Amalgamation, including but not limited to any action to continue, solicit, initiate, assist or encourage enquiries, submissions, proposals or offers from any other Person, entity or group relating to, and will not participate in any discussions or negotiations regarding or furnish to any other Person, entity or group any information with respect to, or otherwise cooperate in any way with or assist or participate in, or facilitate or encourage any effort or attempt with respect to an Acquisition Transaction;
- (b) promptly notify the other Parties if it becomes aware that any proposal in respect of any Acquisition Transaction has been made, or it or any of its Representatives has received any inquiry from or contact with any Person with respect thereto, and advise the other Parties of the content of any such proposal and, if written, provide the other Parties with copies; and
- (c) cease any and all negotiations with any third party in respect of any Acquisition Transaction, and not release any such third party from its obligations under any confidentiality agreement or other similar agreement.

5.2 Facilitation of Amalgamation

Without limiting Section 5.1, each Party will use reasonable efforts to satisfy each of the conditions precedent to be satisfied by it and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable Laws, including applicable securities Laws, to permit the completion of the Amalgamation in accordance with the provisions of this Agreement and the Amalgamation Agreement and to consummate and make effective all other transactions contemplated in and by this Agreement and the Amalgamation Agreement and each will cooperate with each other in connection with the foregoing, including:

- (a) satisfying all conditions precedent to the Amalgamation including the completion of all transactions to be effected prior to the Effective Time, including, without limitation, the Hydrecht Equity Transfer, the PCL Consolidation, the Name Change and the Concurrent Financing;

- (b) entering into and delivering the Closing Documents on or before the Effective Date;
- (c) agreeing to such changes, modifications or amendments to the Amalgamation Agreement or the Amalgamation as either Hydrecht or PCL may reasonably request, provided any such change, modification or amendment would not adversely affect any Party hereto;
- (d) using reasonable efforts to provide notice to, and obtain all necessary Consents and Authorizations, the failure of which to obtain would prevent the Parties from effecting the Amalgamation or may result in a Material Adverse Change to Hydrecht or PCL;
- (e) using reasonable efforts to effect or cause to be effected all necessary registrations and filings and submissions of information requested of it by any Governmental Authority, the failure of which to obtain would prevent the Parties hereto from effecting the Amalgamation or would result in a Material Adverse Change to Hydrecht or PCL;
- (f) using reasonable efforts to lift or rescind any injunction or restraining order or other order which may be entered against it, which injunction or order would prevent the Parties hereto from completing the Amalgamation;
- (g) cooperating with each other Party in connection with any lawsuits or legal proceedings brought against any party or any affiliate thereof challenging this Agreement, or the completion of the Amalgamation, and keeping each other informed of any material information that becomes known to them in connection therewith;
- (h) complying promptly with all requirements imposed by Law on its or its subsidiaries with respect to this Agreement, the Amalgamation Agreement or the Amalgamation; and
- (i) not taking any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement, or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Amalgamation.

5.3 Notification

Each Party will promptly notify the other Parties of:

- (a) any Material Adverse Change or any change, effect, event, development, occurrence, circumstance or state of facts which could reasonably be expected to have a Material Adverse Change in respect of such Party;
- (b) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Amalgamation (and contemporaneously provide a copy of any such notice or communication to the other Parties);
- (c) any notice or other communication from any Governmental Authority in connection with the Agreement or the Amalgamation (and contemporaneously provide a copy of any such notice or communication to the other Parties); or
- (d) any legal or regulatory proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting such Party or that relate to this Agreement or the Amalgamation.

ARTICLE 6 TERMINATION

6.1 Termination by PCL

Subject to compliance with Section 7.4, PCL may, when not in default in the performance of any of its obligations under this Agreement, without prejudice to any other rights, terminate this Agreement by written notice to Hydreight if:

- (a) not all of the conditions precedent in Section 7.1 and 7.3 will be or have been satisfied or waived by PCL on or prior to the Outside Date;
- (b) PCL has determined to accept an Acquisition Transaction;
- (c) the Amalgamation cannot be completed because Hydreight is in default under any of its covenants contained in Article 4; or
- (d) VST, Hydreight or AssetCo breaches this Agreement in any material respect.

6.2 Termination by Hydreight

Subject to compliance with Section 7.4, Hydreight, when not in default in the performance of any of its obligations under this Agreement, may, without prejudice to any other rights, terminate this Agreement by written notice to PCL if:

- (a) not all of the conditions precedent in Section 7.2 and 7.3 will be or have been satisfied or waived by VST, AssetCo or Hydreight, as applicable, on or prior to the Outside Date;
- (b) Hydreight has determined to accept an Acquisition Transaction;
- (c) the Amalgamation cannot be completed because PCL or PCL AcquisitionCo is in default under any of its covenants contained in Article 4; or
- (d) PCL or PCL AcquisitionCo breaches this Agreement in any material respect.

6.3 Break Fee

In the event that this Agreement is terminated by reason of a breach of Section 5.1 or by operation of Section 6.1(b) or Section 6.2(b), as applicable, then the Party that has breached Section 5.1 or has determined to accept an Acquisition Transaction shall pay the other Party a break fee of \$30,000 within seven days after the date upon which this Agreement is terminated.

6.4 Effect of Termination

In the case of any termination of this Agreement pursuant to this Article 6, this Agreement, except in respect to any obligation hereunder which expressly survives termination in accordance with its terms, will be of no further force or effect provided that nothing herein will relieve any Party from its liability for any breach of this Agreement prior to such termination.

ARTICLE 7 CONDITIONS

7.1 Conditions for the Benefit of PCL

The obligations of PCL and PCL AcquisitionCo to complete the Amalgamation will be subject to the fulfilment, or the waiver by PCL, of the following conditions on or before the Effective Time, each of which

is for the exclusive benefit of PCL and may be waived by PCL at any time, in whole or in part, in its sole discretion without prejudice to any other rights that it may have:

- (a) Hydrecht will have complied in all material respects with its covenants in this Agreement on or before the Effective Time and PCL will have no actual knowledge of the contrary;
- (b) the Hydrecht Equity Transfer shall have been completed in accordance with applicable Laws;
- (c) the representations and warranties of each of VST, AssetCo and Hydrecht set forth in this Agreement will be true and correct in all material respects on and as of the Effective Time (as if made on and as of such date) except as affected by the transactions contemplated or permitted by this Agreement, and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty will have been true and correct as of such date;
- (d) no judgment or order will have been issued by any Governmental Authority, no action, suit, or proceeding will have been taken by any Person, and no Law, regulation or policy will have been proposed, enacted, or promulgated or applied,
 - (i) which could reasonably be expected to enjoin, prohibit or impose material limitations or conditions on the completion of the Amalgamation; or
 - (ii) that, if the Amalgamation was completed, could reasonably be expected to result in a Material Adverse Change to PCL;
- (e) the AssetCo Amalgamation Resolution will have been approved by VST as the sole shareholder of AssetCo;
- (f) PCL shall be satisfied with the results of its due diligence investigations relating to Hydrecht and AssetCo, acting reasonably;
- (g) AssetCo will have no outstanding indebtedness or liabilities;
- (h) VST, AssetCo and Hydrecht will have delivered all Closing Documents required to be delivered by them in a form and substance satisfactory to PCL and PCL's counsel, each acting reasonably, and PCL will have received all executed counterpart original and certified or other copies of such documents as such counsel may reasonably request;
- (i) Hydrecht and AssetCo will not have issued any Hydrecht Shares, AssetCo Shares or warrants, options, or other rights to acquire Hydrecht Shares or AssetCo Shares following the date of this Agreement;
- (j) all necessary documents to be entered into in order to give effect to the Amalgamation will be in form and substance satisfactory to PCL, acting reasonably; and
- (k) since the date hereof, there will not have been any change, condition, event or occurrence that, individually or in the aggregate, has been, or could reasonably be expected to result in, a Material Adverse Change to Hydrecht or AssetCo.

7.2 Conditions for the Benefit of Hydrecht

The obligations of VST, AssetCo and Hydrecht to complete the Amalgamation will be subject to the fulfilment, or the waiver by VST, AssetCo or Hydrecht, as applicable, of the following conditions on or before the Effective Time, each of which is for the exclusive benefit of VST, AssetCo and Hydrecht and

may be waived by VST, AssetCo or Hydreight, as applicable, at any time, in whole or in part, in its sole discretion without prejudice to any other rights that it may have:

- (a) PCL will have complied in all material respects with its covenants in this Agreement on or before the Effective Time and VST, AssetCo and Hydreight will have no actual knowledge of the contrary;
- (b) PCL shall have a minimum Working Capital of \$500,000 immediately prior to the Effective Time;
- (c) PCL shall have completed the PCL Consolidation and Name Change in accordance with applicable Laws, no consents of the PCL Shareholders or any other person shall have been required in connection with the completion of the Name Change and PCL Consolidation, and the PCL Consolidation and Name Change shall have been approved by the TSXV;
- (d) the representations and warranties of PCL set forth in this Agreement will be true and correct in all material respects on and as of the Effective Time (as if made on and as of that time) except as affected by transactions contemplated or permitted by this Agreement and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty will have been true and correct as of such date;
- (e) no judgment or order will have been issued by any Governmental Authority, no action, suit or proceeding will have been taken by any Person, and no Law, regulation or policy will have been proposed, enacted, or promulgated or applied,
 - (i) which could reasonably be expected to have the effect to cease trade in any of the securities of PCL or enjoin, prohibit or impose material limitations or conditions on the completion of the Amalgamation, or
 - (ii) that, if the Amalgamation was completed, could reasonably be expected to result in a Material Adverse Change to VST, AssetCo or Hydreight;
- (f) the PCL AcquisitionCo Amalgamation Resolution will have been approved by PCL as the sole shareholder of PCL AcquisitionCo;
- (g) PCL will have delivered all Closing Documents required to be delivered by it;
- (h) all necessary documents to be entered into in order to give effect to the Amalgamation will be in form and substance satisfactory to VST, AssetCo and Hydreight, acting reasonably;
- (i) since the date hereof, there will not have been any change, condition, event or occurrence that, individually or in the aggregate, has been, or could reasonably be expected to result in, a Material Adverse Change to PCL or PCL AcquisitionCo;
- (j) PCL AcquisitionCo will have no outstanding indebtedness or liabilities;
- (k) PCL will not have issued any PCL Pre-Consolidation Shares or PCL Post-Consolidation Shares, or warrants, options, or other rights to acquire PCL Pre-Consolidation Shares or PCL Post-Consolidation Shares following the date of this Agreement;
- (l) other than PCL AcquisitionCo, PCL will have no subsidiaries;

- (m) the PCL Post-Consolidation Shares issuable to AssetCo Shareholders at the Effective Time will be issued pursuant to exemptions from the prospectus requirements of the *Securities Act* (British Columbia); and
- (n) PCL will be not in default of any of its obligations as a reporting issuer or as a TSXV listed issuer.

7.3 Mutual Conditions

The obligations of the Parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions at or before the Effective Time (any of which may be waived by the mutual agreement of the Parties):

- (a) the Concurrent Financing will have been completed;
- (b) the Effective Date will occur on or before the Outside Date;
- (c) no provision of any applicable Law and no judgment, injunction, order or decree shall be in effect which restrains or enjoins or otherwise prohibits the consummation of the Amalgamation;
- (d) the appropriate approval of any Governmental Authority, including all Consents, waivers, permits, orders and Authorizations of any such Governmental Authority in connection with, or required to permit, the consummation of the transactions contemplated hereby, the failure to obtain which or the non-expiry of which would constitute a breach of applicable Law, or would, individually or in the aggregate, be or result in a Material Adverse Change after the Effective Time, shall have been obtained or received;
- (e) all Authorizations or Consents and all regulatory authorizations and receipt of all necessary approvals from the TSXV for the listing of the PCL Post-Consolidation Shares to be issued pursuant to the Amalgamation (subject to PCL's fulfilling the TSXV's usual and ordinary listing requirements) will have been obtained on terms satisfactory to the Parties; and
- (f) this Agreement shall have not been terminated in accordance with Article 6 of this Agreement.

7.4 Notice and Cure Provisions

Each of VST, Hydreight and AssetCo, on the one hand, and PCL and PCL AcquisitionCo, on the other hand, will give prompt notice to the other 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, or would reasonably be likely to:

- (a) constitute a material breach of any of its representations or warranties contained herein or which would cause such representations and warranties to be untrue or incorrect in any material respect on the Effective Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder prior to the Effective Date.

Neither VST, Hydreight and AssetCo, on the one hand, nor PCL and PCL AcquisitionCo, on the other hand, may elect not to complete the Amalgamation or the other transactions contemplated hereby pursuant to any of the conditions precedent contained in Sections 7.1 or 7.2, or exercise any termination right arising therefrom, unless forthwith and in any event prior to the Effective Date, VST, Hydreight, or AssetCo, on the one hand, or PCL, on the other hand, as the case may be, has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters

which VST, Hydrecht or Asset Co, on the one hand, or PCL, on the other hand, as the case may be, is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that VST, Hydrecht, or AssetCo, on the one hand, or PCL, on the other hand, as the case may be, is proceeding diligently to cure such matter, if such matter is capable of being cured, the other may not terminate this Agreement until the later of the Outside Date and the expiration of a period of 30 days from such notice.

7.5 Satisfaction, Waiver and Release of Conditions

The conditions provided for in this Article 7 will be deemed conclusively to have been satisfied, waived or released when the Amalgamation Application has been filed as contemplated in Section 2.6.

ARTICLE 8 CLOSING DELIVERIES

8.1 Closing Documents

Provided that the conditions precedent in Article 7 that must be satisfied prior to the Effective Date are satisfied or waived (by the Party entitled to waive), as the case may be, then on or before the Business Day prior to the Effective Date the Parties will execute, deliver or cause to be delivered, as the case may be, and as applicable to each of them, the documents and instruments described in Sections 8.2 and 8.3, as applicable (the “**Closing Documents**”) to the offices of MLT Aikins LLP, 2600 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 (the “**Place of Closing**”).

8.2 VST, Hydrecht and AssetCo Deliveries

VST, Hydrecht and AssetCo will deliver to the Place of Closing the following Closing Documents:

- (a) a certificate of a senior officer of each of VST, AssetCo and Hydrecht and certifying, on behalf of such company as of the Effective Date, that such company has complied in all material respects with its covenants in this Agreement and that the conditions precedent that must be satisfied on or prior to the Effective Date in Sections 7.2 and 7.3 have been satisfied or are waived;
- (b) a certificate of a senior officer of each of VST, AssetCo and Hydrecht certifying that the representations and warranties of such company set forth in this Agreement will be true and correct in all material respects on and as of the Effective Date (as if made on and as of such date) except as affected by the transactions contemplated or permitted by this Agreement, and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty will have been true and correct as of such date;
- (c) a certificate of good standing or equivalent of each of Hydrecht and AssetCo;
- (d) a counterpart of the Amalgamation Agreement duly executed by AssetCo;
- (e) a counterpart to the Amalgamation Application duly executed by AssetCo;
- (f) a certified copy of the AssetCo Amalgamation Resolution;
- (g) a certified copy of the resolutions of the directors of AssetCo approving the Amalgamation;
- (h) a certified copy of: (i) the resolutions of the directors of each of VST and AssetCo approving the Hydrecht Equity Transfer and the Agreement; and (ii) copies of the central securities registers (or their equivalent) of each of AssetCo and Hydrecht evidencing the completion of the Hydrecht Equity Transfer;

- (i) an affidavit of a director of AssetCo as required by the Section 277 of the BCBCA;
- (j) consents in writing to act as directors of PCL duly signed by Shane Francis Madden, Joseph Matthew Palumbo, and Gabriel Kabazo;
- (k) consent in writing to act as a director of Amalco duly signed by Shane Francis Madden;
- (l) evidence satisfactory to PCL, acting reasonably, of the completion of all corporate proceedings of AssetCo, including the Hydrecht Equity Transfer, and all other matters which, in the reasonable opinion of PCL, are necessary in connection with the transactions contemplated by this Agreement; and
- (m) such other documents, certificates, opinions and deliveries as the Parties mutually consider reasonably necessary or desirable in connection with this Agreement and the consummation of the transactions contemplated herein.

8.3 PCL and PCL AcquisitionCo Deliveries

PCL and PCL AcquisitionCo will deliver to the Place of Closing the following Closing Documents:

- (a) a certificate of a senior officer of each of PCL and PCL AcquisitionCo certifying, on behalf of such company as of the Effective Date, that such company has complied in all material respects with its covenants in this Agreement and that the conditions precedent that must be satisfied on or prior to the Effective Date in Sections 7.1 and 7.3 have been satisfied or are waived;
- (b) a certificate of a senior officer of each of PCL and PCL AcquisitionCo certifying that the representations and warranties of such company set forth in this Agreement will be true and correct in all material respects on and as of the Effective Date (as if made on and as of such date) except as affected by the transactions contemplated or permitted by this Agreement, and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty will have been true and correct as of such date;
- (c) a counterpart of the Amalgamation Agreement duly executed by PCL and PCL AcquisitionCo;
- (d) a counterpart to the Amalgamation Application duly executed by PCL AcquisitionCo;
- (e) a certificate of good standing of each of PCL and PCL AcquisitionCo;
- (f) evidence satisfactory to VST and Hydrecht and their legal counsel, acting reasonably, of the completion of all corporate proceedings of PCL and PCL AcquisitionCo and all other matters which, in the reasonable opinion of VST and Hydrecht, are necessary in connection with the transactions contemplated by this Agreement;
- (g) a certified copy of the PCL AcquisitionCo Amalgamation Resolution;
- (h) certified copies of the resolutions of the directors of PCL and PCL AcquisitionCo approving the Amalgamation, the PCL Consolidation, the Name Change and the issuance of the PCL Post-Consolidation Shares pursuant to the Amalgamation;
- (i) a treasury direction to the Transfer Agent to effect the PCL Consolidation and issue the Resulting Issuer Shares pursuant to section 2.8 of this Agreement;

- (j) the conditional approval letter or other written communication from the TSXV confirming the conditional listing of the Resulting Issuer Shares, subject to PCL fulfilling the TSXV's usual and ordinary listing requirements;
- (k) an affidavit of a director of PCL AcquisitionCo as required by the Section 277 of the BCBCA;
- (l) resignations in writing from each of the departing incumbent directors, other than Alexandros Tziliis, and officers of PCL;
- (m) certified copies of the resolutions of the incumbent directors of PCL filling vacancies and appointing additional directors in order to re-constitute the board of directors of PCL as contemplated in Section 2.9 and appointing new officers of PCL as contemplated in Section 2.10; and
- (n) such other documents, certificates, opinions and deliveries as the Parties mutually consider reasonably necessary or desirable in connection with this Agreement and the consummation of the transactions contemplated herein.

8.4 Books and Records

From and after the Effective Time, Amalco will retain all Books and Records of PCL and PCL AcquisitionCo, and PCL will deliver such Books and Records at AssetCo's direction on or before the Effective Date.

ARTICLE 9 INDEMNIFICATION

9.1 Agreement to Indemnify

PCL shall be indemnified and held harmless to the extent set forth in this Section 9.1 by Hydreight in respect of any and all damages incurred by PCL as a result of any inaccuracy or misrepresentation in or breach of any representation, warranty, covenant or agreement made by Hydreight in this Agreement.

VST and Hydreight (together with PCL, in this Article 9, the "**Indemnitees**") shall be indemnified and held harmless to the extent set forth in this Section 9.2 by PCL in respect of any and all damages incurred by VST or Hydreight as a result of any inaccuracy or misrepresentation in or breach of any representation, warranty, covenant or agreement made by the PCL in this Agreement.

9.2 Survival of Representations, Warranties, and Covenants

Except as hereinafter provided in this Section 9.3, all representations, warranties, covenants, agreements and obligations of any party responsible for indemnifying PCL or VST and Hydreight, as the case may be (the "**Indemnifying Parties**") contained herein and all claims of PCL or VST and Hydreight in respect of any breach of any representation, warranty, covenant, agreement or obligation of any Indemnifying Party contained in this Agreement, shall survive the Effective Date and shall expire two years from the date of this Agreement.

9.3 Claims for Indemnification

If any Indemnatee shall believe that such Indemnatee is entitled to indemnification pursuant to this Article 9 in respect of any damages, such Indemnatee shall give the appropriate Indemnifying Party prompt written notice thereof. Any such notice shall set forth in reasonable detail and to the extent then known the basis for such claim for indemnification. The failure of such Indemnatee to give notice of any claim for indemnification promptly, but within the periods specified by Section 9.3, as the case may be, shall not adversely affect such Indemnatee's right to indemnity hereunder except to the extent that such failure adversely affects the right of the Indemnifying Party to assert any reasonable defence to such claim or to

the extent that such failure increases the amount of liability or cost of the defence. Each such claim for indemnity shall expressly state that the Indemnifying Party shall have only the twenty (20) Business Day period referred to in the next sentence to dispute or deny such claim. The Indemnifying Party shall have twenty (20) Business Days following its receipt of such notice either (x) to acquiesce in such claim by giving such Indemnitee written notice of such acquiescence or (y) to object to the claim by giving such Indemnitee written notice of the objection.

ARTICLE 10 CONFIDENTIALITY

The Parties will, and will cause their employees, officers, directors, shareholders, outside advisors, agents, affiliates, Associates and representatives to, treat any data and information obtained with respect to the Parties, or any of their affiliates or Associates, from any representative, officer, director or employee of the Parties, or from any books or records of the Parties, confidentially and with commercially reasonable care and discretion, and will not disclose any such information to third parties; provided, however, that the foregoing shall not apply to: (i) information in the public domain or that becomes public through disclosure in accordance with applicable Law, (ii) information that is required to be disclosed by applicable Law, (iii) information that is disclosed by Parties or their affiliates or Associates, on a confidential basis, to any of their respective agents, accountants, attorneys and prospective lenders or investors in connection with or related to the consummation of the transactions contemplated hereby, including the financing of the transactions contemplated by this Agreement, or (iv) any information that is disclosed by the Parties after the Effective Date.

In the event that this Agreement is terminated, the Parties, upon the written request of the other, will, and will cause its representatives to, promptly deliver to the other Party any and all documents or other materials furnished by the Party or their respective affiliates in connection with this Agreement without retaining any copy thereof. In the event of such request, all other documents, whether analyses, compilations or studies, that contain or otherwise reflect the information furnished by the Parties, shall be destroyed by the respective Parties or shall be returned and the Parties shall confirm in writing that all such materials have been returned or destroyed. No failure or delay by the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

The parties hereto recognize and agree that in the event of a breach by either Party of this section, money damages would not be an adequate remedy for such breach and, even if money damages were adequate, it would be impossible to ascertain or measure with any degree of accuracy the damages sustained therefrom. Accordingly, if there should be a breach or threatened breach by either Party of the provisions of this section, the other Party, shall be entitled to an injunction restraining any breach without showing or proving actual damage sustained by such Party. Nothing in the preceding sentence shall limit or otherwise affect any remedies that the non-violating Party may otherwise have under applicable Law.

ARTICLE 11 GENERAL PROVISIONS

11.1 Notice

Any notice delivered or emailed shall be deemed to have been given and received on the Business Day next following the date of delivery or email, as the case may be. Any notice mailed as aforesaid shall be deemed to have been given and received on the third Business Day following the date it is posted, provided that if between the time of mailing and actual receipt of the notice there shall be a mail strike, slow down or other labour dispute which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered. Any notice, request, consent, agreement or approval which may or is required to be given pursuant to the Agreement and the transactions contemplated thereby will be in writing and will be sufficiently given or made if delivered or emailed by PDF, in the case of:

- (a) PCL and PCL AcquisitionCo, addressed as follows:

Perihelion Capital Ltd.

Suite 2600, 1066 West Georgia Street
Vancouver, British Columbia
V6E 3X1 Canada

Attention: *Redacted*
E-mail: *Redacted*

- (b) Hydreight, addressed as follows:

IV Hydreight Inc.

410 S Rampart Blvd, Ste 390
Las Vegas, Nevada
89145-5749 USA

Attention: *Redacted*
E-mail: *Redacted*

- (c) VST and AssetCo, addressed as follows:

Victory Square Technologies Inc.

401 – 750 West Pender Street
Vancouver, British Columbia
V6C 2T7 Canada

Attention: *Redacted*
E-mail: *Redacted*

11.2 Assignment

No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the Other Parties.

11.3 Independent Legal Advice

Each of the Parties hereby acknowledges that it has carefully read and considered and fully understands the provisions of this Agreement and, having done so, agrees that the provisions set forth in this Agreement are fair and reasonable. Each party further acknowledges that it has had an opportunity to obtain independent advice in respect of the contents of this Agreement and it has either obtained such independent advice or waives all further rights in this respect.

11.4 Binding Effect

This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns (including, for greater certainty, Amalco).

11.5 Time of the Essence

For the purposes of this Agreement time will be of the essence.

11.6 Governing Law

This Agreement will be governed by and construed in accordance with the Laws of the province of British Columbia and the federal Laws of Canada applicable therein.

11.7 Entire Agreement

This Agreement (including, for greater certainty, the Amalgamation Agreement), constitutes the entire agreement and understanding between and among the Parties hereto with respect to the subject matter hereof and the Amalgamation and supersedes any prior agreement, representation or understanding with respect thereto including, without limitation, the Letter of Intent.

11.8 Amendment or Waiver

Subject to any requirements imposed by Law or by any court having jurisdiction, this Agreement may be amended, modified or superseded, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, but only by written instrument executed by all the Parties hereto. No waiver of any nature, in any one or more instances, will be deemed or construed as a further or continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

11.9 Severability

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is determined to be void or unenforceable in whole or in part, it will be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision will be severable from this Agreement.

11.10 Counterparts and Delivery

This Agreement may be executed in any number of counterparts, each of which will be considered the original and all of which, together, will constitute one and the same instrument. This Agreement may also be executed in original or by signature sent and received by facsimile or other electronic transmission and the reproduction of such signature sent and received by way of facsimile or other electronic transmission will be deemed as though such reproduction was an executed original thereof.

11.11 No Contra Preferendum.

PCL, VST and Hydrecht have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by PCL, VST and Hydrecht and no presumption or burden of proof will arise favouring or disfavouring any Party by virtue of the authorship of any of the provisions of this Agreement.

11.12 Further Assurances

Each of the Parties hereto agrees that each will promptly furnish to the other such further documents and take or cause to be taken such further actions as may reasonably be required in order to effect this Agreement and the Amalgamation. Each Party hereto agrees to execute and deliver such instruments and documents as the Other Parties hereto may reasonably require in order to carry out the intent of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the day and year first above written.

PERIHELION CAPITAL LTD.

Per: "Alexandros Tziliios"
Name: Alexandros Tziliios
Title: Chief Executive Officer

IV HYDREIGHT INC.

Per: "Shane Madden"
Name: Shane Madden
Title: Chief Executive Officer

VICTORY SQUARE TECHNOLOGIES INC.

Per: "Sheri Rempel"
Name: Sheri Rempel
Title: Chief Financial Officer

1203500 B.C. LTD.

Per: "Alexandros Tziliios"
Name: Alexandros Tziliios
Title: Chief Executive Officer

1362795 B.C. LTD.

Per: "Shane Madden"
Name: Shane Madden
Title: Director

SCHEDULE A

FORM OF AMALGAMATION AGREEMENT

Please see attached.

AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of the [•] day of [•], 2022

BETWEEN:

PERIHELION CAPITAL LTD.

a corporation existing under the laws of the Province of British Columbia

("PCL")

AND:

1203500 B.C. LTD.

a corporation existing under the laws of the Province of British Columbia

("PCLSub")

AND:

1362795 B.C. LTD.

a corporation existing under the laws of the Province of British Columbia

("AssetCo")

WHEREAS:

- A. each of the Parties is also a Party to a Merger Agreement which contemplates the Amalgamation (as herein defined), subject to certain conditions;
- B. PCLSub and AssetCo wish, subject to the satisfaction or waiver of the conditions set forth in PART 7 of the Merger Agreement, to effect the Amalgamation and amalgamate and continue as one corporation under the provisions the BCBCA and in accordance with the terms hereof; and
- C. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Amalgamation.

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **Definitions.** In this Agreement:

- (a) **"Agreement"** means this amalgamation agreement and includes any and every instrument supplemental or ancillary hereto.
- (b) **"Amalco"** means the corporation resulting from the Amalgamation.
- (c) **"Amalco Share"** means a common share of Amalco.
- (d) **"Amalgamating Companies"** means PCLSub and AssetCo.
- (e) **"Amalgamation"** means the amalgamation of the Amalgamating Companies under Sections 269 and following of the BCBCA upon the terms and subject to the conditions set forth in this Agreement, as contemplated by the Merger Agreement.

- (f) **"Amalgamation Application"** means the amalgamation application substantially in the form attached as Appendix A to be filed by the Amalgamating Companies with the Registrar in accordance with Section 275(1)(a) of the BCBCA.
- (g) **"Amalgamation Certificate"** means the amalgamation certificate in respect of the Amalgamation to be issued by the Registrar in accordance with Section 281 of the BCBCA.
- (h) **"Articles of Amalgamation"** means the articles of amalgamation substantially in the form attached as Appendix B.
- (i) **"AssetCo Amalgamation Resolution"** means the unanimous resolution of VST as the sole shareholder of AssetCo in respect of the Amalgamation substantially in the form and content of Schedule "B" attached to the Merger Agreement.
- (j) **"AssetCo Shareholders"** means the registered holders of AssetCo Shares immediately prior to the Effective Time and "AssetCo Shareholder" means any of the AssetCo Shareholders.
- (k) **"AssetCo Share"** means a common share without par value in the capital of AssetCo.
- (l) **"BCBCA"** means the *Business Corporations Act* (British Columbia).
- (m) **"Depository"** means TSX Trust Company, the transfer agent of the resulting issuer under the Merger Agreement.
- (n) **"Dissent Rights"** means the rights of dissent in respect of the Amalgamation provided for pursuant to Section 272 of the BCBCA.
- (o) **"Dissenting Shareholder"** means an AssetCo Shareholder who validly exercises the right of dissent available to such holder under Section 272 of the BCBCA in respect of the AssetCo Amalgamation Resolution, and becomes entitled to receive, if the Amalgamation is completed, the fair value of his, her or its AssetCo Shares, provided such AssetCo Shareholder has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights or otherwise failed to comply with the requirements of the BCBCA.
- (p) **"Effective Date"** means the effective date of the Amalgamation as set forth in and indicated on the Amalgamation Certificate.
- (q) **"Effective Time"** means 10:00 a.m. (Vancouver time) on the Effective Date or such other time as PCL and AssetCo, each acting reasonably, may agree to in writing, such agreement to be evidenced by the filing of the Amalgamation Application with such other time.
- (r) **"Escrow Agent"** means any trust company, bank, or other financial institution as may be agreed to in writing by PCL and AssetCo.
- (s) **"ITA"** means the *Income Tax Act* (Canada).
- (t) **"Law"** means any federal, provincial, local, municipal, state, foreign or other administrative statute, law, order, constitution, ordinance, principle of common law, regulation, rule or treaty.
- (u) **"Lien"** means any mortgage, hypothec, lien, security interest, lease, option, right of third parties or other charge or encumbrance, including the lien or retained title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

- (v) **"Merger Agreement"** means the merger agreement dated July [●], 2022, between PCL, PCLSub, IV Hydreight Inc., AssetCo, and Victory Square Technologies Inc., including the recitals, schedules and exhibits thereto, as the same may be amended, modified or supplemented in accordance with its terms.
- (w) **"Other Party"** means either AssetCo in relation to PCL, or PCL in relation to AssetCo.
- (x) **"Party"** means a party to this Agreement and **"Parties"** means all of them, collectively.
- (y) **"PCL Share"** means a common share without par value in the capital of PCL.
- (z) **"PCLSub Share"** means a common share without par value in the capital of PCLSub.
- (aa) **"Registrar"** means the Registrar of Companies under the BCBCA.

Any other capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Merger Agreement.

2. **Amalgamation.** Subject to the provisions of this Agreement, the Amalgamating Companies hereby agree to amalgamate effective as of the Effective Time under the provisions of the BCBCA and to continue as one company on the terms and conditions hereinafter set out.
3. **Effect of Amalgamation.** As of the Effective Time, subject to the BCBCA:
 - (a) the Amalgamation of the Amalgamating Companies and their continuance as one corporation will become effective;
 - (b) the property of each of the Amalgamating Companies will continue to be the property of Amalco;
 - (c) Amalco will continue to be liable for the obligations of each of the Amalgamating Companies;
 - (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Companies will be unaffected;
 - (e) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Companies may be continued to be prosecuted by or against Amalco;
 - (f) any conviction against, or ruling, order or judgment in favour of or against, either of the Amalgamating Companies may be enforced by or against Amalco; and
 - (g) the Articles of Amalgamation will be deemed to be the articles of incorporation of Amalco and the Amalgamation Certificate will be deemed to be the certificate of incorporation of Amalco.
4. **Name.** The name of Amalco will be "[●]".
5. **Amalgamation Application and Articles.** The forms of the Amalgamation Application and of the Articles of Amalgamation will, subject to repeal, amendment, alteration or addition under the BCBCA, be in the forms set forth in Appendices A and B attached hereto, respectively.
6. **Termination.** The board of directors of either of the Amalgamating Companies may terminate the Amalgamation and this Agreement at any time prior to the issue of the Amalgamation Certificate notwithstanding the approval by either, or both of, the AssetCo Shareholders and PCL as sole shareholder of PCLSub.

7. **Modifications.** The Parties may, by resolution of their respective directors, assent to any alteration or modification of this Agreement which the Registrar or the Supreme Court of British Columbia may require or which the shareholders of the Amalgamating Companies may direct or approve pursuant to the BCBCA and all alterations or modifications so assented to will be binding upon the Parties.
8. **Fiscal Year.** The fiscal year end of Amalco shall be December 31 of each calendar year.
9. **Business.** There will be no restrictions on the business Amalco may carry on or on the powers it may exercise.
10. **Registered Office.** The mailing and the delivery address of the registered office of Amalco will be at 2600 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 Canada until otherwise determined.
11. **Records Office.** The mailing and the delivery address of the records office of Amalco will be at 2600 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 Canada until otherwise determined.
12. **Authorized Capital.** Amalco will be authorized to issue an unlimited number of common shares without par value which shall have the rights, privileges, restrictions and conditions, subject to repeal, amendment, alteration or addition under the BCBCA, set out in the Articles of Amalgamation. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles of Amalgamation.
13. **Initial Director.** The first director of Amalco, until amended in accordance with the Articles of Amalgamation, shall be the person whose name and address appear below:

<u>Name</u>	<u>Address</u>
Shane Francis Madden	8321 Olive Canyon Drive, Las Vegas, Nevada, U.S.A. 89128

Such director shall hold office until the first annual meeting of shareholders of Amalco or until his successor is elected or appointed.

14. **Officers.** The following person will hold the office set opposite his name and will carry out his duties until he is relieved from such office by the board of directors of Amalco or until he sooner ceases to hold such office:

<u>Name</u>	<u>Position</u>
Shane Francis Madden	Chief Executive Officer

15. **Treatment of Share Capital.** Upon issuance of the Amalgamation Certificate at the Effective Time, the issued and unissued shares of each of the Amalgamating Companies will be exchanged for Amalco Shares as follows:
 - (a) all of the unissued shares of each of the Amalgamating Companies will be cancelled;
 - (b) each issued and outstanding PCLSub Share will be cancelled and replaced with one issued, fully paid and non-assessable Amalco Share;
 - (c) AssetCo Shareholders (other than Dissenting Shareholders) will receive one issued, fully paid and non-assessable PCL Share for each AssetCo Share held; and

- (d) as consideration for the issuance of the PCL Shares, Amalco will issue to PCL 100 Amalco Shares.
16. **Share Certificates.** At the Effective Time:
- (a) PCL will be deemed to be the registered holder of all of the outstanding Amalco Shares to which it is entitled under Section 15(b) and 15(d) and will be entitled to receive a share certificate representing such Amalco Shares;
 - (b) share certificates evidencing the AssetCo Shares will cease to represent any claim upon or interest in AssetCo or Amalco other than the right to receive PCL Shares in accordance with Section 15(c);
 - (c) AssetCo Shareholders (other than Dissenting Shareholders) will have the right to receive PCL Shares in accordance with Section 15(c), and
 - (d) Dissenting Shareholders shall have the right to receive the fair value, determined in accordance with the BCBCA, of the AssetCo Shares held by them.
17. **Capital.** At the Effective Time:
- (a) to the extent permitted by law, PCL shall add to the capital account maintained in respect of the PCL Shares an amount equal to the aggregate paid-up capital (as such term is defined in the ITA), determined immediately prior to the Effective Time, of the AssetCo Shares that are exchanged for PCL Shares on the Amalgamation; and
 - (b) to the extent permitted by law, Amalco shall add to the capital account maintained in respect of the Amalco Shares an amount equal to the sum of (i) the aggregate paid-up capital (as such term is defined in the ITA), determined immediately prior to the Effective Time, of the PCLSub Shares; and (ii) the aggregate paid-up capital (as such term is defined in the ITA), determined immediately prior to the Effective Time, of the AssetCo Shares that are exchanged for Amalco Shares on the Amalgamation.
18. **Fractional Shares.** No fractional Amalco Shares will be issued by Amalco pursuant to this Agreement. Any exchange or replacement contemplated in Section 15 that results in less than a whole number will be rounded down to the nearest whole number without any payment in lieu of any fractional share.
19. **Lost Certificates.** In the event any certificate, which immediately prior to the Effective Time represented one or more outstanding AssetCo Shares that were exchanged pursuant to this Agreement, has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate, the PCL Shares deliverable in accordance with the terms herein.
20. **Withholding Rights.** PCL, Amalco and the Depository will be entitled to deduct and withhold from any consideration otherwise payable to any AssetCo Shareholder such amounts as PCL, Amalco or the Depository determines are required or permitted to be deducted and withheld with respect to such payment under the ITA, or any provision of any other applicable tax law. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the AssetCo Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.
21. **No Liens.** Any exchange or transfer of securities pursuant to this Agreement will be free and clear of all Liens of third parties of any kind.

22. **Covenants.** PCLSub and AssetCo will, on or prior to the Effective Date, jointly file with the Registrar the Amalgamation Application and the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation at the Effective Time upon and subject to the terms and conditions of this Agreement and the Merger Agreement.
23. **Dissenting Shareholders.** AssetCo Shares held by Dissenting Shareholders (each, a “**Dissenting AssetCo Share**”) will not be exchanged for PCL Shares at the Effective Time in accordance with Section 15(c). Instead, on the Effective Date, each Dissenting Shareholder will cease to have any rights as a AssetCo Shareholder other than the right to be paid the fair value in respect of the Dissenting AssetCo Shares in accordance with the provisions of Section 272 of the BCBCA. However, if a Dissenting Shareholder withdraws or is deemed to have withdrawn the exercise of its Dissent Rights or otherwise failed to comply with the requirements of the BCBCA or if such Dissenting Shareholder's rights as a AssetCo Shareholder are otherwise reinstated, each Dissenting AssetCo Share held by that Dissenting Shareholder will thereupon be deemed to have been exchanged for one PCL Share at the Effective Time in accordance with Section 15(c).
24. **Non-Resident Shareholders.** Without limiting anything in this Agreement, PCL will not be required to issue any share in connection with the Amalgamation to any shareholder resident in a jurisdiction other than Canada if the local securities laws of such jurisdiction would make such issuance illegal or require the preparation and filing of a prospectus, the registration of such securities or other applicable requirements and, instead of the consideration to which such shareholder is otherwise entitled under Section 15, all PCL Shares that such shareholder would have otherwise been entitled to receive at the Effective Time in respect of its AssetCo Shares will instead be delivered to the Escrow Agent. The Escrow Agent will use its best efforts to sell such PCL Shares as soon as practicable after the Effective Date, on such dates and at such prices as the Escrow Agent may determine in its sole discretion, through one or more brokers with whom the Escrow Agent transacts business. Each such AssetCo Shareholder will receive a pro rata share of the cash proceeds from the sale of such PCL Shares sold by the Escrow Agent. AssetCo agrees to bear all costs and fees of the Escrow Agent and brokers in connection with such sales. For greater certainty, the Escrow Agent will not be liable to any party if it is unable to effect the sale of any such PCL Shares at a particular price or at all.
25. **Notice.** Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement will be given or made in accordance with the terms of the Merger Agreement.
26. **Assignment.** No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the Other Parties.
27. **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns (including, for greater certainty, Amalco).
28. **Time of the Essence.** For the purposes of this Agreement time will be of the essence.
29. **Governing Law.** This Agreement will be governed by and construed in accordance with the Laws of the province of British Columbia and the federal Laws of Canada applicable therein.
30. **Entire Agreement.** This Agreement (including, for greater certainty, the Merger Agreement), constitutes the entire agreement and understanding between and among the Parties with respect to the subject matter hereof and the Amalgamation and supersedes any prior agreement, representation or understanding with respect thereto.
31. **Amendment or Waiver.** Subject to any requirements imposed by Law or by any court having jurisdiction, this Agreement may be amended, modified or superseded, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, but only by written instrument executed by all the Parties. No waiver of any nature, in any one or more instances, will

be deemed or construed as a further or continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

32. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is determined to be void or unenforceable in whole or in part, it will be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision will be severable from this Agreement.
33. **Counterparts and Delivery.** This Agreement may be executed in any number of counterparts, each of which will be considered the original and all of which, together, will constitute one and the same instrument. This Agreement may also be executed in original or by signature sent and received by facsimile or other electronic transmission and the reproduction of such signature sent and received by way of facsimile or other electronic transmission will be deemed as though such reproduction was an executed original thereof.
34. **Further Assurances.** Each of the Parties agrees that it will promptly furnish to the Other Parties such further documents and take or cause to be taken such further actions as may reasonably be required in order to effect this Agreement and the Amalgamation. Each Party agrees to execute and deliver such instruments and documents as the Other Parties may reasonably require in order to carry out the intent of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the day and year first above written.

PERIHELION CAPITAL LTD.

Per: _____
Name: Alexandros Tziliotis
Title: Chief Executive Officer

1203500 B.C. LTD.

Per: _____
Name: Alexandros Tziliotis
Title: Chief Executive Officer

1362795 B.C. LTD.

Per: _____
Name: Shane Madden
Title: Director

APPENDIX A

Amalgamation Application

Please see attached.

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA):
Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?

(Check all applicable boxes.)

☒

BC company

☐

BC unlimited liability company

B NAME OF COMPANY – *Choose one of the following:*

☐

The name _____ is the name reserved for the amalgamated company. The name reservation number is: _____,

OR

☒

The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

☐

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

☐

With Court Approval:

This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

☒

Without Court Approval:

This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – Choose **one** of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

YYYY / MM / DD

The amalgamation is to take effect at 12:01a.m. Pacific Time on _____
being a date that is not more than ten days after the date of the filing of this application.

YYYY / MM / DD

The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on _____
being a date and time that is not more than ten days after the date of the filing of this application.**E AMALGAMATING CORPORATIONS**

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number.

If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. 1203500 B.C. LTD.	BC1203500	
2. 1362795 B.C. LTD.	BC1362795	
3.		
4.		
5.		

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.



This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1. Alexandros Tziliou, director of 1203500 B.C. Ltd.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2. Shane Francis Madden, director of 1362795 B.C. Ltd.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

n/a

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

MADDEN

SHANE

FRANCIS

DELIVERY ADDRESS

8321 Olive Canyon Drive, Las Vegas

PROVINCE/STATE

NV

COUNTRY

USA

POSTAL CODE/ZIP CODE

89128

MAILING ADDRESS

8321 Olive Canyon Drive, Las Vegas

PROVINCE/STATE

NV

COUNTRY

USA

POSTAL CODE/ZIP CODE

89128

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE 2600 - 1066 West Hastings Street, Vancouver	PROVINCE BC	POSTAL CODE V6E 3X1
MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE 2600 - 1066 West Hastings Street, Vancouver	PROVINCE BC	POSTAL CODE V6E 3X1

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE 2600 - 1066 West Hastings Street, Vancouver	PROVINCE BC	POSTAL CODE V6E 3X1
MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE 2600 - 1066 West Hastings Street, Vancouver	PROVINCE BC	POSTAL CODE V6E 3X1

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Common	✓		✓				✓

APPENDIX B

Articles of Amalgamation

Please see attached.

(the “Company”)

ARTICLES

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(the “Company”)

ARTICLES

The Company has as its articles the following articles:

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (b) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) “legal personal representative” means the personal or other legal representative of the shareholder;
- (d) “registered address” of a shareholder means the shareholder's address as recorded in the central securities register;
- (e) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act and Interpretation Act Definitions Applicable*

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgement

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name, or

- (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate;

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent

jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such

class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

- (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, a proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed: _____
(month/day/year)

(Signature of shareholder)

(Name of shareholder—printed)

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors

are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction,

unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) “eligible penalty” means a judgement, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgement, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that

proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with Business Corporations Act

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(i) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors

or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (a) “designated security” means:
 - (i) a voting security of the Company;
 - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (b) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (c) “voting security” means a security of the Company that:
 - (i) is not a debt security, and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

Full name and signature of each Incorporator	Date of Signing
[●] Per: _____ Authorized Signatory	

SCHEDULE B

PCL ACQUISITIONCO AMALGAMATION RESOLUTION

RESOLVED AS A SPECIAL RESOLUTION that:

1. 1203500 B.C. Ltd. (the “**Company**”) amalgamate with 1362795 B.C. Ltd. (“**AssetCo**”) under the provisions of the *Business Corporations Act* (British Columbia);
2. the amalgamation agreement date [●], 2022 (the “**Amalgamation Agreement**”), between the Company, Perihelion Capital Ltd. and AssetCo is hereby consented to, approved, and adopted; and
3. any director or officer of the Company be, and he or she is hereby authorized to execute and deliver all such documents and instruments and do all such things as may be necessary to give full effect to the transactions contemplated by the Amalgamation Agreement (“**General Authority**”) and execution and delivery of any such document or instrument by any such director or officer shall be conclusive proof of his or her General Authority to execute and deliver the same.

SCHEDULE C

ASSETCO AMALGAMATION RESOLUTION

RESOLVED AS A SPECIAL RESOLUTION that:

1. 1362795 B.C. Ltd. (the “**Company**”) amalgamate with 1203500 B.C. Ltd. (“**PCL AcquisitionCo**”) under the provisions of the *Business Corporations Act* (British Columbia);
2. the amalgamation agreement date [●], 2022 (the “**Amalgamation Agreement**”), between the Company, Perihelion Capital Ltd. and PCL AcquisitionCo is hereby consented to, approved and adopted; and
3. any director or officer of the Company be, and he or she is hereby authorized to execute and deliver all such documents and instruments and do all such things as may be necessary to give full effect to the transactions contemplated by the Amalgamation Agreement (“**General Authority**”) and execution and delivery of any such document or instrument by any such director or officer shall be conclusive proof of his or her General Authority to execute and deliver the same.

SCHEDULE D

HYDREIGHT EQUITY TRANSFER AGREEMENT

Please see attached.

EQUITY TRANSFER AGREEMENT

THIS EQUITY TRANSFER AGREEMENT (this “**Agreement**”) is entered into as of [●], 2022 by and between Victory Square Technologies Inc., a British Columbia corporation (“**VST**”) and 1362795 B.C. Ltd., a British Columbia corporation and wholly-owned subsidiary of VST (“**VST Sub**” and together with VST, each a “**Party**” and, collectively, the “**Parties**”).

WHEREAS, VST and VST Sub desire to enter into this Agreement to set forth the terms and conditions pursuant to which VST will transfer to VST Sub all of VST’s right, title and interest in and to the shares of IV Hydrecht Inc., a Nevada corporation (“**Hydrecht**”), as set out in Schedule A hereto (collectively, the “**Transferred Shares**”);

WHEREAS, in consideration for the Transferred Shares, VST Sub will issue 27,896,825 common shares of VST Sub to VST (the “**Consideration Shares**”); and

WHEREAS, for Canadian domestic income tax purposes, VST and VST Sub intend that the exchange of the Transferred Shares for the Consideration Shares shall take place on a fully tax-deferred basis pursuant to subsection 85(1) of the *Income Tax Act* (Canada) (the “**ITA**”);

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Share Transfer. VST hereby assigns, transfers and conveys to VST Sub all of its right, title and interest in and to the Transferred Shares for an aggregate purchase price (the “**Purchase Price**”) equal to \$17,574,999, which the Parties have determined to be the fair market value of the Transferred Shares.

2. Consideration. In consideration for the transfer to VST Sub of the Transferred Shares hereunder, on the date hereof, VST Sub will issue to VST the Consideration Shares and will add to the capital of its common shares an amount equal to the Agreed Amount (as defined below).

3. Section 85 Election. The Parties agree to jointly elect under subsection 85(1) of the ITA to deem the proceeds of disposition of the Transferred Shares to VST and the cost of acquisition of the Transferred Shares to VST Sub to be an amount (the “**Agreed Amount**”) equal to the lesser of the cost amount and fair market value of the Transferred Shares. The Parties agree to execute and file the required joint election in the prescribed form (Form T2057) and within the prescribed time as required by the ITA.

4. Price Adjustment Clause. The Parties hereby:

(a) acknowledge and confirm that they reasonably and in good faith intend that the Purchase Price shall be equal to the fair market value of the Transferred Shares at the date of this Agreement;

(b) agree that, if any party to this Agreement or a governmental authority having jurisdiction shall assert by assessment, reassessment or otherwise that the consideration determined as provided for in Section 2 hereof is not equal to the Purchase Price, then the Purchase Price attributable to the Transferred Shares shall be increased or decreased by the difference so determined; but only to the extent that the Purchase Price attributable to the Transferred Shares so revised is accepted by the taxing authority and the Parties, or, failing such acceptance, is established by a court having jurisdiction in the matter after all rights of appeal have been exhausted or all times for appeal have expired without appeals having been taken by such taxing authority or the Parties, and otherwise shall be as asserted by the taxing authority; and

(c) if there is an adjustment to the Purchase Price, as aforesaid, such adjustment shall be deemed to be made *nunc pro tunc* with effect as at the date of this Agreement and, for the purposes of the foregoing, the Parties covenant and agree to make all adjustments necessary to reflect such adjustment.

5. Further Undertaking. VST and VST Sub will from time to time, at the reasonable request of the other, execute and deliver such other instruments of conveyance, transfer, assignment or assumption and take such other actions as the other may reasonably request, in order to more effectively consummate the transactions contemplated hereunder.

6. Representations and Warranties. In connection with the transfers of the Transferred Shares, each Party hereby represents and warrants to the other Party that:

(a) it is duly formed or incorporated, as applicable, validly existing and in good standing under the laws of the jurisdiction of its formation or incorporation;

(b) it is authorized, empowered and qualified, or has the requisite capacity, as the case may be, to enter into this Agreement, to perform its respective obligations under this Agreement, and to consummate the transactions contemplated by this Agreement;

(c) the entry into this Agreement has been duly authorized by all required corporate action;

(d) neither the execution and delivery of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement, will (i) conflict with, result in a breach of, or constitute a default under, any agreement or instrument to which it is a party or by which its property and assets may be bound or affected; (ii) require the consent or approval of any other party; or (iii) violate any provision of law or any order of any court or other agency of government;

(e) with respect to VST only, the Transferred Shares are unencumbered and VST is the sole legal and equitable owner of the Transferred Shares;

(f) with respect to VST Sub only, it is a “taxable Canadian corporation” as that term is defined for purposes of the ITA; and

(g) with respect to VST Sub, VST Sub understands and acknowledges:

(i) that the Transferred Shares are “restricted securities” within the meaning of Rule 144A under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and upon transfer to VST Sub and until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or state securities laws, the certificates representing the Transferred Shares, and all certificates issued in exchange therefor or in substitution thereof, will bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER. HEDGING TRANSACTIONS INVOLVING SUCH

SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.”

- (ii) that if Hydreight were ever to be deemed to be, or to have been at any time previously, an issuer with (i) no or nominal operations and (ii) no or nominal assets other than cash and cash equivalents, Rule 144 under the U.S. Securities Act may be unavailable for resales of the Transferred Shares, and that Hydreight is not obligated to take and has no present intention of taking any action to make Rule 144 under the U.S. Securities Act available for resales for the Transferred Shares.

7. Miscellaneous.

(a) Amendments; No Waivers. This Agreement may be amended or modified only by a written instrument executed by both Parties. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial waiver or exercise thereof preclude the enforcement of any other right, power or privilege.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of Province of British Columbia. Each Party hereby irrevocably submits to the exclusive jurisdiction of the courts of the Province of British Columbia for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement.

(c) Entire Agreement. This Agreement, as well as the agreements and documents referenced or contemplated herein constitute the entire agreement, and supersedes all prior agreements or understandings, among the parties hereto with respect to the subject matter hereof.

(d) Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(e) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same Agreement, and may be executed and delivered by facsimile or e-mail and the sending party shall be bound by such signature or execution.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first set forth above.

VICTORY SQUARE TECHNOLOGIES INC.

By: _____

Name: [●]

Position: [●]

1362795 B.C. LTD.

By: _____

Name: [●]

Position: [●]

SCHEDULE A
TRANSFERRED SHARES

Number of Shares	Registration
1,500	Victory Square Technologies Inc.

SCHEDULE E

LIST OF HYDREIGHT MATERIAL CONTRACTS

Redacted.

SCHEDULE F

LIST OF HYDREIGHT INTELLECTUAL PROPERTY RIGHTS

Redacted.