

**FORM 62-103F1  
EARLY WARNING REPORT**

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**1. Security and Reporting Issuer**

*1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

This Early Warning Report relates to common shares (the “Common Shares”) of Urban Infrastructure Group Inc. (“UIG” or the “Issuer”). The Common Shares of UIG are listed and posted for trading on the TSX Venture Exchange (the “Exchange”).

The Issuer’s address is:

106 East Drive, 2<sup>nd</sup> Floor  
Brampton, Ontario L6T 1C1

*1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

TSX Venture Exchange

**2. Identity of the Acquiror**

*2.1 State the name and address of the acquiror.*

1000679050 Ontario Inc.  
106 East Drive, 2<sup>nd</sup> Floor  
Brampton, Ontario L6T 1C1

*2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

March 18, 2024

*2.3 State the names of any joint actors.*

Not applicable

**3. Interest in Securities of the Reporting Issuer**

*3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.*

On March 18, 2024 the Issuer completed a Qualifying Transaction (as defined in Exchange Policy 2.4) by way of a three-cornered amalgamation pursuant to which Urban Utilities

Contractors Inc., a private company incorporated under the *Business Corporations Act* (Ontario), amalgamated with 1000773456 Ontario Inc., to become a wholly-owned subsidiary of the Issuer (the “**Transaction**”). The name of the amalgamated subsidiary corporation is “Urban Utilities Contractors Inc.” (“Urban”). The Issuer acquired all of the issued and outstanding common shares of Urban in exchange for the issuance of Common Shares to the former shareholders of Urban.

Pursuant to the Qualifying Transaction Mr. Alves acquired control, through the Company, of 78,850,000 Common Shares of the Issuer, representing approximately 75.45% of the issued and outstanding securities in the capital of the Issuer. In addition, Mr. Alves also acquired control, through the Company, of 1,150,000 Class B Shares of Urban, representing approximately 6.76% of the Class B Shares. Mr. Alves has irrevocably agreed to exchange the Class B Shares for Common Shares, on a one for one basis (the “Mandatory Exchange”). The Mandatory Exchange will automatically occur at such time when doing so will not result in the Issuer failing to satisfy Public Distribution Requirement (as such term is defined by the TSXV).

Following the acquisition, the Acquiror has direct control over an aggregate of 78,850,000 common shares of the Issuer, representing 75.45% of the issued and outstanding securities of UIG.

- 3.2 *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.*

The Acquiror acquired ownership and control over the securities.

- 3.3 *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

- 3.4 *State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

Prior to this transaction, the Acquiror held no common shares of the Issuer.

Following the transaction, the Acquiror has direct control over an aggregate of 78,850,000 common shares of the Issuer, representing 75.45% of the issued and outstanding securities of UIG.

- 3.5 *State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which:*

- (a) *the acquiror, either alone or together with any joint actors, has ownership and control,*

The Acquiror has direct control over an aggregate of 78,850,000 common shares of the Issuer, representing 75.45% of the issued and outstanding securities of UIG.

- (b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

Not applicable.

- (c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

- 3.6 *It the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

- 3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

*State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.*

Not applicable.

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **4. Consideration Paid**

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

The Issuer issued 83,000,000 Common Shares at a deemed price of \$0.15 per Common Share to the shareholders of Urban in exchange for all of the issued and outstanding common shares of Urban in connection with the Qualifying Transaction.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

Section 2.2 and 4.1

4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

## **5. Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.*

The Acquiror acquired the securities pursuant to the Transaction and for investment purposes. The Acquiror may acquire or dispose of additional securities of the Issuer in the future through the market, privately, or otherwise, as circumstances or market conditions warrant.

## **6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

The 78,850,000 Common Shares and 1,150,000 Class B Shares held by the Acquiror are subject to the terms of an Exchange Form 5D – Value Escrow Agreement, with 10% being released on their initial release date of March 18, 2024 (the “Initial Release”) and 15% releasable on each of the six months, 12 months, 18 months, 24 months, 30 months and 36 months after the Initial Release. Additionally, the Class B Shares are subject to the Mandatory Exchange.

## **7. Change in Material Fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

Not applicable.

## **8. Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

## 9. Certification

*The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete. This report must be signed by each person on whose behalf the report is filed or his or her authorized representative. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.*

## 10. Certificate

*I, as the Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.*

DATED this 9<sup>th</sup> day of April, 2024

**1000679050 Ontario Inc.**

Per: "Gary Alves"

Name: Gary Alves

Title: President