



No. S-217751
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002 C. 57

RIO VERDE INDUSTRIES INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE MADAM) Tuesday, the 12th day of
JUSTICE McDonald) October, 2021

ON THE APPLICATION of the petitioner, Rio Verde Industries Inc., coming on for hearing at 800 Smithe Street, Vancouver, British Columbia; ^{on October 12, 2021, 2021,} on hearing Shaun Driver, counsel for Rio Verde Industries Inc.; and no one appearing for any of the shareholders of Rio Verde Industries Inc., although duly served; and on reading the affidavits of Binyomin Posen, made August 27, 2021, the affidavit of Hillel Posen, made October 5, 2021, the affidavit of Roxelle Oquendo, made October 5, 2021, and the affidavit of Kelly McCaffrey made October 7, 2021 and the exhibits thereto;

AND UPON the terms of the Order in this proceeding pronounced September 1, 2021 (the "Interim Order") having been complied with and the requisite approval of the shareholders of Rio Verde Industries Inc. of the arrangement (the "Arrangement"), as contemplated in the Plan of Arrangement (the "Plan of Arrangement") attached as Schedule "A" to this Order, having been obtained in accordance with the terms of the Interim Order;

AND UPON considering the fairness of the terms and conditions of the Arrangement as contemplated in the Plan of Arrangement, and the rights and interests of the persons affected thereby;

AND UPON Rio Verde Industries Inc. making this Court aware that it is the intention of Rio Verde Industries Inc. to rely upon Section 3(a)(10) of the United States *Securities Act of 1933*, as amended (the "1933 Act") as a basis for an exemption from the registration requirements of the 1933 Act with respect to the issuance of securities to Rio Verde Industries Inc.'s U.S. securityholders as contemplated in the Plan of Arrangement;

THIS COURT ORDERS that:

1. The arrangement approved by the shareholders of the Rio Verde Industries Inc. by a special resolution passed at the special meeting held on October 4, 2021, is approved by this court pursuant to section 291(4)(a) of the *Business Corporations Act*, S.B.C. 2002, c.57 and may be implemented in the manner and on the terms set out in the special resolution;
2. The Arrangement shall be implemented in the manner and sequence set forth in the Plan of Arrangement, and as required by s. 297 of the *Business Corporations Act* as amended;
3. Under ss. 291, 292 and 296 of the *Business Corporations Act*, the Arrangement will take effect as of the Effective Time defined in the Plan of Arrangement;
4. Upon implementation of the Arrangement, the Arrangement shall be binding upon the Petitioner, the shareholders of the Petitioner, and their respective successors and assigns;
5. On the Arrangement taking effect, it will be binding on Rio Verde Industries Inc., Rio Verde Industries Inc.'s securityholders; and

6. Rio Verde Industries Inc. is entitled, at any time, to seek leave to vary this order, to seek the advice or direction of this Court or to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of

party lawyer for Petitioner

Shaun Driver

By the Court.



Registrar



Schedule "A"
Plan of Arrangement

EXHIBIT 1
TO THE ARRANGEMENT AGREEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 288
OF THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT

1. INTERPRETATION

1.1 Definitions

In this Arrangement, unless there is something in the subject matter or context inconsistent therewith:

"Arrangement" means the arrangement proposed under the provisions of section 288 of the BCA on the terms set out in this Plan of Arrangement.

"Arrangement Agreement" means the agreement, dated as of August 26, 2021 among Rio Verde and each Spinco to which this Plan of Arrangement is attached as Exhibit 1, as the same may be amended from time to time.

"BCA" means the British Columbia Business Corporations Act, as amended from time to time.

"Circular" means the definitive form, together with any amendments thereto, of the management information circular of Rio Verde to be prepared and sent to the Shareholders in connection with the Meeting.

"Class 1 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco A Share to be issued, as numerator, for every one (1) Class 1 Reorganization Share Issued on the Effective Date, as denominator.

"Class 1 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 2 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco B Share to be issued, as numerator, for every one (1) Class 2 Reorganization Share issued on the Effective Date, as denominator.

"Class 2 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 3 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco C Share to be issued, as numerator, for every one (1) Class 3 Reorganization Share issued on the Effective Date, as denominator.

"Class 3 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 4 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco D Share to be issued, as numerator, for every one (1) Class 4 Reorganization Share issued on the Effective Date, as denominator.

"Class 4 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 5 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco E Share to be issued, as numerator, for every one (1) Class 5 Reorganization Share issued on the Effective Date, as denominator.

"Class 5 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 6 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco F Share to be issued, as numerator, for every one (1) Class 6 Reorganization Share issued on the Effective Date, as denominator.

"Class 6 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Class 7 Reorganization Ratio" means the percentage resulting from the division of one (1) Spinco G Share to be issued, as numerator, for every one (1) Class 7 Reorganization Share issued on the Effective Date, as denominator.

"Class 7 Reorganization Shares" means the shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"Common Share" means the common shares without par value in the capital of Rio Verde.

"Court" means the Supreme Court of British Columbia.

"Director" means the Director appointed under section 260 of the BCA.

"Effective Date" means the date the Plan of Arrangement becomes effective.

"Final Order" means the final order of the Court approving the Arrangement pursuant to the BCA.

"holder", when not qualified by the adjective "registered", means the person entitled to a share hereunder whether or not registered or entitled to be registered in respect thereof in the register of shareholders of Rio Verde, Spinco A, Spinco B, Spinco C, Spinco D, Spinco E, Spinco F or Spinco G as the case may be.

"Interim Order" means the interim order to be obtained from the Court, providing for a special meeting of the Common Shareholders to consider and approve the Arrangement and for certain other procedural matters as well as for the issue of a notice of application for the Final Order.

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

"Meeting" means the special meeting of shareholders which will be held to consider, among other matters, the Arrangement, and any adjournment thereof.

"New Common Shares" means the new common shares without par value in the capital of Rio Verde to be issued as part of the Arrangement.

"PUC" means "paid-up capital" as defined in subsection 89(1) of the ITA.

"Plan of Arrangement" means this plan of arrangement, as it may be amended from time to time in accordance with section 5.1 of the Arrangement Agreement.

"Shareholders" means those persons who, as at the close of business on the Effective Date, are registered holders of Common Shares.

"Spinco A" means 1319472 B.C. Ltd., a subsidiary of Rio Verde incorporated under the BCA to facilitate the Arrangement.

"Spinco A Shares" means the common shares without par value in the capital of Spinco A.

"Spinco A Working Capital" means the sum of \$5,000.

"Spinco B" means 1319651 B.C. Ltd., a subsidiary of Rio Verde Incorporated under the BCA to facilitate the Arrangement.

"Spinco B Shares" means the common shares without par value in the capital of Spinco B.

"Spinco B Working Capital" means the sum of \$5,000.

"Spinco C" means 1319732 B.C. Ltd., a subsidiary of Rio Verde incorporated under the BCA to facilitate the Arrangement.

"Spinco C Shares" means the common shares without par value in the capital of Spinco C.

"Spinco C Working Capital" means the sum of \$5,000.

"Spinco D" means 1319735 B.C. Ltd., a subsidiary of Rio Verde Incorporated under the BCA to facilitate the Arrangement.

"Spinco D Shares" means the common shares without par value in the capital of Spinco D.

"Spinco D Working Capital" means the sum of \$5,000.

"Spinco E" means 1319738 B.C. Ltd., a subsidiary of Rio Verde incorporated under the BCA to facilitate the Arrangement.

"Spinco E Shares" means the common shares without par value in the capital of Spinco E.

"Spinco E Working Capital" means the sum of \$5,000.

"Spinco F" means 1319741 B.C. Ltd., a subsidiary of Rio Verde Incorporated under the BCA to facilitate the Arrangement.

"Spinco F Shares" means the common shares without par value in the capital of Spinco F.

"Spinco F Working Capital" means the sum of \$5,000.

"Spinco G" means 1319743 B.C. Ltd., a subsidiary of Rio Verde Incorporated under the BCA to facilitate the Arrangement.

"Spinco G Shares" means the common shares without par value in the capital of Spinco F.

"Spinco G Working Capital" means the sum of \$5,000.

"Spinco Share" means a Spinco A Share, Spinco B Share, Spinco C Share, Spinco D Share, Spinco E Share, Spinco F Share Spinco G Share, as the context requires.

"Rio Verde" means Rio Verde Industries Inc., a corporation recognized under the BCA.

"Transfer Agent" means Endeavor Trust Corporation.

1.2 Headings

The division of this Plan of Arrangement into articles, sections, subsections and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or other part hereof. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections, subsections and paragraphs are to articles, sections, subsections and paragraphs of this Plan of Arrangement.

1.3 Extended Meanings

In this Plan of Arrangement, words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include individuals, partnerships, associations, firms, trusts, unincorporated organizations and corporations.

1.4 Currency

All references to currency herein are to lawful money of Canada unless otherwise specified herein.

2. ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provision of the Arrangement Agreement.

3. SUMMARY OF THE ARRANGEMENT

3.1 Summary

- 3.1.1 This Arrangement is being effected as an arrangement pursuant to Section 288 of the BCA.
 - 3.1.2 All holders of Common Shares, except for dissenting holders of Common Shares, will exchange each Common Share for one New Common Share, one Class 1 Reorganization Share, one Class 2 Reorganization Share, one Class 3 Reorganization Share, one Class 4 Reorganization Share, one Class 5 Reorganization Share, one Class 6 Reorganization Share and one Class 7 Reorganization Share.
 - 3.1.3 All Class 1 Reorganization Shares will be sold and transferred to Spinco A for consideration consisting solely of Spinco A Shares in accordance with the Class 1 Reorganization Ratio.
 - 3.1.4 All Class 2 Reorganization Shares will be sold and transferred to Spinco B for consideration consisting solely of Spinco B Shares in accordance with the Class 2 Reorganization Ratio.
 - 3.1.5 All Class 3 Reorganization Shares will be sold and transferred to Spinco C for consideration consisting solely of Spinco C Shares in accordance with the Class 3 Reorganization Ratio.
 - 3.1.6 All Class 4 Reorganization Shares will be sold and transferred to Spinco D for consideration consisting solely of Spinco D Shares in accordance with the Class 4 Reorganization Ratio.
 - 3.1.7 All Class 5 Reorganization Shares will be sold and transferred to Spinco E for consideration consisting solely of Spinco E Shares in accordance with the Class 5 Reorganization Ratio.
 - 3.1.8 All Class 6 Reorganization Shares will be sold and transferred to Spinco F for consideration consisting solely of Spinco F Shares in accordance with the Class 6 Reorganization Ratio.
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- 3.1.9 All Class 7 Reorganization Shares will be sold and transferred to Spinco G for consideration consisting solely of Spinco G Shares in accordance with the Class 7 Reorganization Ratio.
- 3.1.10 All of the Class 1 Reorganization Shares owned by Spinco A will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco A of the Spinco A Working Capital, and the Class 1 Reorganization Shares will be cancelled.
- 3.1.11 All of the Class 2 Reorganization Shares owned by Spinco B will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco B of the Spinco B Working Capital, and the Class 2 Reorganization Shares will be cancelled.
- 3.1.12 All of the Class 3 Reorganization Shares owned by Spinco C will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco C of the Spinco C Working Capital, and the Class 3 Reorganization Shares will be cancelled.
- 3.1.13 All of the Class 4 Reorganization Shares owned by Spinco D will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco D of the Spinco D Working Capital, and the Class 4 Reorganization Shares will be cancelled.
- 3.1.14 All of the Class 5 Reorganization Shares owned by Spinco E will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco E of the Spinco E Working Capital, and the Class 5 Reorganization Shares will be cancelled.
- 3.1.15 All of the Class 6 Reorganization Shares owned by Spinco F will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco F of the Spinco F Working Capital, and the Class 6 Reorganization Shares will be cancelled.
- 3.1.16 All of the Class 7 Reorganization Shares owned by Spinco G will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco G of the Spinco G Working Capital, and the Class 7 Reorganization Shares will be cancelled.
- 3.1.17 Shareholders may dissent in relation to the resolution to approve the Arrangement pursuant to the provisions of the Interim Order and sections 237 to 247 of the BCA.
- 3.1.18 The exchange of Common Shares for New Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares; the sale and transfer of the Class 1 Reorganization Shares to Spinco A in consideration of the issuance of Spinco A Shares; the sale and transfer of the Class 2 Reorganization Shares to Spinco B in consideration of the issuance of Spinco B Shares; the sale and transfer of the Class 3 Reorganization Shares to Spinco C in consideration of the issuance of Spinco C Shares; the sale and transfer of the Class 4 Reorganization Shares to Spinco D in consideration of the issuance of Spinco D Shares; the sale and transfer of the Class 5 Reorganization Shares to Spinco E in consideration of the issuance of Spinco E Shares; the sale and transfer of the Class 6 Reorganization Shares to Spinco F in consideration of the issuance of Spinco F Shares; the sale and transfer of the Class 7 Reorganization Shares to Spinco G in consideration of the issuance of Spinco G Shares; the redemption of the Class 1 Reorganization Shares and the transfer of the Spinco A Working Capital to Spinco A; the redemption of the Class 2 Reorganization

Shares and the transfer of the Spinco B Working Capital to Spinco B; the redemption of the Class 3 Reorganization Shares and the transfer of the Spinco C Working Capital to Spinco C; the redemption of the Class 4 Reorganization Shares and the transfer of the Spinco D Working Capital to Spinco D; the redemption of the Class 5 Reorganization Shares and the transfer of the Spinco E Working Capital to Spinco E; the redemption of the Class 6 Reorganization Shares and the transfer of the Spinco F Working Capital to Spinco F; and the redemption of the Class 7 Reorganization Shares and the transfer of the Spinco G Working Capital to Spinco G will all occur on the Effective Date, in the order set out herein.

4. THE ARRANGEMENT

4.1 The Arrangement

On the Effective Date, the following will occur and be deemed to occur in the following order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Rio Verde or any Spinco, but subject to the provisions of Article 5 and will be binding on Rio Verde, each Spinco and the Shareholders:

- 4.1.1 The articles of Rio Verde will be amended to authorize Rio Verde to issue an unlimited number of Common Shares (to be re-designated as "Pre-Arrangement Common Shares" in the amended articles), an unlimited number of New Common Shares (to be designated as "Common Shares" in the amended articles), an unlimited number of Class 1 Reorganization Shares (to be designated as "Class 1 Reorganization Shares" in the amended articles), an unlimited number of Class 2 Reorganization Shares (to be designated as "Class 2 Reorganization Shares" in the amended articles), an unlimited number of Class 3 Reorganization Shares (to be designated as "Class 3 Reorganization Shares" in the amended articles), an unlimited number of Class 4 Reorganization Shares (to be designated as "Class 4 Reorganization Shares" in the amended articles), an unlimited number of Class 5 Reorganization Shares (to be designated as "Class 5 Reorganization Shares" in the amended articles), an unlimited number of Class 6 Reorganization Shares (to be designated as "Class 6 Reorganization Shares" in the amended articles) and an unlimited number of Class 7 Reorganization Shares (to be designated as "Class 7 Reorganization Shares" in the amended articles). The special rights and restrictions of the Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares, Class 7 Reorganization Shares shall be those set forth in Schedule "A" attached to the Plan of Arrangement.
- 4.1.2 Each issued and outstanding Pre-Arrangement Common Share, except those referred to in section 5.1, will be exchanged for one Common Share, one Class 1 Reorganization Share, one Class 2 Reorganization Share, one Class 3 Reorganization Share, one Class 4 Reorganization Share, one Class 5 Reorganization Share, one Class 6 Reorganization Share and one Class 7 Reorganization Share. In connection with such exchange:
- (a) The issue price for each Class 1 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 1 Reorganization Share immediately following the exchange provided for in this subsection.
 - (b) The Company will add to the stated capital account maintained by it for the Class 1 Reorganization Shares the lesser of the issue price thereof and \$5,000.
 - (c) The issue price for each Class 2 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 2 Reorganization Share immediately following the exchange provided for in this subsection.

- (d) The Company will add to the stated capital account maintained by it for the Class 2 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (e) The issue price for each Class 3 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 3 Reorganization Share immediately following the exchange provided for in this subsection.
- (f) The Company will add to the stated capital account maintained by it for the Class 3 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (g) The issue price for each Class 4 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 4 Reorganization Share immediately following the exchange provided for in this subsection.
- (h) The Company will add to the stated capital account maintained by it for the Class 4 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (i) The issue price for each Class 5 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 5 Reorganization Share immediately following the exchange provided for in this subsection.
- (j) The Company will add to the stated capital account maintained by it for the Class 5 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (k) The issue price for each Class 6 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 6 Reorganization Share immediately following the exchange provided for in this subsection.
- (l) The Company will add to the stated capital account maintained by it for the Class 6 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (m) The issue price for each Class 7 Reorganization Share will be an amount equal to the fair market value, as determined by the Board of Directors of Rio Verde, of one Class 7 Reorganization Share immediately following the exchange provided for in this subsection.
- (n) The Company will add to the stated capital account maintained by it for the Class 7 Reorganization Shares the lesser of the issue price thereof and \$5,000.
- (o) The issue price for each Common Share will be an amount equal to the difference between the fair market value for the Pre-Arrangement Common Share for which it was, in part, exchanged immediately prior thereto and (ii) the amounts determined in section 4.1.2(a) 4.1.2(c), 4.1.2(e), 4.1.2(g), 4.1.2(i), 4.1.2(k) and 4.1.2(m) hereof.
- (p) The Company will add to the stated capital account maintained by it for the Common Shares an amount equal to the amount by which the aggregate PUC of the Pre-Arrangement Common Shares (except those described in section 5.1) immediately before the exchange exceeds the stated capital account of the Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares as determined above.

- (q) The total amounts to be added to the stated capital accounts maintained by the Company for the Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares shall, notwithstanding paragraphs 4.1.2(b),(d),(f), (h),(l),(i), and (n) above, not exceed the aggregate PUC of the Pre-Arrangement Common Shares (except those described in section 5.1) immediately before the exchange.
 - (r) Each Shareholder will cease to be the holder of the Pre-Arrangement Common Shares so exchanged and will become the holder of Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares issued to such Shareholder. The name of such Shareholder will be removed from the register of holders of Pre-Arrangement Common Shares with respect to the Pre-Arrangement Common Shares so exchanged and will be added to the registers of the holders of Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares as the holder of the number of Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares, respectively, so issued to such Shareholder.
- 4.1.3 No share certificate representing the Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares issued pursuant to 4.1.2 will be issued. The Common Shares to be issued pursuant to paragraph 4.1.2 will be evidenced by the existing share certificates representing the Pre-Arrangement Common Shares which will be deemed for all purposes thereafter to be certificates representing Common Shares to which the holder is entitled pursuant to the Arrangement, and no share certificates representing such Common Shares will be issued to the Shareholders.
- 4.1.4 The Pre-Arrangement Common Shares exchanged for Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to section 4.1.2 will be cancelled.
- 4.1.5 Each Shareholder will sell and transfer all of its Class 1 Reorganization Shares to Spinco A for consideration consisting solely of Spinco A Shares issued by Spinco A in accordance with the Class 1 Reorganization Ratio for the Class 1 Reorganization Shares so transferred. In connection with such sale and transfer:
- (a) The issue price for each Spinco A Share will be an amount equal to the fair market value of the Class 1 Reorganization Shares for which it was issued as consideration.
 - (b) Each holder of Class 1 Reorganization Shares so sold will cease to be the holder of the Reorganization Shares so sold and transferred and will become the holder of Spinco A Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 1 Reorganization Shares with respect to the Class 1 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco A Shares as the holder of the number of Spinco A Shares so issued to such holder, and Spinco A will be and will be deemed

to be the transferee of Class 1 Reorganization Shares so transferred and the name of Spinco A will be entered in the register of holders of Class 1 Reorganization Shares as the holder of the number of Class 1 Reorganization Shares so sold and transferred to Spinco A.

4.1.6 Each Shareholder will sell and transfer all of its Class 2 Reorganization Shares to Spinco B for consideration consisting solely of Spinco B Shares issued by Spinco B in accordance with the Class 2 Reorganization Ratio for the Class 2 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco B Share will be an amount equal to the fair market value of the Class 2 Reorganization Shares for which it was issued as consideration.
- (b) Each holder of Class 2 Reorganization Shares so sold will cease to be the holder of the Class 2 Reorganization Shares so sold and transferred and will become the holder of Spinco B Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 2 Reorganization Shares with respect to the Class 2 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco B Shares as the holder of the number of Spinco B Shares so issued to such holder, and Spinco B will be and will be deemed to be the transferee of Class 2 Reorganization Shares so transferred and the name of Spinco B will be entered in the register of holders of Class 2 Reorganization Shares as the holder of the number of Class 2 Reorganization Shares so sold and transferred to Spinco B.

4.1.7 Each Shareholder will sell and transfer all of its Class 3 Reorganization Shares to Spinco C for consideration consisting solely of Spinco C Shares issued by Spinco C in accordance with the Class 3 Reorganization Ratio for the Class 3 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco C Share will be an amount equal to the fair market value of the Class 3 Reorganization Shares for which it was issued as consideration.
- (b) Each holder of Class 3 Reorganization Shares so sold will cease to be the holder of the Class 3 Reorganization Shares so sold and transferred and will become the holder of Spinco C Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 3 Reorganization Shares with respect to the Class 3 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco C Shares as the holder of the number of Spinco C Shares so issued to such holder, and Spinco C will be and will be deemed to be the transferee of Class 3 Reorganization Shares so transferred and the name of Spinco C will be entered in the register of holders of Class 3 Reorganization Shares as the holder of the number of Class 3 Reorganization Shares so sold and transferred to Spinco C.

4.1.8 Each Shareholder will sell and transfer all of its Class 4 Reorganization Shares to Spinco D for consideration consisting solely of Spinco D Shares issued by Spinco D in accordance with the Class 4 Reorganization Ratio for the Class 4 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco D Share will be an amount equal to the fair market value of the Class 4 Reorganization Shares for which it was issued as consideration.

- (b) Each holder of Class 4 Reorganization Shares so sold will cease to be the holder of the Class 4 Reorganization Shares so sold and transferred and will become the holder of Spinco D Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 4 Reorganization Shares with respect to the Class 4 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco D Shares as the holder of the number of Spinco D Shares so issued to such holder, and Spinco D will be and will be deemed to be the transferee of Class 4 Reorganization Shares so transferred and the name of Spinco D will be entered in the register of holders of Class 4 Reorganization Shares as the holder of the number of Class 4 Reorganization Shares so sold and transferred to Spinco D.

4.1.9 Each Shareholder will sell and transfer all of its Class 5 Reorganization Shares to Spinco E for consideration consisting solely of Spinco E Shares issued by Spinco E in accordance with the Class 5 Reorganization Ratio for the Class 5 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco E Share will be an amount equal to the fair market value of the Class 5 Reorganization Shares for which it was issued as consideration.
- (b) Each holder of Class 5 Reorganization Shares so sold will cease to be the holder of the Class 5 Reorganization Shares so sold and transferred and will become the holder of Spinco E Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 5 Reorganization Shares with respect to the Class 5 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco E Shares as the holder of the number of Spinco E Shares so issued to such holder, and Spinco E will be and will be deemed to be the transferee of Class 5 Reorganization Shares so transferred and the name of Spinco E will be entered in the register of holders of Class 5 Reorganization Shares as the holder of the number of Class 5 Reorganization Shares so sold and transferred to Spinco E.

4.1.10 Each Shareholder will sell and transfer all of its Class 6 Reorganization Shares to Spinco F for consideration consisting solely of Spinco F Shares issued by Spinco F in accordance with the Class 6 Reorganization Ratio for the Class 6 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco F Share will be an amount equal to the fair market value of the Class 6 Reorganization Shares for which it was issued as consideration.
- (b) Each holder of Class 6 Reorganization Shares so sold will cease to be the holder of the Class 6 Reorganization Shares so sold and transferred and will become the holder of Spinco F Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 6 Reorganization Shares with respect to the Class 6 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco F Shares as the holder of the number of Spinco F Shares so issued to such holder, and Spinco F will be and will be deemed to be the transferee of Class 6 Reorganization Shares so transferred and the name of Spinco F will be entered in the register of holders of Class 6 Reorganization Shares as the holder of the number of Class 6 Reorganization Shares so sold and transferred to Spinco F.

4.1.11 Each Shareholder will sell and transfer all of its Class 7 Reorganization Shares to Spinco G for consideration consisting solely of Spinco G Shares issued by Spinco G in accordance

with the Class 7 Reorganization Ratio for the Class 7 Reorganization Shares so transferred. In connection with such sale and transfer:

- (a) The issue price for each Spinco G Share will be an amount equal to the fair market value of the Class 7 Reorganization Shares for which it was issued as consideration.
- (b) Each holder of Class 7 Reorganization Shares so sold will cease to be the holder of the Reorganization Shares so sold and transferred and will become the holder of Spinco G Shares issued to such holder. The name of such holder will be removed from the register of holders of Class 7 Reorganization Shares with respect to the Class 7 Reorganization Shares so sold and transferred and will be added to the register of holders of Spinco G Shares as the holder of the number of Spinco G Shares so issued to such holder, and Spinco G will be and will be deemed to be the transferee of Class 7 Reorganization Shares so transferred and the name of Spinco G will be entered in the register of holders of Class 7 Reorganization Shares as the holder of the number of Class 7 Reorganization Shares so sold and transferred to Spinco G.

- 4.1.12 All of the Class 1 Reorganization Shares owned by Spinco A will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco A of the Spinco A Working Capital and the Class 1 Reorganization Shares will be cancelled.
 - 4.1.13 All of the Class 2 Reorganization Shares owned by Spinco B will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco B of the Spinco B Working Capital and the Class 2 Reorganization Shares will be cancelled.
 - 4.1.14 All of the Class 3 Reorganization Shares owned by Spinco C will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco C of the Spinco C Working Capital and the Class 3 Reorganization Shares will be cancelled.
 - 4.1.15 All of the Class 4 Reorganization Shares owned by Spinco D will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco D of the Spinco D Working Capital and the Class 4 Reorganization Shares will be cancelled.
 - 4.1.16 All of the Class 5 Reorganization Shares owned by Spinco E will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco E of the Spinco E Working Capital and the Class 5 Reorganization Shares will be cancelled.
 - 4.1.17 All of the Class 6 Reorganization Shares owned by Spinco F will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco F of the Spinco F Working Capital and the Class 6 Reorganization Shares will be cancelled.
 - 4.1.18 All of the Class 7 Reorganization Shares owned by Spinco G will be redeemed for their aggregate redemption value and such redemption value will be satisfied in full by the transfer by Rio Verde to Spinco G of the Spinco G Working Capital and the Class 7 Reorganization Shares will be cancelled.
 - 4.1.19 The articles of Rio Verde will be amended to delete the Pre-Arrangement Common Shares, the Class 1 Reorganization Shares, the Class 2 Reorganization Shares, the Class 3 Reorganization Shares, the Class 4 Reorganization Shares, the Class 5 Reorganization
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Shares, the Class 6 Reorganization Shares and Class 7 Reorganization Shares, none of which are issued and outstanding and delete the special rights and restrictions attaching to the Pre-Arrangement Common Shares, Class 1 Reorganization Shares, Class 2 Reorganization Shares, the Class 3 Reorganization Shares, the Class 4 Reorganization Shares, the Class 5 Reorganization Shares, the Class 6 Reorganization Shares and Class 7 Reorganization Shares.

- 4.1.20 Rio Verde will surrender to Spinco A for cancellation the Spinco A Share issued to Rio Verde on incorporation and such Spinco A Share shall be cancelled for no consideration.
- 4.1.21 Rio Verde will surrender to Spinco B for cancellation the Spinco B Share issued to Rio Verde on incorporation and such Spinco B Share shall be cancelled for no consideration.
- 4.1.22 Rio Verde will surrender to Spinco C for cancellation the Spinco C Share issued to Rio Verde on incorporation and such Spinco C Share shall be cancelled for no consideration.
- 4.1.23 Rio Verde will surrender to Spinco D for cancellation the Spinco D Share issued to Rio Verde on incorporation and such Spinco D Share shall be cancelled for no consideration.
- 4.1.24 Rio Verde will surrender to Spinco E for cancellation the Spinco E Share issued to Rio Verde on incorporation and such Spinco E Share shall be cancelled for no consideration.
- 4.1.25 Rio Verde will surrender to Spinco F for cancellation the Spinco F Share issued to Rio Verde on incorporation and such Spinco F Share shall be cancelled for no consideration.
- 4.1.26 Rio Verde will surrender to Spinco G for cancellation the Spinco G Share issued to Rio Verde on incorporation and such Spinco G Share shall be cancelled for no consideration.

5. RIGHT TO DISSENT

5.1 Right to Dissent

A Shareholder may exercise dissent rights ("Dissent Rights") conferred by the Interim Order in connection with the Arrangement in the manner set out in Section 238 of the BCA, as modified by the Interim Order, provided the Notice of Dissent is received by the Company by no later than 1:00 p.m. (Vancouver time) on October 2, 2021. Without limiting the generality of the foregoing, Shareholders who duly exercise such Dissent Rights will be deemed to have transferred such Pre-Arrangement Common Shares, as of the Effective Date, without any further act or formality, to the Company in consideration of their entitlement to be paid the fair value of the Pre-Arrangement Common Shares under the Dissent Rights.

Rio Verde shall be entitled to deduct or withhold from any payment to a Shareholder that has validly exercised its Dissent Rights any taxes or other amount as required to be deducted or withheld by Rio Verde under the ITA and any other applicable laws. Rio Verde shall remit such deducted or withheld taxes or other amounts to the relevant tax authority. Any such taxes or other amounts remitted by Rio Verde to any relevant tax authority shall be considered to have been paid to such Shareholder by Rio Verde on account of any amount owing by Rio Verde to such Shareholder in respect of the exercise of its dissent rights.

6. CERTIFICATES

6.1 Entitlement to Share Certificates

As soon as practicable after the Effective Date, each of Spinco will cause to be delivered to the Transfer Agent, to be delivered to the holders of Common Shares in accordance with the terms hereof, share certificates representing in the aggregate the Spinco Shares, to which such holders are entitled following the Arrangement.

6.2 Use of Postal Services

Any certificate which any person is entitled to receive in accordance with this Plan of Arrangement will (unless the Transfer Agent has received instructions to the contrary from or on behalf of such person prior to the Effective Date) be forwarded by first class mail, postage prepaid, or in the case of postal disruption in Canada, by such other means as the Transfer Agent may deem prudent.

7. AMENDMENT AND TERMINATION

- 7.1 The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement made following the Meeting must be contained in a written document which is filed with the Court and if required by the Court, approved by the Court and communicated to Shareholders in the manner required by the Court (if so required).
- 7.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.
- 7.3 Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting shall be effective only if it is consented to by the Parties (acting reasonably) and, if required by the Court, approved by Shareholders voting in the manner directed by the Court.
- 7.4 This Plan of Arrangement may be withdrawn prior to the Effective Date in accordance with the terms of the Agreement.

SCHEDULE "A"
TO THE PLAN OF ARRANGEMENT
SPECIAL RIGHTS AND RESTRICTIONS

1 Definitions

- (a) "Arrangement" means the arrangement pursuant to Section 288 of the *Business Corporations Act* (British Columbia) as contemplated by the Arrangement Agreement,
- (b) "Arrangement Agreement" means the Arrangement Agreement dated as of August 26, 2021 among Rio Verde Industries Inc. (the "Company"), 1319472 B.C. Ltd., 1319651 B.C. Ltd., 1319732 B.C. Ltd., 1319735 B.C. Ltd., 1319738 B.C. Ltd., 1319741 B.C. Ltd. and 1319743 B.C. Ltd.,
- (d) "Common Shares" means the common shares without par value created in the authorized share capital of the Company pursuant to the Plan of Arrangement,
- (e) "Pre-Arrangement Common Shares" means the common shares in the authorized share capital of the Company that have been re-designated as Pre-Arrangement Common Shares without par value pursuant to the Plan of Arrangement,
- (f) "Plan of Arrangement" means the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement.

2 Rights and Restrictions of Common Shares

The Common Shares shall be identical to the Pre-Arrangement Common Shares and shall have the following characteristics:

- (a) each holder of a Common Share shall be entitled to receive notice of and to attend all meetings of shareholders of the Company;
- (b) each holder of a Common Share shall be entitled to one vote for each Common Share;
- (c) each holder of a Common Share shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any class of shares in the capital of the Company having a preference over the Common Shares with respect to dividends, to receive dividends if, as and when declared by the board of directors of the Company; and
- (d) the holders of the Common Shares are entitled to receive the remaining property of the Company on dissolution.

3 Rights and Restrictions of Class 1 Reorganization Shares

The Class 1 Reorganization Shares shall have the following characteristics:

- (a) The holders of the Class 1 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (b) Class 1 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.

- (c) The capital to be allocated to the Class 1 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
- (d) The Class 1 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 1 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may no be reissued.

4 Rights and Restrictions of Class 2 Reorganization Shares

The Class 2 Reorganization Shares and shall have the following characteristics:

- (a) The holders of the Class 2 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (b) Class 2 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
- (c) The capital to be allocated to the Class 2 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
- (d) The Class 2 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 2 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may no be reissued.

5 Rights and Restrictions of Class 3 Reorganization Shares

The Class 3 Reorganization Shares and shall have the following characteristics:

- (a) The holders of the Class 3 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (b) Class e Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
- (c) The capital to be allocated to the Class 3 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
- (d) The Class 3 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 3 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may no be reissued.

6 Rights and Restrictions of Class 4 Reorganization Shares

The Class 4 Reorganization Shares and shall have the following characteristics:

- (a) The holders of the Class 4 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (b) Class 4 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
- (c) The capital to be allocated to the Class 4 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
- (d) The Class 4 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 4 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

7 Rights and Restrictions of Class 5 Reorganization Shares

The Class 5 Reorganization Shares shall have the following characteristics:

- (a) The holders of the Class 5 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (b) Class 5 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
- (c) The capital to be allocated to the Class 5 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
- (d) The Class 5 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 5 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

8 Rights and Restrictions of Class 6 Reorganization Shares

The Class 6 Reorganization Shares shall have the following characteristics:

- (a) The holders of the Class 6 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
 - (b) Class 6 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
 - (c) The capital to be allocated to the Class 6 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
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- (d) The Class 6 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (e) Any Class 6 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may no be reissued.

9 Rights and Restrictions of Class 7 Reorganization Shares

The Class 7 Reorganization Shares and shall have the following characteristics:

- (a) The holders of the Class 7 Reorganization Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
 - (b) Class 7 Reorganization Shares shall only be issued on the exchange of Pre-Arrangement Common Shares for Common Shares and Class 1 Reorganization Shares, Class 2 Reorganization Shares, Class 3 Reorganization Shares, Class 4 Reorganization Shares, Class 5 Reorganization Shares, Class 6 Reorganization Shares and Class 7 Reorganization Shares pursuant to and in accordance with the Plan of Arrangement.
 - (c) The capital to be allocated to the Class 7 Reorganization Shares shall be the amount determined in accordance with Section 4.1.2 of the Plan of Arrangement.
 - (d) The Class 7 Reorganization Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
 - (e) Any Class 7 Reorganization Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may no be reissued.
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