# ASSET PURCHASE AGREEMENT

**THIS AGREEMENT** is effective the 17th day of March, 2020.

**AMONG:**

**HANSTONE CAPITAL CORP.**, a corporation incorporated under the laws of the Province of British Columbia

(hereinafter called "**Hanstone**")

- and –

**MILESTONE INFRASTRUCTURE INC.**, a corporation incorporated under the laws of the Province of British Columbia

(hereinafter called "**Milestone**")

**WHEREAS** Hanstone intends to acquire all of Milestone's right, title and interest in and to the Doc Property (defined hereinafter), as described in the non-binding letter of intent dated as of February 19, 2020 between Hanstone and Milestone (the "**LOI**");

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions

In this Agreement and in any exhibits and amendments to this Agreement, the following terms shall have the meanings set forth below unless the context otherwise requires:

"**Acquisition**" means the acquisition by Hanstone of all of Milestone's right, title and interest in and to the Doc Property, including without limitation all of Milestone's right, title and interest to, and all of Milestone's obligations under, the Option Agreement, on the terms and conditions set out herein.

"**Agreement**" means this Agreement including the schedules and exhibits hereto, as amended or supplemented from time to time.

"**Assumption Agreement**" means an assignment and assumption agreement to be entered into by and among Hanstone, Milestone and John Bot, pursuant to which Hanstone will acquire and assume all of Milestone's right, title and interest to, and all of Milestone's obligations under, the

Option Agreement, to be in the form mutually agreed to by the parties thereto, each acting reasonably.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) as amended, including the regulations promulgated thereunder.

"**BCSC**" mean the British Columbia Securities Commission.

"**Canadian Securities Laws**" has the meaning given in Section 4.1(f).

"**Closing**" means the closing of the Acquisition.

"**Closing Date**" means the effective date of the Closing, as determined by Hanstone, acting reasonably.

"**Consideration Shares**" means the 4,500,000 Hanstone Shares to be issued to Milestone or as Milestone directs.

"**Constating Documents**" means the corporate charter, articles of incorporation, articles of amendment, if any, (and any certificate thereof) or any similar constating document of a corporate entity.

"**Doc Property**" means the mineral exploration property known "Doc" property, as further described in the Technical Report.

"**Encumbrances**" includes, whether or not registered or recorded, any and all:

(a) mortgages, assignments of rent, liens, licences, leases, charges, security interests, hypothecs, and pledges whether fixed or floating against property (whether real, personal, tangible or intangible), or conditional sales contracts or title retention agreements or equipment trusts or financing leases relating thereto, or any subordination to any right or claim of others in respect thereof;

(b) claims, interests and estates against or in property (whether real, personal, tangible or intangible) including easements, rights-of-way, servitudes or other similar rights in property granted to or reserved or taken by any Person or any governmental body or authority;

(c) any option or other right to acquire any interest in, any property; and

(d) without limiting the generality of the foregoing, any other encumbrances of whatsoever nature and kind against any assets or property (whether real, personal, tangible or intangible).

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange.

"**Financing**" means the equity financing to be conducted by Hanstone for gross proceeds of no less than $1,500,000, under which Hanstone is expected to raise gross proceeds of no less than $1,500,000 through: the issuance of $500,000 in units (each, a "**Unit**") at a price of $0.18 per Unit, with each Unit comprised of one Hanstone Share and one Hanstone Warrant (each Hanstone Warrant exercisable for an additional Hanstone Share at an exercise price of $0.25 for two years from the date of issuance); and the issuance of $1,000,000 in "flow-through" units (each, a "**FT Unit**") at a price of $0.25 per FT Unit, with each FT Unit comprised of one "flow-through" Hanstone Share and one Hanstone Warrant (each Hanstone Warrant exercisable for an additional Hanstone Share at an exercise price of $0.35 for two years from the date of issuance).

"**Hanstone**" means Hanstone Capital Corp., a corporation incorporated under the BCBCA.

"**Hanstone Financial Statements**" means the most recent financial statements of Hanstone disclosed publicly on www.sedar.com.

"**Hanstone Options**" means common share purchase options of Hanstone.

"**Hanstone Shares**" means common shares in the capital of Hanstone.

"**Hanstone Shareholders**" means the holders of the Hanstone Shares.

"**Hanstone Warrants**" means common share purchase warrants of Hanstone.

"**IFRS**" means International Financial Reporting Standards.

"**Information Circular**" means the TSXV information circular, including all schedules, appendices and exhibits thereto, to be prepared and filed in accordance with the rules, policies and forms of the Exchange in order to receive the approval from the Exchange of the Acquisition and all related matters.

"**ITA**" means the *Income Tax Act* (Canada).

"**LOI**" means the non-binding letter of intent dated as of February 19, 2020 between Hanstone and Milestone.

"**Material Adverse Effect**" means, as used in connection with events, contingencies, claims or other matters expressly relating to this Agreement, a matter which might adversely affect the condition (financial or otherwise), operations, business or prospects of any party hereto, and which a reasonably prudent investor would consider important in deciding whether to proceed with the transactions hereunder on the terms provided herein.

"**Milestone**" means Milestone Infrastructure Inc. a corporation incorporated under the laws of the Province of British Columbia.

"**Milestone Shareholders**" means the holders of the common shares of Milestone.

"**Mill Agreement**" means the asset purchase agreement between Hanstone and Richard H. Mill dated as of the date hereof, pursuant to which Hanstone has agreed to purchase the Snip North mineral property.

"**Name Change**" means the change of the name of Hanstone to "Hanstone Gold Corp.", or such similar name as is agreed to by Hanstone and Milestone in writing.

"**Option Agreement**" means the property option agreement dated as of July 3, 2019 between John Bot, as optionor, and Milestone, as optionee, with respect to the Doc Property.

"**Person**" means an individual, a corporation, a partnership, a trust, an unincorporated organization, or a government agency or instrument.

"**Place of Closing**" means Suite 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

"**Subsidiary**" means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a Subsidiary.

"**Technical Report**" means the National Instrument 43-101 technical report with respect to the Property, dated January 14, 2020 and authored by Andrew J. Mitchell, B.Sc., P.Geo.

"**Termination Date**" means August 31, 2020, or such other date as agreed to in writing by Hanstone and Milestone.

## 1.2 Interpretation

In this Agreement, except as otherwise expressly provided:

(a) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof;

(b) words importing the singular include the plural and vice versa and words importing one gender include all genders;

(c) a reference to a designated article or section or to an exhibit is a reference to the designated article or section, or exhibit to this Agreement;

(d) the words "herein", "hereof", "hereunder" and other similar words refer to this Agreement as a whole and not to any particular article, section or exhibit;

(e) any accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with IFRS;

(f) any reference to a statute includes all regulations made under that statute, and includes all amendments made to the statute and the regulations in force from time to time, and any statute or regulation that supplements or replaces that statute or regulation; and

(g) any term defined within the text of this Agreement has the meaning given to that term in the text of the Agreement.

## ARTICLE 2 - ACQUISITION

### 2.1 Acquisition

Subject to the terms and conditions hereof, Milestone hereby agrees to assign and transfer to Hanstone, and Hanstone hereby agrees to receive from Milestone, all of Milestone's right, title and interest in and to the Doc Property, including without limitation all of Milestone's right, title and interest to, and all of Milestone's obligations under, the Option Agreement, as of the Closing Date. in consideration for the issuance by Hanstone of the Consideration Shares to Milestone or as Milestone directs, each Consideration Share to be issued at a deemed value of $0.18 per Consideration Share, representing aggregate consideration of $810,000.

### 2.2 Escrow

The parties acknowledge that some or all of the Consideration Shares to be issued under the Acquisition may be subject to escrow or resale restrictions imposed by the policies of the Exchange or by applicable securities laws. The parties further acknowledge that in such event these escrowed Consideration Shares shall be held in escrow and released over time, or imprinted with legends restricting their resale, as determined by the Exchange or in accordance with applicable securities laws. The parties agree that the terms of the escrow shall be negotiated by Hanstone and its legal counsel, in consultation with Milestone and its legal counsel, and the Exchange, and the parties hereto agree to accept such terms imposed by the Exchange provided such escrow is in compliance with the policies of the Exchange.

### 2.3 Financing

The parties acknowledge and agree that in connection with the Acquisition, Hanstone will be conducting the Financing, as further described and contemplated in this Agreement.

### 2.4 Assignment and Assumption Agreement

On or before the Closing Date, Hanstone and Milestone shall execute and deliver the Assumption Agreement with John Bot, the optionor under the Option Agreement.

### 2.5 Name Change

The parties acknowledge and agree that in connection with the Acquisition, Hanstone will complete the Name Change, as further described and contemplated in this Agreement.

### 2.6 Closing

On the Closing Date, Closing shall be held at the Place of Closing, for the purpose of confirming the satisfaction or waiver, as the case may be, of the conditions set forth in Article 7, and to complete the Acquisition.

## ARTICLE 3 - REPRESENTATIONS AND WARRANTIES OF MILESTONE

Milestone represents and warrants to Hanstone as at the date of this Agreement and as at the Closing Date, and acknowledges that Hanstone is relying on these representations and warranties in entering into this Agreement and completing the transactions contemplated herein, as follows:

### 3.1 Corporate Status and Authority

(a) Organization and Qualification: It is a corporation validly incorporated and existing in good standing under the laws of its jurisdiction of organization and has all requisite corporate power and authority to own or lease its properties and its assets and to carry on its business as now conducted. It is qualified to do business and is in good standing in every jurisdiction in which a failure to so qualify would have a Material Adverse Effect.

(b) Execution and Binding Obligation: This Agreement has been validly executed and delivered by it and constitutes legal, valid and binding obligations enforceable against it in accordance with its terms.

(c) Non-Reporting: At the date hereof, it is not a "reporting issuer" in any jurisdiction.

(d) Full Disclosure: This Agreement does not:

(i) contain any untrue statement of a material fact in respect of it, the Doc Property or the Option Agreement; or

(ii) omit any statement of a material fact necessary in order to make the statements in respect of it, the affairs, operations or condition of it, the Doc Property or the Option Agreement contained herein not misleading in any material respect.

### 3.2 Doc Property

(a) Ownership: It has good and marketable title to all of its right, title and interest in and to the Doc Property free and clear of all Encumbrances.

(b) Option Agreement: The Option Agreement is valid and subsisting, in full force and effect and unamended, no material default exists in respect thereof on the part of Milestone, and Milestone is not aware of any intention on the part of John Bot, the other party thereto, to terminate or materially alter the Option Agreement, except for the execution and delivery of the Assumption Agreement in accordance with the completion of the Acquisition.

(c) Technical Report: Milestone has provided Hanstone with a full, true and correct copy of the Technical Report, and Milestone is not aware of any untrue statement of a material fact contained in the Technical Report or the omission of any statement of a material fact necessary in order to make the Technical Report misleading in any material respect.

(d) No Options, etc.: No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such, for the purchase, acquisition or gaining control from it of any of its right, title and interest in and to the Doc Property or the Option Agreement.

**3.3 Litigation and Claims**

Adverse Proceedings: There are no material proceedings which are pending or, to its knowledge, threatened by, against, or relating to, itself, the Doc Property or the Option Agreement.

**3.4 Effect of Acquisition**

(a) No Adverse Implications: The execution and delivery of this Agreement and the completion and performance of the transactions hereunder and thereunder by it will not:

(i) result in a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of or under:

(A) its Constating Documents or any resolution of its directors or shareholders;

(B) any applicable law, regulation, order, judgment or decree (subject to obtaining the authorizations, consents and approvals that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on it;

(C) any agreement, arrangement or understanding to which it is a party or by which it or the Doc Property or the Option Agreement are bound or affected, including without limitation the Option Agreement; or

(ii) result in the imposition of any Encumbrance upon the Doc Property or the Option Agreement.

(b) Approvals: There are no authorizations, approvals, consents, orders, orders in council, legislation, regulations, or any other action of any Person or governmental body or administrative agency that may be required by it in connection with the execution, delivery or performance of this Agreement or the transactions contemplated herein or therein except for compliance with policies and requirements of and approval by securities regulators, the Exchange and the BCBCA and for the execution and delivery by John Bot of the Assumption Agreement.

## ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF HANSTONE

### 4.1 Representations and Warranties of Hanstone

Hanstone represents and warrants to Milestone as follows as at the date hereof and the Closing Date and acknowledges that Milestone is relying on these representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

(a) Incorporation and Authority: Hanstone is validly existing and in good standing as a corporation under the BCBCA and has all requisite corporate power and authority to carry on its business as presently conducted and to perform its obligations pursuant to and in connection with this Agreement subject to compliance with policies and requirements of and approval by securities regulators, the Exchange and the BCBCA. Hanstone is in good standing with respect to the filing of annual returns under the BCBCA.

(b) Authorization of this Agreement: This Agreement has been duly authorized, executed and delivered by Hanstone and is a valid and binding obligation of Hanstone enforceable against Hanstone in accordance with its terms.

(c) Bankruptcy: Hanstone is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and will not become insolvent as a result of the Acquisition or any of the transactions contemplated herein. No actions have been taken or authorized by any Person to initiate proceedings for or in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of Hanstone.

(d) No Adverse Implications: The execution and delivery of this Agreement by Hanstone and the completion and performance of the transactions hereunder will not result in:

(i) a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of or under,

(A) the Constating Documents of Hanstone or any resolution of its directors or shareholders,

(B) any applicable law, regulation, order, judgment or decree, or

(C) any agreement, arrangement or understanding to which Hanstone is a party or by which Hanstone or its assets are bound or affected that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Hanstone, or

(D) the imposition of any Encumbrance upon any of the assets of Hanstone that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Hanstone, or

(ii) Hanstone being in violation of or non-compliant with the policies of the public regulators or the Exchange.

(e) No Material Changes: Other than as has been publicly disclosed at the date hereof, there has been no change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Hanstone that would reasonably be expected to have a Material Adverse Effect on Hanstone.

(f) Reporting Issuer Status: Hanstone is a reporting issuer in good standing under the securities laws of British Columbia and Alberta, and the rules, their respective regulations, prescribed forms, orders and rulings made thereunder and the policy statements and national instruments issued by the securities commissions or other applicable securities regulatory authorities thereunder (the "**Canadian Securities Laws**").

(g) Compliance with Canadian Securities Laws: The Consideration Shares, when issued, will be issued in compliance with all requirements of the BCBCA, Canadian Securities Laws and the Exchange, if and as applicable. The Consideration Shares will not be subject to any resale restrictions in Canada other than those imposed by applicable Canadian Securities Laws and the Exchange, as applicable. Other than as contemplated in this Agreement, no other consent, approval, authorization of any court or regulatory body in Canada is required for the consummation of the transactions contemplated by this Agreement.

(h) Compliance with Other Laws: To the best of its knowledge, Hanstone has conducted and is conducting its business in compliance in all material respects with all applicable laws, by-laws, rules and regulations of each jurisdiction in which its business is carried on and holds all licenses, approvals, authorizations, registrations, permits, consents or qualifications (whether governmental, regulatory or otherwise) required in order to enable its business to be carried on as now conducted and all such licenses, approvals, authorizations, registrations, permits, consents and qualifications are, to the best of the knowledge of Hanstone, valid and subsisting and in good standing, except where the absence of such licenses, registrations, permits, consents and qualifications would not result in a Material Adverse Effect to Hanstone, and Hanstone has not been advised of or received any notice of proceedings or other actions or steps being taken or threatened relating to the suspension, revocation or modification of any such license, approvals, authorizations, registration, permit, consent or qualifications which, if the subject of an unfavourable decision, ruling or finding, would have a Material Adverse Effect on the conduct of the business, operations, condition (financial or otherwise) or income of Hanstone.

(i) No Actions: No actions, suits, inquiries or proceedings are pending or, to the knowledge of Hanstone, are contemplated or threatened to which Hanstone is a party or to which the property of Hanstone is subject that would result individually or in the aggregate in any Material Adverse Effect in the business operations, business, condition (financial or otherwise) of Hanstone.

(j) Fully Paid Shares: All of the Hanstone Shares are fully paid and non-assessable and upon completion of the transactions contemplated hereby, the Consideration Shares will have been duly and validly issued as fully paid and non-assessable Hanstone Shares.

(k) Liabilities: Hanstone does not have any debts or liabilities that would have a Material Adverse Effect on the business, operations, or condition (financial or otherwise) of Hanstone, except:

   (i) liabilities reflected in or provided for in the Hanstone Financial Statements;

   (ii) other liabilities disclosed in this Agreement; and

   (iii) liabilities incurred in the normal course of business from the date of the Hanstone Financial Statements publicly disclosed until the Closing Date.

(l) Employee Matters: Except as disclosed in Hanstone's publicly filed continuous disclosure documents, Hanstone does not have any employees and there are no persons to whom any salaries, wages, benefits, bonuses, incentive arrangements or other employment-related compensation is, are or will be owed or is, are or will be payable.

(m) Corporate Records: The corporate records and minute books of Hanstone accurately reflect all material proceedings of its directors and shareholders and include copies of all existing by-laws, up-to-date and accurate shareholder and director registers, transfer registers and any other corporate registers required to be maintained by it. All meetings of shareholders and directors were duly called and held and all resolutions, whether passed at meetings, or in writing, are valid and effective in all cases.

(n) Guarantees/Indemnities: Hanstone has not guaranteed or indemnified, or agreed to guarantee or indemnify, or agreed to any other like commitment, in respect of any debt, liability or other obligation of any Person.

(o) Tax Matters:

   (i) Filings: It has duly filed all tax returns required to be filed on or before the date of this Agreement.

   (ii) Payment: To its knowledge, except as would not have a Material Adverse Effect on its business, operations or condition (financial or otherwise), Hanstone has correctly calculated all taxes and paid in full, or otherwise accrued in the Hanstone Financial Statements, all such amounts (including but not limited to sales, capital, use and consumption taxes and taxes measured on income and all instalments of taxes) owing to all federal, provincial, state and municipal taxation authorities due and payable.

(iii) Extensions: There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time with respect to the filing of any return, election or designation by, or any payment of any amount by or governmental charge with respect to it or the issuance of any assessment or reassessment.

(iv) Adverse Proceedings: Except as would not have a Material Adverse Effect on the business, operations or condition (financial or otherwise) of Hanstone, there are no actions, suits, proceedings, investigations or claims by any governmental authority pending or threatened against it relating to taxes, governmental charges or assessments.

(v) Deductions/Remittances: It has withheld and remitted all amounts and paid all employer contributions required to be withheld or paid by it under applicable laws (including without limitation income tax amounts, workers' compensation payments, employment insurance premiums, benefit plan premiums and pension plan contributions) and has paid those amounts (including any penalties or interest due thereon to the appropriate authority on a timely basis and in the form required under the appropriate legislation).

(p) Full Disclosure: This Agreement does not:

(i) contain any untrue statement of a material fact in respect of Hanstone, the affairs, operations or condition of Hanstone, its assets or its business, or

(ii) omit any statement of a material fact necessary in order to make the statements in respect of Hanstone, the affairs, operations or condition of Hanstone, its assets or its business contained herein or therein not misleading in any material respect.

(q) Compliance with Laws: Hanstone is in compliance with its timely and continuous disclosure obligations under Canadian Securities Laws.

(r) No Knowledge of Adverse Facts: There is no fact known to Hanstone which materially and adversely affects the affairs, operations or condition of Hanstone, its assets and its business which has not been publicly disclosed or set forth in this Agreement or in any ancillary agreement.

(s) Approvals: All consents, approvals, permits, authorizations or filings as may be required to be made or obtained by Hanstone under applicable Canadian Securities Laws necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will be made or obtained prior to the Closing Date.

## ARTICLE 5 - COVENANTS OF MILESTONE

### 5.1 Compliance with Conditions

Milestone shall take all such reasonable actions as are within its power to control, and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure timely compliance with all of the conditions set forth in Sections 7.1 and 7.2 in order to complete the Acquisition.

### 5.2 Conduct of Milestone

Between the date hereof and the Closing Date:

(a) Preserve Assets: Milestone shall preserve intact its interest in and to the Doc Property and the Option Agreement.

(b) Certain Actions Prohibited. Other than as required to give effect to the transactions contemplated by this Agreement, Milestone shall not, without the prior written consent of Hanstone, which shall not be unreasonably withheld, directly or indirectly do or agree to do, or cause any of its Subsidiaries, if any, to do or agree to do, any of the following:

(i) sell, lease, encumber or otherwise dispose of, or permit any of its Subsidiaries, if any, to sell, lease, encumber or otherwise dispose of, its interest in and to the Doc Property and the Option Agreement;

(ii) other than as contemplated hereby, adopt resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;

(iii) take actions that could reasonably be expected to be prejudicial to Hanstone's interest in and to the Doc Property and the Option Agreement, following the closing of the Acquisition;

(iv) take any action, or refrain from taking any action, or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by it in this Agreement untrue or inaccurate in any material respect at any time prior to the Closing Date if then made, or which would or could have a Material Adverse Effect on it; or

(v) settle or compromise any material claim brought by any present, former or purported holder of any of its securities of it in connection with the transactions contemplated by this Agreement prior to the Closing Date.

(c) Certain Actions: Milestone shall:

(i) promptly notify Hanstone of: (A) any Material Adverse Effect or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect in respect of Milestone's right, title and interest in and to the Doc Property and the Option Agreement; (B) any material governmental entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (C) any breach by it of any covenant or agreement contained in this Agreement; and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of it contained in this Agreement, if made on the date of such event or the Closing Date, to be untrue or inaccurate in any material respect;

(ii) make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such laws;

(iii) use commercially reasonable efforts to conduct its affairs and to cause its Subsidiaries, if any, to conduct their affairs so that all of the representations and warranties of it contained herein shall be true and correct on and as of the Closing Date as if made on and as of such date;

(iv) continue to make available and cause to be made available to Hanstone and the agents and advisors thereto all documents, agreement and corporate records as may be necessary to enable Hanstone to effect a thorough examination of Milestone's right, title and interest in and to the Doc Property and the Option Agreement, and shall cooperate with Hanstone in securing access for Hanstone to any documents, agreements, corporate records or minute books not in the possession or under the control of it.; and

(v) furnish to Hanstone all such information regarding itself, the Doc Property and the Option Agreement as may be reasonably required by Hanstone in the preparation of the Information Circular and other documents related thereto. It shall also use commercially reasonable efforts to obtain any necessary consents from its auditors to the use of any of its financial information (including its financial statements), if any, required to be included in the Information Circular. It shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Information Circular in order to make any information so furnished or any information concerning it not misleading in light of the circumstances in which it is disclosed and shall constitute full, true and plain disclosure of such information concerning itself and its business.

## 5.3 Notice of Untrue Representation or Warranty

Milestone shall promptly notify Hanstone in writing upon any representation or warranty made by it contained in this Agreement becoming untrue during the period between the date hereof and the Closing Date. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by it with respect to such developments.

# ARTICLE 6 - COVENANTS OF HANSTONE

## 6.1 Compliance with Conditions

Hanstone shall take all such reasonable actions as are within its power to control, and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure timely compliance with all of the conditions set forth in Sections 7.1 and 7.3 in order to complete the Acquisition.

## 6.2 Conduct of Hanstone

Between the date hereof and the Closing Date:

(a) Conduct Business in the Ordinary Course: Except as contemplated hereby, Hanstone shall conduct its activities in the ordinary and normal course of business, consistent with past practice.

(b) Preserve Goodwill: Hanstone shall preserve intact its assets and business and promote and preserve the goodwill of employees and others having business relations with Hanstone.

(c) Certain Actions Prohibited. Other than as required to give effect to the transactions contemplated by this Agreement, Hanstone shall not, without the prior written consent of Milestone, which shall not be unreasonably withheld, directly or indirectly do or agree to do, any of the following:

(i) other than as contemplated hereunder or under the Mill Agreement, or in respect of the Financing or the exercise of Hanstone Options or Hanstone Warrants which are issued as of the date hereof, issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, any shares in the capital of Hanstone, or any options, warrants, conversion privileges or rights of any kind to acquire any Hanstone Shares;

(ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other persons) or as required in the ordinary and regular course of business, sell, lease, encumber or otherwise dispose of, any material property or assets;

(iii) reduce its stated capital, or split, combine or reclassify any of the Hanstone Shares or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to such Hanstone Shares;

(iv) redeem, purchase or offer to purchase, any Hanstone Shares or any options or obligations or rights under existing contracts, agreements and commitments;

(v) other than as contemplated hereby, adopt resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;

(vi) except pursuant to the Mill Agreement, make any material: (A) acquisition of a corporation, partnership or division of any corporation or other entity or material interest therein; or (B) investment;

(vii) (A) satisfy or settle any claims or disputes, except such as have been included in Hanstone Financial Statements and (B) relinquish any contractual rights that are, individually or in the aggregate in an amount in excess of $50,000; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments other than in the ordinary and regular course of business and not for speculative purposes;

(viii) (A) acquire any material assets except pursuant to the Mill Agreement; (B) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, in each case in or for a material amount; (C) authorize, recommend or propose any release or relinquishment of any material contractual right; (D) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (E) enter into or terminate any hedges, swaps or other similar financial instruments or transactions; or (F) enter into any agreements with its directors or officers or their respective affiliates;

(ix) except pursuant to the Mill Agreement, enter into material new commitments of a capital expenditure nature or incur any new material contingent liabilities other than: (A) ordinary course expenditures; (B) expenditures required by law; (C) expenditures made in connection with transactions contemplated in this Agreement; and (D) capital expenditures required to prevent the occurrence of a Material Adverse Effect;

(x) take actions that could reasonably be expected to be prejudicial to the interest of Milestone Shareholders in the affairs or property of Hanstone following the closing of the Acquisition; or

(xi) take any action, or refrain from taking any action, or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Hanstone in this Agreement untrue or inaccurate in any material respect at any time prior to the Closing Date if then made, or which would or could have a Material Adverse Effect on Hanstone.

(d) Certain Actions: Hanstone shall:

(i) promptly notify Milestone of: (A) any Material Adverse Effect or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect in respect of its business or assets or in the conduct of the Business of Hanstone; (B) any material governmental entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (C) any breach by Hanstone of any covenant or agreement contained in this Agreement; and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Hanstone contained in this Agreement, if made on the date of such event or the Closing Date, to be untrue or inaccurate in any material respect;

(ii) make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such laws;

(iii) use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Hanstone contained herein shall be true and correct on and as of the Closing Date as if made on and as of such date;

(iv) continue to make available and cause to be made available to Milestone and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable Milestone to effect a thorough examination of Hanstone and its business, assets, properties, and financial status thereof, and shall cooperate with Milestone in securing access for Milestone to any documents, agreements, corporate records or minute books not in the possession or under the control of Hanstone; and

(v) prepare, with the assistance of Milestone, and file the Information Circular with the Exchange, as soon as practicable. Hanstone shall ensure that the

Information Circular complies in all material respects with the rules, policies and forms of the Exchange, and, without limiting the generality of the foregoing, that the Information Circular will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to Milestone). Furthermore, Milestone, and their legal counsel, shall be given a reasonable opportunity to review and comment on the Information Circular, prior to the Information Circular being filed with the Exchange, and reasonable consideration shall be given to any comments made by them, provided that all information relating solely to Milestone included in the Information Circular shall be in form and content satisfactory to Milestone, acting reasonably.

### 6.3 Actions to Satisfy Closing Conditions and to Close Acquisition

Hanstone shall take all such reasonable actions as are within its power to control, and Hanstone shall use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure timely compliance with all of the conditions set forth in Sections 7.1 and 7.2 and to close the Acquisition.

### 6.4 Notice of Untrue Representation or Warranty

Hanstone shall promptly notify Milestone in writing upon any representation or warranty made by it contained in this Agreement becoming untrue during the period between the date hereof and the Closing Date. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by Hanstone with respect to such developments.

### 6.5 Issuance of Hanstone Shares pursuant to Acquisition

Hanstone shall take all corporate action necessary to reserve for issuance a sufficient number of Hanstone Shares to permit the issuance of the Consideration Shares on Closing and, before or upon Closing, shall so issue such Consideration Shares.

## ARTICLE 7 - CONDITIONS OF CLOSING

### 7.1 Mutual Conditions of Closing

The Closing is subject to the following mutual conditions to be complied with by the applicable party prior to the Closing Date or waived by mutual consent:

(a) all necessary regulatory approvals, including the conditional approval of the Exchange, as applicable, with respect to the Acquisition, shall have been obtained, including any approvals in connection with the issuance and distribution of the securities of Hanstone to be issued pursuant to the Acquisition;

(b) this Agreement and the Acquisition shall have been approved by the Milestone Shareholders, if and as required in accordance with applicable law or otherwise;

(c) this Agreement and the Acquisition shall have been approved by the Hanstone Shareholders, if and as required in accordance with Canadian Securities Laws or Exchange policies;

(d) there shall not exist any prohibition at law against the completion of the Acquisition;

(e) there shall not be in force any order or decree restraining or enjoining the consummation of the Acquisition;

(f) the closing of the Financing for gross proceeds of no less than $1,500,000;

(g) the completion of the Name Change;

(h) none of the consents, orders and approvals, including regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of Hanstone or Milestone, each acting reasonably.

The foregoing conditions are for the mutual benefit of the parties hereto and may be waived by mutual consent of the parties in writing at any time. If any such conditions have not been complied with or waived on or before the Termination Date, either party may terminate this Agreement, by written notice to the others, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding party.

### 7.2 Conditions of Closing in Favour of Hanstone

The Closing is subject to the following conditions in favour of Hanstone to be complied with by the applicable party prior to the Closing Date or waived by Hanstone:

(a) the representations and warranties provided by Milestone hereunder shall be true and correct in all material respects as at the Closing Date and Hanstone shall have received a certificate from a senior officer of Milestone confirming the truth and correctness of the representations and warranties of Milestone;

(b) each of the acts, covenants and undertakings of Milestone to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed;

(c) no Material Adverse Effect with respect to the Doc Property or the Option Agreement shall have occurred between the date hereof and the Closing Date;

(d) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere) against Milestone (whether or not purportedly on behalf of Milestone) that would, if successful, have a Material Adverse Effect on this Agreement, the Acquisition, the Doc Property or the Option Agreement, in the sole discretion of Hanstone, acting reasonably;

(e) execution and delivery of the Assumption Agreement by Milestone and John Bot;

(f) the board of directors of Milestone shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Milestone, to permit the consummation of the Acquisition; and

(g) all consents and approvals under any agreements to which Milestone may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated hereunder shall have been obtained or received.

The foregoing conditions are for the benefit of Hanstone and may be waived, in whole or in part, by Hanstone in writing at any time. If any such conditions have not been complied with or waived on or before the Termination Date, Hanstone may terminate this Agreement by written notice to Milestone, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Hanstone.

### 7.3 Conditions of Closing in Favour of Milestone

The Closing is subject to the following conditions in favour of Hanstone to be complied with by the applicable party prior to the Closing Date or waived by Milestone:

(a) the representations and warranties provided by Hanstone hereunder shall be true and correct in all material respects as at the Closing Date and Milestone shall have received a certificate from a senior officer of Hanstone confirming the truth and correctness of the representations and warranties of Hanstone;

(b) each of the acts, covenants and undertakings of Hanstone to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Hanstone;

(c) no Material Adverse Effect in the business, assets, affairs, financial condition or operations of Hanstone shall have occurred between the date hereof and the Closing Date;

(d) since the date hereof, no action, suit or proceeding shall have been taken before or by any governmental entity or by any private person (including, without limitation, any individual, corporation, firm, group or other entity or by any elected or appointed public official in Canada or elsewhere against Hanstone (whether or not purportedly on behalf of Hanstone) that would, if successful, have a Material Adverse Effect on Hanstone, in the sole discretion of Milestone, acting reasonably;

(e) execution and delivery of the Assumption Agreement by Hanstone and John Bot; and

(f) the board of directors of Hanstone shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Milestone to permit the consummation of the Acquisition.

The foregoing conditions are for the benefit of Milestone and may be waived, in whole or in part, by Milestone in writing at any time. The foregoing conditions are for the benefit of Milestone and may be waived, in whole or in part, by Milestone in writing at any time. If any such conditions have not been complied with or waived on or before the Termination Date, Milestone may terminate this Agreement by written notice to Hanstone, in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Milestone.

## ARTICLE 8 - CLOSING

### 8.1 Closing

The Closing shall take place on the Closing Date at the Place of Closing.

### 8.2 Delivery of Documents by Milestone

At or prior to the Closing, Milestone shall execute and deliver or caused to be executed and delivered to Hanstone:

(a) <u>Certified Resolutions:</u> A certified copy of the resolution of Milestone’s director(s) approving the entering into of this Agreement and authorizing the Acquisition and all related transactions.

(b) <u>Assumption Agreement:</u> A copy of the Assumption Agreement, executed by Milestone.

(c) <u>Other:</u> Such other documents and instruments, including opinions of legal counsel to Milestone in a form reasonably acceptable to legal counsel to Hanstone, as Hanstone may reasonably request.

### 8.3 Delivery of Documents by Hanstone

At or prior to the Closing, Hanstone shall execute and deliver or shall cause to be executed and delivered to Milestone or as otherwise provided below:

(a) <u>Certified Resolutions:</u> A certified copy of the resolutions of the directors of Hanstone approving the entering into of this Agreement and authorizing the Acquisition and all related transactions.

(b) Certified Special Shareholders Resolution: A certified copy of the special shareholders' resolution of Hanstone approving the entering into of this Agreement and authorizing the Acquisition and all related transactions.

(c) Treasury Direction: A copy of the treasury direction issued to Hanstone's registrar and transfer agent to issue the Consideration Shares to Milestone or as Milestone directs.

(d) Consideration Shares: The Consideration Shares, delivered to Milestone or as Milestone directs.

(e) Assumption Agreement: A copy of the Assumption Agreement, executed by Hanstone.

(f) Other: Such other documents and instruments, including opinions of legal counsel to Hanstone in a form reasonably acceptable to legal counsel to Milestone, as Milestone may reasonably request.

## ARTICLE 9 - GENERAL MATTERS

### 9.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the courts of British Columbia shall have exclusive jurisdiction over every dispute hereunder. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of British Columbia.

### 9.2 Entire Agreement

This Agreement, along with its schedules and exhibits, constitutes the entire agreement between the parties pertaining to the subject matter hereof and there are no oral statements, warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein.

### 9.3 Amendment

No amendment or waiver of this Agreement shall be binding unless executed in writing by all the parties hereto. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

### 9.4 Termination

This Agreement will terminate on the day on which the earliest of the following events occurs:

(a) mutual written agreement of Hanstone and Milestone to terminate the Agreement;

(b) any applicable regulatory authority, including without limitation the Exchange, having notified in writing either Hanstone or Milestone that it will not permit the Acquisition to proceed pursuant to this Agreement;

(c) Hanstone providing written notice of termination pursuant to Section 7.1 or Section 7.2;

(d) Milestone providing written notice of termination pursuant to Section 7.1 or Section 7.3; or

(e) upon written notice by a party hereto of termination of this Agreement due to a breach of the terms of this Agreement by the other party hereto, provided such breach has not been cured to the reasonable satisfaction of the terminating party within 10 days of such other party receiving written notice thereof.

**9.5 Successors and Assigns**

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

**9.6 Assignment**

None of the parties hereto may assign its interest in this Agreement without the written consent of the other party hereto.

**9.7 Public Notices**

Except as specifically provided herein prior to the Closing, no press release or other announcement concerning this Agreement or the Acquisition shall be made by any party hereto without the prior approval of Milestone and Hanstone, such approval not to be unreasonably withheld, unless such disclosure shall be required to meet timely disclosure obligations of any party under applicable securities laws and stock exchange rules in circumstances where prior consultation with the other parties is not practicable.

**9.8 Confidential Information**

The parties hereto covenant to hold in strict confidence all information obtained in connection with the transactions which are the subject matter of this Agreement, other than the information disclosed in any press release approved in writing by each of Hanstone and Milestone. If the transactions which are the subject matter of this Agreement are not completed, this covenant shall continue in full force and effect. Notwithstanding the Closing, Hanstone covenants to maintain as confidential all confidential information respecting Milestone in Hanstone's possession prior to Closing and the parties hereto severally covenant to maintain as confidential all information obtained in connection with the transactions which are the subject matter of this Agreement including, in the case Milestone, all information concerning Hanstone, other than information provided to their personal advisers for the purpose of filing personal tax returns and other similar matters and other than as may be required to be disclosed by law and other than information that becomes generally available to the public other than as a result of a disclosure by Hanstone or Milestone or their representatives.

## 9.9 Expenses

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring the expense. Notwithstanding the foregoing, in the event the transactions contemplated hereby do not close solely as a result of a material breach of a provision hereof by either of Milestone or Hanstone, the party responsible for such breach shall bear all reasonable costs incurred by the opposing party in connection with the transactions contemplated hereby.

## 9.10 Notice

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be validly given if delivered personally, by courier, or by e-mail, as follows:

(a) if to Hanstone:

600 – 1090 West Georgia Street
Vancouver, BC V6E 3V7

Attention: Robert Quinn, CEO
E-mail: rjq@pdq.net

(b) if to Milestone:

[address redacted]

Attention: Bob Hans, Director
E-mail: bob@hansgroup.ca

Any notice delivered personally or by courier will be deemed to have been given and received at the time of delivery. Any notice delivered by e-mail, if sent during normal business hours, will be deemed to have been given at the time it was sent and otherwise, on the next business day. Any party may give written notice of a change of address in the manner set out in this Section 9.9, in which event, notices shall thereafter be given to that party as provided in the notice of change of address.

## 9.11 No Contra Proferentem

A provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.

### 9.12 Further Assurances

Each of the parties hereto agrees promptly to do, make, execute, deliver or cause to be done, made, executed or delivered at his or its own expense all further acts, documents and things as any of the other parties hereto may reasonably require for the purpose of giving effect to this Agreement whether before or after the Closing.

### 9.13 Time is of the Essence

Time is of the essence under this Agreement.

### 9.14 Independent Legal Counsel

Milestone acknowledges that: (i) it has had adequate opportunity to consult and has actually consulted, or has waived its right to consult, independent legal counsel regarding the legal meaning and potential consequences of this Agreement and of performing its obligations under this Agreement; (ii) it has not been induced to enter into this Agreement by reason of coercion or undue influence; (iii) it has not consulted or obtained legal advice from the law firm of Beadle Raven LLP with respect to this Agreement and it shall be estopped from contending otherwise.

### 9.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document. A signed facsimile or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

*[Remainder of this page intentionally left blank.]*

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

**HANSTONE CAPITAL CORP.**

Per:

*"Robert Quinn"*________________________
Name: Robert Quinn
Title: CEO

**MILESTONE INFRASTRUCTURE INC.**

Per:

*"Bob Hans"*___________________________
Name: Bob Hans
Title: Director