

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 11<sup>th</sup> day of June 2018

AMONG:

**PETROX RESOURCES CORP.**, a corporation existing under the laws of Alberta (“**Petrox**”);

-and-

**2123054 ALBERTA LTD.**, a corporation existing under the laws of the Province of Alberta (“**Petrox SubCo**”);

-and-

**TRUENORTH CX INC.**, a corporation incorporated under the laws of the Province of Ontario (“**TNCX**”);

**WHEREAS** Petrox and TNCX are parties to a binding letter of intent dated April 25, 2018, as extended May 24, 2018, June 1, 2018 and June 7, 2018;

**AND WHEREAS** TNCX and Petrox SubCo have agreed to amalgamate pursuant to Section 181 of the Act and, in consideration therefor, Petrox has agreed to issue certain of its securities to the securityholders of TNCX;

**AND WHEREAS** the board of directors of TNCX has unanimously: (i) determined that the transactions contemplated by this Agreement are fair and in the best interests of TNCX and the TNCX Shareholders; (ii) approved this Agreement and the transactions contemplated hereby; and (iii) determined to recommend that the TNCX Shareholders vote in favour of the transactions contemplated by this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

### **ARTICLE I DEFINITIONS**

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

- (a) “**Acquisition Proposal**” means any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than a public offering of treasury shares) or similar transactions involving Petrox, or a proposal to do so, excluding the transactions contemplated hereby;
- (b) “**Act**” means the *Business Corporations Act* (Alberta), as now in effect and as it may be amended from time to time prior to the Effective Date;
- (c) “**Agreement**” means this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; “**herein**”, “**hereof**” and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and “**Article**”, “**Section**”, “**clause**” or “**subclause**” means and refers to the specified article, section, clause or subclause of this Agreement, and where applicable, the Schedule hereto;

- (d) “**Amalco**” means the corporation to be constituted upon completion of the Amalgamation to be named “TrueNorth CX Inc.”, or such other name as shall be determined in the sole discretion of TNCX;
- (e) “**Amalco Share**” means the common shares in the capital of Amalco as presently constituted;
- (f) “**Amalgamating Corporations**” means, collectively, TNCX and Petrox SubCo;
- (g) “**Amalgamation**” means the amalgamation of TNCX and Petrox SubCo pursuant to this Agreement and in accordance with the Act;
- (h) “**Amalgamation Resolution**” means the special resolution in respect of the Amalgamation to be considered by the TNCX Shareholders;
- (i) “**Applicable Securities Laws**” includes, without limitation, all applicable securities, corporate and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, published statements, circulars, published procedures and policies in the Provinces of Alberta and British Columbia and any other Province in which securities of Petrox or TNCX (as applicable) have or will be issued, including, without limitation, the policies and by-laws of the TSXV and/or the CSE, as applicable;
- (j) “**Arm’s Length**” has the same meaning ascribed thereto in the Tax Act;
- (k) “**Articles of Amalgamation**” means the proposed articles of amalgamation in respect to the Amalgamation as set forth in Schedule “A” hereto;
- (l) “**Business Day**” means a day other than a Saturday or Sunday on which the principal commercial banks located in Calgary, Alberta, are open for business during normal banking hours;
- (m) “**Closing**” or “**Closing Date**” means the completion of the Amalgamation as set forth herein, including the issuance of Resulting Issuer Shares described herein, which is intended to take place on the Effective Date;
- (n) “**Consolidation**” means the consolidation of the Petrox Shares on the basis of one post-consolidated Petrox Share for every 5.5 pre-consolidated Petrox Shares issued and outstanding at the time Articles of Amendment effecting the consolidation are filed with the Registrar of Corporations in Alberta;
- (o) “**Consolidation Resolution**” means the resolution of the shareholders of Petrox authorizing Petrox to complete the Consolidation;
- (p) “**CSE**” means the Canadian Securities Exchange;
- (q) “**Delisting**” means the act of delisting the Petrox Shares from the TSXV;
- (r) “**Delisting Resolution**” means the resolution of the shareholders of Petrox authorizing Petrox to apply to delist the Petrox Shares from the TSXV;
- (s) “**Effective Date**” means the date of Amalgamation as set forth in the certificate of amalgamation for Amalco;
- (t) “**GAAP**” means Generally Accepted Accounting Principles, being the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;

- (u) **“IFRS”** means International Financial Reporting Standards, being the International Financial Reporting Standards of accounting, applicable as at the date on which such calculation is made or required to be made in accordance with such standards;
- (v) **“Initial Listing Requirements”** means the initial requirements to have the common shares of the Resulting Issuer listed for trading on the CSE;
- (w) **“Intellectual Property”** shall mean the domestic and foreign rights of TNCX in and to patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications and any and all derivative works thereto; inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, know-how, methods, processes, designs, technology, technical data, schematics and formulae, and documentation relating to any of the foregoing; copyrights, copyright registrations and applications for copyright registration; all know-how, trade secrets confidential information, customer lists, software, technical information, research and development data, laboratory results, process technology, plans, drawings and blue prints owned, used, or licensed by TNCX as licensee or licensor; trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trademarks, trademark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and any other intellectual property and industrial property;
- (x) **“Material Adverse Effect”** means, when used in connection with a company, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of the company, taken as a whole, and which change or effect may reasonably be expected to significantly reduce the value of the equity securities of the company other than a change or effect: (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the company to the other party prior to the date hereof; (ii) resulting from conditions affecting the oil and gas industry as a whole; or (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions (including without limitation commodity prices, changes in taxation laws or currency exchange rates);
- (y) **“Material Fact”** in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the price or value of the shares of such party;
- (z) **“Merger Proposal”** means any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto or similar transactions involving TNCX, or a proposal or expression of interest to do so, excluding the transactions contemplated hereby;
- (aa) **“Name Change”** means the change by Petrox of the name of the Resulting Issuer to “TrueNorth CX Corp.” or such other name as may be determined by mutual agreement of Petrox and TNCX;
- (bb) **“Name Change Resolution”** means the resolution of the shareholders of Petrox authorizing Petrox to complete the Name Change;
- (cc) **“Offering”** means a private placement by TNCX of up to 30,000,000 TNCX Shares at a price of \$0.10 per TNCX Share for gross proceeds of up to \$3,000,000.00 to be completed prior to Closing;
- (dd) **“Person”** means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

- (ee) **“Petrox”** means Petrox Resources Corp., a corporation existing under the laws of Alberta;
- (ff) **“Petrox’s Business”** means operating as an oil and gas exploration and development company on the properties described in the Ryder Scott Report; and
- (gg) **“Petrox Due Diligence”** means the satisfactory review of the minute book, corporate documentation, financial statements of TNCX and all responses made by TNCX and/or Bryce Bonneville to the Petrox Due Diligence Request Letter;
- (hh) **“Petrox Due Diligence Request Letter”** means the due diligence request letter from Tingle Merrett LLP (as counsel to Petrox) to Bryce Bonneville (as counsel to TNCX) dated May 25, 2018;
- (ii) **“Petrox Meeting”** means the special meeting of Petrox Shareholders to be called to consider and, if thought fit, authorize, approve the Consolidation, Name Change and Delisting, and related matters, and includes any adjournments thereof;
- (jj) **“Petrox Options”** means the 400,000 incentive stock options granted to the directors and officers of Petrox pursuant to Petrox’s stock option plan, each of which entitles the holder thereof to acquire one Petrox Share on or before October 29, 2018 at a price of \$0.12 per Petrox Share;
- (kk) **“Petrox Shares”** means common shares in the capital of Petrox;
- (ll) **“Petrox SubCo”** means 2123054 Alberta Ltd., a wholly owned subsidiary of Petrox;
- (mm) **“Petrox SubCo Shares”** means the common shares in the capital of Petrox SubCo as presently constituted;
- (nn) **“Petrox Principals”** means the following persons:
  - (i) Edwin Sui Lam Tam;
  - (ii) Alan Chan;
  - (iii) Rudolf Cech;
  - (iv) Garry Lohuis;
  - (v) Kailas Capital Limited;
  - (vi) York City Enterprises Limited;
  - (vii) Skywide Energy Ltd.;
  - (viii) Redrock Stone Development Ltd.;
  - (ix) Real Rock Investments Ltd.; and
  - (x) Leeds Global Group Limited;
- (a) **“Petrox’s Assets”** means all of the material assets of Petrox including: (i) interests in oil and gas properties as set out in the Ryder Scott Report (as defined herein), and (ii) those other assets set out in Petrox’s Financial Statements;

- (b) **“Petrox’s Financial Statements”** means the audited annual financial statements of Petrox for the years ended December 31, 2016 and 2017 and the unaudited interim financial statements of Petrox for the three months ended March 31, 2018;
- (c) **“Proposed Transaction”** means the proposed acquisition by Petrox of all of the issued and outstanding securities of TNCX, directly and indirectly, upon the terms and subject to the conditions set forth in this Agreement and as described herein, including completion of the Amalgamation;
- (d) **“Public Record”** means all information filed by or on behalf of Petrox on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com), and any other information filed with any securities commission in compliance, or intended compliance, with any Applicable Securities Laws;
- (e) **“Resulting Issuer”** means Petrox (which shall have changed its name to “TrueNorth CX Corp.”) as it exists after completion of the Proposed Transaction;
- (f) **“Resulting Issuer Share”** means a common share in the capital of the Resulting Issuer, after giving effect to the Proposed Transaction, including the Consolidation;
- (g) **“Resulting Issuer Warrant”** means a share purchase warrant entitling the holder thereof to purchase a Resulting Issuer Share at a price of for \$0.25 per Common Share on or before July 31, 2019, provided that if the closing price at which the Resulting Issuer Shares trade on the CSE (or any such other stock exchange in Canada as the Resulting Issuer Shares may trade at the applicable time) is \$0.50 or higher for five consecutive days, the expiry date of the Resulting Issuer Warrants shall be accelerated to the date (the **“Accelerated Expiration Date”**) that is 21 calendar days following the date a press release is issued by the Resulting Issuer announcing the Accelerated Expiration Date;
- (h) **“Ryder Scott Report”** shall have the meaning prescribed in Section 4.1(hh);
- (i) **“Tax Act”** means the *Income Tax Act* (Canada), as it may be amended from time to time and any successor thereto. Any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
- (j) **“Tax Laws”** shall mean the Tax Act and any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto;
- (k) **“Third Party”** means any Person other than the parties to this Agreement;
- (l) **“TNCX”** means TrueNorth CX Inc., a private corporation existing under the laws of the Province of Ontario;
- (m) **“TNCX’s Assets”** means all of the material assets of TNCX including: (i) intellectual property of TNCX being developed for architecting and engineering a secure platform to enable financial institutions to enter the block chain market trading cryptocurrencies and digital tokens; and (ii) those other assets set out in TNCX’s Financial Statements;
- (n) **“TNCX’s Business”** means the development and licensing of the TNCX Assets;
- (o) **“TNCX Due Diligence”** means the satisfactory review of the minute book, corporate documentation and financial statements of TNCX and potential environmental/abandonment liabilities of the Petrox Assets;

- (p) “**TNCX Shareholder**” means a holder of TNCX Shares;
- (q) “**TNCX Share**” means a fully paid and non-assessable common share in the capital of TNCX;
- (r) “**TNCX’s Financial Statements**” means the audited annual financial statements of TNCX for the year ended March 31, 2018;
- (s) “**TSXV**” means the TSX Venture Exchange Inc.; and
- (t) “**Voluntary Escrow Agreement**” means an escrow agreement to be entered into by the Resulting Issuer and the Petrox Principals pursuant to which the Resulting Issuer Shares held by the Petrox Principals, representing not less than 60% of the Petrox Shares, will be held in escrow with 10% of the escrowed shares being released upon the listing of the Resulting Issuer Shares on the CSE, 15% of the escrowed shares will be released on the 6, 12 and 18 month anniversaries of listing on the CSE and the balance (45%) being released 24 months after the closing of the Amalgamation.

1.2 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and vice versa, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP or IFRS, as the case may be.

1.7 **Date for any Action.** In the event that any date by or on which any action is required or permitted to be taken hereunder by any of the parties is not a Business Day in the place where the action is required or permitted to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.8 **To the Best Knowledge.** Whenever a representation and warranty herein is qualified by the phrase “to the knowledge of” or words to the similar effect, such qualification refers to the actual knowledge of the Person giving the representation and warranty and the knowledge that they would have had if they had conducted a reasonable inquiry of senior management of the Person into the relevant subject matter thereof.

1.9 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedule is attached hereto:

Schedule “A” Articles of Amalgamation

## ARTICLE II AMALGAMATION

2.1 **Agreement to Amalgamate.** The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 181 of the Act as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 **Name.** The name of Amalco shall be “TrueNorth CX Inc.”, or such other name as shall be determined in the sole discretion of TNCX.

2.3 **Registered Office.** The registered office of Amalco shall be 610, 1414 – 8<sup>th</sup> Street S.W., Calgary, Alberta T2R 1J6.

2.4 **Authorized Capital.** Amalco shall be authorized to issue one class of shares consisting of an unlimited number of shares to be designated as “common voting shares” which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation, set forth in Schedule “A” hereto.

2.5 **Fiscal Year End.** The fiscal year end of Amalco shall be the year end of TNCX.

2.6 **Number of Directors.** The board of directors of Amalco shall, until otherwise changed in accordance with the Act, consist of a minimum number of one and a maximum number of ten directors.

2.7 **Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.

2.8 **Initial Directors.** The first director of Amalco shall be the person whose name and residential address appears below:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Gary Bartholomew	307C, 2 Campbell Drive Uxbridge, ON L9P 1H6	Yes

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

2.9 **Amalgamation.** On the Effective Date, subject to Article III of this Agreement, the issued TNCX Shares and other securities of TNCX held by securityholders thereof will be cancelled and such securityholders of TNCX shall receive securities of the Resulting Issuer as set forth in Article III. The property of each of Petrox SubCo and TNCX shall continue to be the property of Amalco and Amalco shall continue to be liable for the obligations of each of Petrox SubCo and TNCX.

2.10 **By-Laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of TNCX.

2.11 **Filing of Documents.** Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, the Amalgamating Corporations shall jointly file with the director, under the Act, Articles of Amalgamation and such other documents as may be required.

2.12 **Stated Capital.** The stated capital of Amalco immediately after the Amalgamation becomes effective shall be equal to the aggregate stated capital of each of the Amalgamating Corporations.

2.13 **Amendments to Structure.** Notwithstanding the foregoing, the parties hereto agree that the foregoing structure for the Amalgamation may be amended to accommodate certain tax planning and operational efficiencies of either Party provided that such amendments shall not have a detrimental effect on either Party and shall not negatively impact the business combination of Petrox and TNCX evidenced hereby.

### ARTICLE III ISSUANCE OF AMALCO AND THE RESULTING ISSUER SECURITIES

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein on the Effective Date:

- (a) each issued and outstanding Petrox SubCo Share shall be converted into one Amalco Share; and
- (b) subject to Section 3.2, each TNCX Share shall be exchanged for one Resulting Issuer Share and one-half of one Resulting Issuer Warrant.

3.2 **Fractional Shares.** No fractional shares or convertible securities shall be issued by the Resulting Issuer pursuant to this Agreement. Any exchange that results in less than a whole number of shares or convertible securities shall be rounded up to the next whole number.

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

#### 3.4 **TNCX Board Recommendation**

- (a) TNCX represents that its board of directors has unanimously determined that:
  - (i) the Amalgamation is fair from a financial point of view to the TNCX Shareholders and is in the best interests of TNCX and its shareholders; and
  - (ii) TNCX's board of directors will unanimously recommend that TNCX Shareholders vote in favour of the Amalgamation, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.
- (b) TNCX represents that its directors, officers and insiders (as such term is defined Applicable Securities Laws) have advised it that, as at the date hereof, they intend to vote any TNCX Shares held by them in favour of the Amalgamation.

#### 3.5 **Petrox Meeting**

Petrox shall take all action necessary in accordance with Applicable Securities Laws, other applicable Canadian laws, the Petrox governing documents and any other regulatory authority having jurisdiction, to duly call and give notice of the Petrox Meeting and to convene and hold the Petrox Meeting no later than August 31, 2018.

#### 3.6 **TNCX Shareholder Approval**

TNCX shall take all action necessary in accordance with Applicable Securities Laws, other applicable Canadian laws, the TNCX governing documents and any other regulatory authority having jurisdiction, to obtain a written resolution from all of the TNCX Shareholders to approve the Amalgamation and related matters.

### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of Petrox.** Petrox hereby represents and warrants to TNCX that:

- (a) each of Petrox and Petrox SubCo are corporations incorporated and subsisting under the laws of the Province of Alberta, have all legal capacity and requisite corporate power to own their respective properties and to conduct all business as is presently being conducted, and are duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of their respective assets or business makes such registration or qualification necessary or advisable;
- (b) subject to obtaining any required regulatory approvals, each of Petrox and Petrox SubCo have the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill their respective obligations

under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of Petrox and Petrox SubCo to authorized the execution and delivery of this Agreement, including the approval of the Amalgamation by special resolution of the shareholders of Petrox SubCo, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;

- (c) this Agreement has been duly executed and delivered by Petrox and Petrox SubCo and this Agreement constitutes a legal, valid and binding obligation of each of Petrox and Petrox SubCo enforceable against Petrox and Petrox SubCo in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;
- (d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflicts with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of Petrox or Petrox SubCo; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Petrox or Petrox SubCo is a party or by which Petrox or Petrox SubCo is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Petrox or Petrox SubCo or any party to any agreement to which Petrox or Petrox SubCo is a party or by which Petrox or Petrox SubCo is bound, except as shall have been obtained prior to Closing;
- (e) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Petrox or Petrox SubCo and no consent of any Third Party is required to be obtained by Petrox or Petrox SubCo in connection with the execution, delivery and performance by Petrox or Petrox SubCo of this Agreement or the consummation of the transactions contemplated hereby;
- (f) the authorized capital of Petrox as of the date hereof consists of an unlimited number of Common Shares without nominal or par value, and an unlimited number of preferred shares, issuable in series, of which 55,132,258 Common Shares and no preferred shares are presently validly issued and outstanding as fully paid and non-assessable shares in the capital of Petrox and such shares have been issued under a valid prospectus or in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws;
- (g) except pursuant to this Agreement and the Petrox Options, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Petrox of any Petrox Shares or for the subscription, allotment or issuance of any unissued shares in the securities of Petrox;
- (h) none of the outstanding Petrox Shares are subject to escrow restrictions, pooling arrangements, voting trusts or unanimous shareholders agreements, whether voluntary or otherwise;

- (i) the authorized capital of Petrox SubCo consists of an unlimited number of Petrox SubCo Shares and an unlimited number of preferred shares issuable in series, of which one Petrox SubCo Share and no preferred shares are presently issued and outstanding as validly issued and outstanding as fully paid and non-assessable shares in the capital of Petrox SubCo;
- (j) the board of directors of Petrox have reserved and allotted a sufficient number of Resulting Issuer Shares as are issuable pursuant to this Agreement;
- (k) Petrox is the registered and beneficial holder of all of the issued and outstanding Petrox SubCo Shares and Petrox holds such shares free and clear of all liens, mortgages, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever;
- (l) other than Petrox SubCo, Petrox does not hold or own, beneficially or otherwise, any securities of any other corporate entity;
- (m) all corporate records and minute books of Petrox and Petrox SubCo have been provided to TNCX or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Petrox and Petrox SubCo, as applicable, including all by-laws and resolutions passed by the board of directors and shareholders of Petrox and Petrox SubCo, as applicable, since the incorporation of Petrox and Petrox SubCo and all such meetings were duly called and held;
- (n) neither Petrox nor Petrox SubCo has any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of Petrox or Petrox SubCo and at Closing, Petrox and Petrox SubCo will have originals or copies of all such records, systems, controls, data or information in its possession or control;
- (o) the books and records of Petrox and Petrox SubCo fairly and correctly set out and disclose in all material respects, the financial position of Petrox and Petrox SubCo as at the dates thereof and all material financial transactions of Petrox and Petrox SubCo relating to Petrox's Business have been accurately recorded in such books and records and, in respect of any information provided or requested, did not knowingly omit data or information necessary to make any data or information provided not misleading as at the respective dates thereof;
- (p) other than as disclosed in writing to TNCX, as at the date hereof, there are no material contracts or agreements to which Petrox or Petrox SubCo is a party or by which either of them is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which Petrox or Petrox SubCo will, or may reasonably be expected to, result in a requirement of Petrox or Petrox SubCo to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$100,000 in either case in the next 12 months, or is out of the ordinary course of business of Petrox, shall be considered to be material;
- (q) the Petrox Financial Statements fairly present the financial position of Petrox, as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with GAAP and, if applicable, IFRS, consistently applied throughout the period covered thereby, save and except as stated therein. Petrox's and Petrox SubCo's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;

- (r) except as expressly referred to in Petrox's Financial Statements or as otherwise expressed in writing to TNCX:
  - (i) neither Petrox nor Petrox SubCo have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and neither Petrox nor Petrox SubCo is bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and
  - (ii) neither Petrox nor Petrox SubCo is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
- (s) save and except for matters which are disclosed in the Petrox Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to TNCX, neither Petrox nor Petrox SubCo have (nor have either of them agreed to) since December 31, 2015:
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Petrox's Financial Statements, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of \$5,000, whether or not in the ordinary course of business except for transactions involving the Petrox Properties previously disclosed to TNCX;
  - (vi) increased materially the compensation payable or to become payable by Petrox or Petrox SubCo to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Petrox or Petrox SubCo;
  - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of Petrox or Petrox SubCo;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;
  - (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting Petrox's Assets, Petrox's Business or prospects of Petrox or Petrox SubCo;

- (xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;
  - (xii) made or authorized any capital expenditures in excess of \$50,000 in the aggregate except for commitments made in respect of the oil and gas properties of Petrox previously disclosed to TNCX;
  - (xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto except as otherwise disclosed in writing to TNCX; or
  - (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and Petrox has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (t) since incorporation, no payments have been made or authorized by Petrox or Petrox SubCo to their officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in Petrox's Financial Statements or as disclosed in writing to TNCX or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
  - (u) Petrox and Petrox SubCo have made all filings required under applicable laws with the applicable regulatory authorities in substantial compliance, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by Petrox were true, correct and complete in all material respects and did not contain any misrepresentation, as at the date of such information or statements;
  - (v) Petrox and Petrox SubCo have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present. All such tax returns, if any, properly reflect, and do not in any respect understate the income, taxable income or the liability for taxes of Petrox and Petrox SubCo in the relevant period and the liability of Petrox and Petrox SubCo for the collection, payment and remittance of tax under applicable Tax Laws;
  - (w) adequate provision has been made in Petrox's Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Petrox and Petrox SubCo for all periods up to the date of the balance sheets comprising part of Petrox's Financial Statements;
  - (x) each of Petrox and Petrox SubCo have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including December 31, 2017;
  - (y) Petrox is a reporting issuer under the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) and, to the knowledge of Petrox, no securities commission, nor the TSXV, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of Petrox;
  - (z) the information and statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information

or statements and were prepared in accordance with and complied with Applicable Securities Laws and Petrox has not filed any confidential material change reports still maintained on a confidential basis;

- (aa) to the knowledge of Petrox, all issuances of securities of Petrox and Petrox SubCo have been completed in accordance with all Applicable Securities Laws and regulations;
- (bb) Petrox does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than Petrox's Business;
- (cc) Petrox SubCo does not operate or engage in any business activities, operations or management of any nature or kind whatsoever;
- (dd) Petrox is conducting and has always conducted Petrox's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which Petrox's Business is carried on, are not currently in material breach of any such laws, rules or regulations and are duly licensed, registered or qualified, in each jurisdiction in which Petrox or Petrox SubCo owns, leases or has any interest of claim in property or carries on Petrox's Business, to enable Petrox's Business to be carried on as now conducted and its property and assets to be owned, leased licensed or otherwise and operated, and all such licences, registrations, claims, interests and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an Material Adverse Effect on the operation of Petrox's Business;
- (ee) Petrox maintains sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of Petrox are sufficient, in all material respects, to protect Petrox against potential liabilities of Petrox's Business;
- (ff) any and all operations of Petrox and Petrox SubCo, and, to the best of Petrox's knowledge, any and all operations by Third Parties, on or in respect of the assets and properties of Petrox and Petrox SubCo, have been conducted in accordance with good oilfield practice;
- (gg) although it does not warrant title, Petrox does not have reason to believe that it does not have good and marketable title to or the irrevocable right to produce and sell its petroleum hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are free and clear of all liens, charges, encumbrances, restrictions or adverse claims created by, through or under Petrox or Petrox SubCo, other than any liens or encumbrances that may be outstanding pursuant to credit agreements with Petrox's bank and those arising in the ordinary course of business, which are not material in the aggregate, and to the knowledge of Petrox after due inquiry, Petrox and Petrox SubCo hold their respective Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements;
- (hh) Petrox has made available to Ryder Scott Company ("**Ryder Scott**"), prior to the issuance of its independent reserve entitled "Estimated Future Reserves and Income Attributable to Certain Leasehold and Royalty Interests Escalated Parameters as of December 31, 2017" with respect to the Petrox Assets prepared for Petrox by Ryder Scott (the "**Ryder Scott Report**") for the purposes of preparing such report, all information requested by Ryder Scott which information did not contain any material misrepresentation at the time such information was so provided. There are no changes in any reserves information provided to Ryder Scott since the date that such information was so provided which would result in any material adverse change to the quantity or pre-tax present value of estimated future net revenue values of Petrox as set out in the Ryder Scott Report. Petrox believes that the Ryder Scott Report reasonably presents the quantity and pre-tax present value of estimated future net revenue values of oil reserves of Petrox as at the effective date thereof in respect of reserves information therein based upon information available in respect of such reserves at the time such report was prepared and the price assumptions contained therein;

- (ii) to the best of Petrox's knowledge, there are no pending or threatened actions, suits, proceedings or inquiries which, in aggregate, could have a Material Adverse Effect on: (i) the quantity and pre-tax present value of estimated future net revenue values of oil reserves of Petrox as shown in the Ryder Scott Report; (ii) the current or future production of Petrox; or (iii) the current or future cash flow of Petrox;
  
- (jj) to the best of Petrox's knowledge, except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on Petrox or Petrox SubCo:
  - (i) neither it nor Petrox SubCo is in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental health or safety matters (collectively, the "**Environmental Laws**");
  - (ii) it and Petrox SubCo has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of the Environmental Laws;
  - (iii) all known spills or similar incidents pertaining to or affecting the business or assets of Petrox or Petrox SubCo have been reported to the appropriate governmental entity to the extent required by Environmental Laws, except where such failure to report would not result in a Material Adverse Effect on Petrox or Petrox SubCo;
  - (iv) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Petrox or Petrox SubCo that have not been remedied;
  - (v) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business and assets of Petrox and Petrox SubCo;
  - (vi) any demand or notice with respect to the material breach of any environmental, health or safety law applicable to Petrox, Petrox SubCo or any of their respective business undertakings, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants;
  - (vii) neither it nor Petrox SubCo has failed to report to the proper federal, provincial, state, municipal or other political subdivision, government, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Laws; and
  - (viii) it holds all licenses, permits and approvals required under any Environmental Laws in connection with the operations of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and neither Petrox nor Petrox SubCo has received any notification pursuant to any Environmental Laws that any work, repairs, construction, or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
  
- (kk) there are no defaults related to payments required to keep a lease in good standing under any oil and gas lease held by Petrox or Petrox SubCo;

- (ll) to the best of Petrox's knowledge, all wells located on any lands in which Petrox or Petrox SubCo has an interest, or lands with which such lands have been pooled or unitized, which have been abandoned have been abandoned in material compliance with all applicable statutes and regulations regarding the abandonment of wells;
- (mm) to the best of Petrox's knowledge, all *ad valorem*, property, production, severance and similar taxes and assessments based on or measured by the ownership of property or the production of its hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of its oil and gas assets prior to the date hereof have been properly and fully paid and discharged, and there are no unpaid taxes or assessments which could result in a lien or charge on its oil and gas assets, except where the failure to do so would not individually or in the aggregate have a Material Adverse Effect on Petrox or Petrox SubCo;
- (nn) no employee has made any claim or, to the best of Petrox's knowledge, has any basis for any action or proceeding against Petrox or Petrox SubCo arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (oo) neither Petrox nor Petrox SubCo has made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (pp) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of Petrox by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (qq) there is no action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of Petrox, threatened against, relating to or affecting Petrox or Petrox SubCo before any court, government agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. Petrox is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against Petrox any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Petrox, Petrox SubCo, Petrox's Assets or Petrox's Business. No waivers have been filed by Petrox or Petrox SubCo with any taxing authority in any jurisdiction in Canada or internationally;
- (rr) other than as disclosed to TNCX, there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Petrox or Petrox SubCo, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Petrox or Petrox SubCo for the employees of Petrox or Petrox SubCo;
- (ss) neither Petrox nor Petrox SubCo has in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Amalgamation or other change of control of Petrox or Petrox SubCo and Petrox has disclosed in writing to TNCX all severance amounts, consulting contract termination obligations and/or retention or bonuses that may be payable by Petrox and Petrox SubCo, and except as previously disclosed to TNCX by Petrox, neither Petrox nor Petrox SubCo has any consulting agreements that are not terminable on more than one month's notice; there is not now outstanding any arrangement (contractual or otherwise) between Petrox or Petrox SubCo and any Person which will or may be, terminated or, to the best knowledge of Petrox, prejudicially affected as a result of the Amalgamation contemplated herein;
- (tt) there are no accrued bonuses payable to any officers, directors or employees of Petrox or Petrox SubCo;

- (uu) no director, officer, employee, insider or other non-arm's length party to Petrox (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Petrox or Petrox SubCo that will be effective after the Effective Date;
- (vv) no director, officer, employee, insider of Petrox or other non-arm's length party to Petrox is indebted to Petrox or Petrox SubCo;
- (ww) other than as may occur from time to time in the ordinary course under employment agreements or consulting agreements, neither Petrox nor Petrox SubCo is indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates;
- (xx) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Petrox or Petrox SubCo is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of Petrox or Petrox SubCo in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Petrox or Petrox SubCo from engaging in its business or from competing with any person or in any geographic area;
- (yy) there is no non-competition, exclusivity or other similar agreement, commitment or understanding neither Petrox nor Petrox SubCo has any rights to purchase any assets, properties or undertakings of Third Parties nor have any obligation to sell assets, properties or undertakings, under any agreements to purchase or sell that have not closed;
- (zz) neither Petrox nor Petrox SubCo is a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to the by-laws and standard indemnity agreements of Petrox or Petrox SubCo, to the bankers of Petrox or Petrox SubCo, pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature and indemnities contained in flow through subscription agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;
- (aaa) a complete and accurate description of the wells, facilities and lands of Petrox and Petrox SubCo as at the date hereof has been disclosed in writing to TNCX;
- (bbb) Petrox is presently able to pay its liabilities as they become due;
- (ccc) Petrox is not, and will not be at the time of the Amalgamation, a "non-resident" as that term is used for the purposes of the Tax Act; and
- (ddd) no representation or warranty made by Petrox in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Petrox does not know of any fact which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein.

4.2 No investigations made by or on behalf of TNCX at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Petrox herein or pursuant hereto and no waiver by TNCX of any condition, in whole or in part, shall operate as a waiver of any other conditions.

4.3 **Representations and Warranties of TNCX.** TNCX hereby represents and warrants to Petrox that:

- (a) TNCX is a corporation incorporated and subsisting under the laws of the Province of Ontario, has all legal capacity and requisite corporate power to own their respective properties and to conduct all business as is presently being conducted, and are duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;
- (b) subject to obtaining any required regulatory approvals, TNCX has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill their respective obligations under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of TNCX to authorize the execution and delivery of this Agreement, including the approval of the Amalgamation by special resolution of the TNCX Shareholders, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for its obligations hereunder;
- (c) this Agreement has been duly executed and delivered by TNCX and this Agreement constitutes a legal, valid and binding obligation of TNCX enforceable against TNCX in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;
- (d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflicts with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of TNCX; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which TNCX is a party or by which it is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of TNCX or any party to any agreement to which TNCX is a party or by which TNCX is bound, except as shall have been obtained prior to Closing;
- (e) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by TNCX and no consent of any Third Party is required to be obtained by TNCX in connection with the execution, delivery and performance by TNCX of this Agreement or the consummation of the transactions contemplated hereby;
- (f) the authorized capital of TNCX as of the date hereof consists of:
  - (i) an unlimited number of Common Shares without nominal or par value, and an unlimited number of preferred shares, issuable in series, of which 35,000,000 Common Shares and no preferred shares are presently validly issued and outstanding as fully paid and non-assessable shares in the capital of TNCX and such shares have been issued under a valid prospectus or in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws; and

- (ii) an additional 30,000,000 Common Shares have been authorized for issuance under the Offering;
- (g) except pursuant to this Agreement, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from TNCX of any TNCX Shares or for the subscription, allotment or issuance of any unissued shares in the securities of TNCX;
- (h) none of the outstanding TNCX Shares are subject to escrow restrictions, pooling arrangements, voting trusts or unanimous shareholders agreements, whether voluntary or otherwise;
- (i) the board of directors of TNCX have reserved and allotted a sufficient number of TNCX Shares as are issuable pursuant to the Offering;
- (j) TNCX has no subsidiaries nor does it hold or own, beneficially or otherwise, any securities of any other corporate entity;
- (k) all corporate records and minute books of TNCX have been provided to Petrox or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of TNCX, as applicable, including all by-laws and resolutions passed by the board of directors and shareholders of TNCX, as applicable, since the incorporation of TNCX and all such meetings were duly called and held;
- (l) TNCX does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of TNCX and at Closing, TNCX will have originals or copies of all such records, systems, controls, data or information in its possession or control;
- (m) the books and records of TNCX fairly and correctly set out and disclose in all material respects, the financial position of TNCX as at the dates thereof and all material financial transactions of TNCX relating to TNCX's Business have been accurately recorded in such books and records and, in respect of any information provided or requested, did not knowingly omit data or information necessary to make any data or information provided not misleading as at the respective dates thereof;
- (n) as at the date hereof, there are no material contracts or agreements to which TNCX is a party or by which either of them is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which TNCX will, or may reasonably be expected to, result in a requirement of TNCX to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$100,000 in either case in the next 12 months, or is out of the ordinary course of business of TNCX, shall be considered to be material;
- (o) the TNCX Financial Statements fairly present the financial position of TNCX, as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with GAAP and, if applicable, IFRS, consistently applied throughout the period covered thereby, save and except as stated therein. TNCX's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;

- (p) except as expressly referred to in TNCX's Financial Statements or as otherwise expressed in writing to Petrox:
  - (i) TNCX does not have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and TNCX is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and
  - (ii) TNCX is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
  
- (q) save and except for matters which are disclosed in the TNCX Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to Petrox, TNCX has not (nor has it agreed to) since March 31, 2018:
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on TNCX's Financial Statements, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of \$15,000, whether or not in the ordinary course of business except for transactions involving the TNCX Properties previously disclosed to Petrox;
  - (vi) increased materially the compensation payable or to become payable by TNCX to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of TNCX;
  - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of TNCX;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;
  - (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting TNCX's Assets, TNCX's Business or prospects of TNCX;

- (xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;
- (xii) made or authorized any capital expenditures in excess of \$50,000 in the aggregate except for commitments made in respect of the TNCX Properties previously disclosed to Petrox;
- (xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto except as otherwise disclosed in writing to Petrox; or
- (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and TNCX has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (r) since incorporation, no payments have been made or authorized by TNCX to their officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in TNCX's Financial Statements or as disclosed in writing to Petrox or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
- (s) TNCX have made all filings required under applicable laws with the applicable regulatory authorities in substantial compliance, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by TNCX were true, correct and complete in all material respects and did not contain any misrepresentation, as at the date of such information or statements;
- (t) TNCX have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present. All such tax returns, if any, properly reflect, and do not in any respect understate the income, taxable income or the liability for taxes of TNCX in the relevant period and the liability of TNCX for the collection, payment and remittance of tax under applicable Tax Laws;
- (u) adequate provision has been made in TNCX's Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by TNCX for all periods up to the date of the balance sheets comprising part of TNCX's Financial Statements;
- (v) each of TNCX have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including March 31, 2018;
- (w) TNCX is not a reporting issuer under any province or jurisdiction in Canada and, to the knowledge of TNCX, no securities commission, nor the TSXV, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of TNCX;
- (x) to the knowledge of TNCX, all issuances of securities of TNCX have been completed in accordance with all Applicable Securities Laws and regulations;
- (y) TNCX does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than TNCX's Business;

- (z) TNCX is conducting and has always conducted TNCX's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which TNCX's Business is carried on, are not currently in material breach of any such laws, rules or regulations and are duly licensed, registered or qualified, in each jurisdiction in which TNCX owns, leases or has any interest of claim in property or carries on TNCX's Business, to enable TNCX's Business to be carried on as now conducted and its property and assets to be owned, leased licensed or otherwise and operated, and all such licences, registrations, claims, interests and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an Material Adverse Effect on the operation of TNCX's Business;
- (aa) TNCX maintains sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of TNCX are sufficient, in all material respects, to protect TNCX against potential liabilities of TNCX's Business;
- (bb) Intellectual Property:
  - (i) the disclosure by TNCX pursuant to Petrox Due Diligence contain a true, accurate and complete list of all of the TNCX's material Intellectual Property and set out true, accurate and complete particulars of all registrations or applications for registration of such material Intellectual Property;
  - (ii) TNCX is the beneficial owner of all material Intellectual Property that is necessary to conduct the TNCX Business in all material respects, free and clear of all liens. To the knowledge of TNCX, TNCX has taken all reasonable steps to protect TNCX's rights in and to its owned material Intellectual Property, in each case in accordance with industry practice;
  - (iii) TNCX is not a party to or bound by any contract or other obligation that limits or impairs its respective ability to use, sell, transfer, assign or convey, or that otherwise affects, any of the material Intellectual Property owned by TNCX. Except in the ordinary course, TNCX has not granted to any Person any right, license or permission to use all or any portion of, or otherwise encumbered any of its rights in, or to, any of the material Intellectual Property owned by, licensed or used by TNCX. TNCX is not obligated to pay any royalties, fees or other compensation to any Person in respect of TNCX's ownership, use or license of any Intellectual Property;
  - (iv) to the knowledge of TNCX, the operation of the TNCX Business does not infringe upon the intellectual property rights of any Person. No claims have been made against the TNCX Business, including the use of the Intellectual Property owned by, licensed to or used by TNCX, infringes upon any of their intellectual property rights. To the knowledge of TNCX, there are no valid grounds for any such bona fide claims by any such Persons alleging a conflict with or infringement of their intellectual property rights;
  - (v) completion of the Proposed Transaction and the continued operation of the TNCX Business will not violate or breach the terms of any material intellectual property rights license or entitle to any other party to any such intellectual property rights license to terminate or modify it, or otherwise adversely affect TNCX's rights under it;
  - (vi) the Intellectual Property owned by or licensed by TNCX or which TNCX otherwise has the right to use constitutes all Intellectual Property necessary for the conduct of the TNCX Business as presently conducted. Following Closing, TNCX will be entitled to continue to use, practice and exercise rights in, all of the Intellectual Property owned by, licensed to and used by TNCX, to the same extent and in the same manner as prior to Closing;

- (vii) to the knowledge of TNCX, no Person is currently infringing or otherwise violating any of the material Intellectual Property owned by, licensed to or used by TNCX; and
  - (viii) The Intellectual Property was sold to TNCX by certain principal founders of TNCX on January 15, 2018 and is 100% owned of record and beneficially free and clear of liens and is protected by trade secret;
- (cc) Technology:
- (i) all computer hardware and their associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of any business related to the TNCX Assets (collectively, the “**Technology**”) are reasonably sufficient for conducting any business related to the TNCX Assets, as now conducted;
  - (ii) TNCX owns or has validly licensed (and is not in breach of such licenses in any material respect) such Technology and has sufficient virus protection and security measures in place in relation to such Technology; and
  - (iii) TNCX has ownership of or a valid license to the intellectual property rights necessary to allow it to continue to provide the functionality provided by the Technology in the event of any malfunction of the Technology or other form of disaster affecting the Technology;
- (dd) TNCX has good and valid title to, or a valid and enforceable leasehold interest in, all personal property owned or leased by it in connection with the TNCX Assets, except as are not, individually or in the aggregate, material. Except in the ordinary course of business, TNCX’s ownership of or leasehold interest in any such personal property is not subject to any liens;
- (ee) true and correct copies of all material contracts entered into by the TNCX Parties, as applicable, have been provided to Petrox and:
- (i) such material contracts are valid and binding obligations of TNCX and, to the knowledge of TNCX, are valid and binding obligations of each other party thereto;
  - (ii) TNCX is not in breach or violation of, nor in default under (in each case, with or without notice or lapse of time or both) any such material contract and TNCX has not received or been given any notice of a default under any such material contract which remains uncured; and
  - (iii) to the knowledge of TNCX, there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of any material contract or entitle any party to terminate, accelerate, modify or cause a default under, or trigger any pre-emptive rights or rights of first refusal under, any such material contracts.
- (ff) TNCX owns, leases or licenses all material tangible assets (whether movable or personal) that are necessary or required to conduct the TNCX Business as it is now presently conducted, free and clear of any liens;
- (gg) TNCX has not granted rights to provide, develop, license, market, or sell its products or services to any other Person and is not bound by any agreement that affects TNCX exclusive right to provide, develop, license, market, or sell its products or services;
- (hh) TNCX has obtained and is in compliance, in all material respects, with all permits that are required by Applicable Laws for TNCX to conduct its business as now conducted or as proposed to be conducted prior to Closing, all such Permits are valid and subsisting, and no such permits will be

impaired or otherwise adversely affected by the entering into of this Agreement or the consummation of the Proposed Transaction;

- (ii) no employee has made any claim or, to the best of TNCX's knowledge, has any basis for any action or proceeding against TNCX arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (jj) TNCX has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (kk) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of TNCX by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (ll) there is no action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of TNCX, threatened against, relating to or affecting TNCX before any court, government agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. TNCX is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against TNCX any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting TNCX, TNCX's Assets or TNCX's Business. No waivers have been filed by TNCX with any taxing authority in any jurisdiction in Canada or internationally;
- (mm) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of TNCX, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for TNCX for the employees of TNCX;
- (nn) TNCX does not have in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Amalgamation or other change of control of TNCX and TNCX has disclosed in writing to Petrox all severance amounts, consulting contract termination obligations and/or retention or bonuses that may be payable by TNCX, and except as previously disclosed to Petrox by TNCX, TNCX does not have any consulting agreements that are not terminable on more than one month's notice; there is not now outstanding any arrangement (contractual or otherwise) between TNCX and any Person which will or may be, terminated or, to the best knowledge of TNCX, prejudicially affected as a result of the Amalgamation contemplated herein;
- (oo) there are no accrued bonuses payable to any officers, directors or employees of TNCX;
- (pp) no director, officer, employee, insider or other non-arm's length party to TNCX (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of TNCX that will be effective after the Effective Date;
- (qq) no director, officer, employee, insider of TNCX or other non-arm's length party to TNCX is indebted to TNCX;
- (rr) other than as may occur from time to time in the ordinary course under employment agreements or consulting agreements, TNCX is not indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates;

- (ss) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which TNCX is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of TNCX in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of TNCX from engaging in its business or from competing with any person or in any geographic area;
- (tt) there is no non-competition, exclusivity or other similar agreement, commitment or understanding nor does TNCX have any rights to purchase any assets, properties or undertakings of Third Parties nor have any obligation to sell assets, properties or undertakings, under any agreements to purchase or sell that have not closed;
- (uu) TNCX is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to the by-laws and standard indemnity agreements of TNCX to the bankers of TNCX, pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature and indemnities contained in flow through subscription agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;
- (vv) a complete and accurate description of the assets and liabilities of TNCX as at the date hereof has been disclosed in writing to Petrox;
- (ww) TNCX is presently able to pay its liabilities as they become due;
- (xx) TNCX is not, and will not be at the time of the Amalgamation, a “non-resident” as that term is used for the purposes of the Tax Act; and
- (yy) no representation or warranty made by TNCX in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. TNCX does not know of any fact which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein.

4.4 No investigations made by or on behalf of Petrox at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by TNCX herein or pursuant hereto and no waiver by Petrox of any condition, in whole or in part, shall operate as a waiver of any other condition.

## ARTICLE V COVENANTS

5.1 **General Covenants of Petrox.** Petrox covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement; and
  - (ii) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;
- (b) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group,

to maintain its business relationships and to ensure that Petrox's Business shall be conducted only in the usual and ordinary course of business consistent with past practice;

- (c) not carry on any business other than Petrox's Business and cause Petrox SubCo not to carry on any business;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon Petrox receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for TNCX;
- (f) in consultation with TNCX and its counsel, forthwith use its reasonable commercial efforts to obtain all necessary regulatory approvals and to make application to the TSXV for the Delisting and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to the Proposed Transaction and the issuance of shares as contemplated hereunder;
- (g) except as may be required in order to complete the transactions contemplated herein and as consented to in writing by TNCX, not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares, other than the issuance of Petrox Shares pursuant to the exercise of the Petrox Options; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of Petrox; (vii) reduce the stated capital of Petrox or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Amalgamation; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (h) promptly notify TNCX in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Petrox threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Petrox in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Petrox shall in good faith discuss with TNCX any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Petrox threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to TNCX pursuant to this provision;
- (i) not (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;
- (j) not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar

plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (k) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (l) use its best efforts to maintain its status as a reporting issuer in Alberta and British Columbia;
- (m) use its best efforts to maintain the accuracy and currency of the Public Record;
- (n) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) complete the Petrox Due Diligence within three weeks of receipt from TNCX of the TNCX minute book, TNCX Financial Statements and all responses to the Petrox Due Diligence Request Letter;
  - (ii) take all action necessary to duly call and give notice of the Petrox Meeting and to convene and hold the Petrox Meeting no later than August 31, 2018;
  - (iii) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (iv) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (v) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with the Amalgamation;
  - (vi) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (vii) fulfill all conditions and satisfy all provisions of this Agreement;
  - (viii) cooperate with the other parties to this Agreement in connection with the performance by Petrox of its obligations hereunder; and
  - (ix) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (o) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Petrox may become liable on or after the Closing Date, except as set out in Petrox's Financial Statements and except for those public company and transactional costs incurred prior to Closing, which will be disclosed in writing to TNCX at Closing;

- (p) validly issue the Resulting Issuer Shares in accordance with Article III hereof as fully paid and non-assessable common shares in the capital of the Resulting Issuer, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever;
- (q) effect and complete the Consolidation at Closing pursuant to the Consolidation Resolution;
- (r) effect and complete the Name Change at Closing pursuant to the Name Change Resolution;
- (s) effect and complete the Delisting at or prior to Closing pursuant to the Delisting Resolution;
- (t) file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and
- (u) neither declare nor pay any dividends or other distributions or returns of capital on Petrox Shares from the date of this Agreement until the Closing Date without the prior consent of TNCX.

5.2 **Petrox's Covenant Regarding Non-Solicitation.** Petrox shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding any Acquisition Proposal.

5.3 **General Covenants of TNCX.** TNCX covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement; and
  - (ii) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;
- (b) deliver a copy of the audited version of TNCX's Financial Statements to Petrox once they have been approved by the board of directors of TNCX;
- (c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group, to maintain its business relationships and to ensure that TNCX's Business shall be conducted only in the usual and ordinary course of business consistent with past practice;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon TNCX receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for Petrox;
- (f) in consultation with Petrox and its counsel, forthwith use its reasonable commercial efforts to obtain all necessary regulatory approvals and to make application to the CSE for the listing of

Resulting Issuer Shares on the CSE following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to the Proposed Transaction and the issuance of shares as contemplated hereunder;

- (g) except as may be required in order to complete the transactions contemplated herein and as consented to in writing by Petrox, not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) except as required under the Offering issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of TNCX; (vii) reduce the stated capital of TNCX or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Amalgamation; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (h) promptly notify Petrox in writing of any material change (actual, anticipated, contemplated or, to the knowledge of TNCX threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by TNCX in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and TNCX shall in good faith discuss with Petrox any change in circumstances (actual, anticipated, contemplated, or to the knowledge of TNCX threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Petrox pursuant to this provision;
- (i) not (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;
- (j) not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (k) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (l) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain a written resolution from all of the TNCX Shareholders to approve the Amalgamation and related matters;
  - (ii) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

- (iii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iv) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with the Amalgamation;
  - (v) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (vi) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vii) cooperate with the other parties to this Agreement in connection with the performance by TNCX of its obligations hereunder; and
  - (viii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (m) neither declare nor pay any dividends or other distributions or returns of capital on TNCX Shares from the date of this Agreement until the Closing Date without the prior consent of Petrox; and
  - (n) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency.

**5.4 TNCX's Covenant Regarding Non-Solicitation.** TNCX shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding any Merger Proposal.

**5.5 Mutual Covenants.** From the date hereof until the Effective Date, each of TNCX and Petrox will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Amalgamation including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Amalgamation;

and each of TNCX and Petrox will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of its obligations under this section 5.5 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of Petrox and TNCX.

## ARTICLE VI CONDITIONS TO CLOSING

6.1 **Mutual Conditions Precedent.** The respective obligations of the parties hereto to complete the transactions contemplated hereunder are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other conditions contained herein:

- (a) the Amalgamation and this Agreement shall have been approved by the directors of Petrox SubCo and TNCX, and by Petrox, in its capacity as sole shareholder of Petrox SubCo;
- (b) TNCX shall have continued under the *Business Corporations Act* (Alberta);
- (c) the Amalgamation and this Agreement shall have been approved either by (a) the required majority of the votes of the TNCX Shareholders who, being entitled to do so, vote in person or by proxy at the meeting of TNCX Shareholders in accordance with the provisions of the Act or (b) written resolution signed by all of the TNCX Shareholders;
- (d) the Consolidation Resolution, Name Change Resolution and Delisting Resolution shall have been approved and adopted at the Petrox Meeting by the required majority of the votes of the Petrox Shareholders who, being entitled to do so, vote in person or by proxy in accordance with the provisions of the Act;
- (e) the Resulting Issuer Shares to be issued pursuant to the terms set forth herein shall have been accepted for listing by the CSE, subject to Petrox fulfilling the CSE's usual and ordinary listing requirements;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation;
- (g) all other consents, orders and approvals, including, without limitation, regulatory approvals, required or desirable for the completion of the transactions contemplated herein shall have been obtained or received from the Person, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;
- (h) any applicable CSE escrow agreement shall have been entered into;
- (i) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including all requirements by the CSE; and
- (j) no material action or proceeding shall be pending or threatened by any Person, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of TNCX on the one hand and Petrox on the other hand and may be asserted by TNCX and by Petrox regardless of the circumstances and may be waived by TNCX and Petrox in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights

which TNCX or Petrox may have. If any of such conditions shall not be complied with or waived as aforesaid on or before the Effective Date or, if earlier, the date required for the performance thereof, then, subject to section 6.4 hereof, a party hereto may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding party hereto.

6.2 **Conditions Precedent to Obligations of TNCX.** The obligations of TNCX to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of TNCX and may be waived by TNCX in whole or in part on or before the Closing Date):

- (a) the TNCX Due Diligence shall be completed (or waived) on or before July 15, 2018;
- (b) all management contracts of Petrox shall be terminated without payment of any severance or penalty thereunder;
- (c) TNCX shall on or before the Closing Date have received from Petrox all documents and instruments as TNCX may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (d) all of the representations, warranties and covenants of Petrox made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and TNCX shall have received a certificate dated as at the Closing Date in form satisfactory to TNCX and their solicitors, acting reasonably, signed by a senior officer or director of Petrox on behalf of Petrox, certifying the truth and correctness in all material respects of the representations, warranties and covenants of Petrox set out in this Agreement;
- (e) Petrox shall have furnished TNCX with certified copies of the resolutions duly passed by the boards of directors of Petrox approving this Agreement and the consummation of the transactions contemplated by this Agreement;
- (f) Petrox shall have delivered a Voluntary Escrow Agreement executed by all of the Petrox Principals;
- (g) Petrox shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;
- (h) at the Closing Date, there shall have been no Material Adverse Effect on the condition of Petrox's Business (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of Petrox from that shown on or reflected in Petrox's Financial Statements;
- (i) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere, including but not limited to the TSXV and CSE (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Petrox in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing Date;

- (j) Petrox shall be a reporting issuer in good standing in the provinces of Alberta and British Columbia and neither Petrox nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (k) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including satisfaction of the Initial Listing Requirements;
- (l) Petrox shall deliver, or cause to be delivered to TNCX on or before the Closing Date such other certificates, agreements or other documents as may reasonably be required by TNCX or its solicitors, acting reasonably, to give full effect to this Agreement including, but not limited to, releases executed by each director and officer of Petrox;
- (m) at or prior to Closing, Petrox and Petrox SubCo shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time. All such tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of Petrox and Petrox SubCo in the relevant period and the liability of Petrox and Petrox SubCo for the collection, payment and remittance of tax under applicable Tax Laws;
- (n) upon Closing, Petrox and Petrox SubCo shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof; and
- (o) Petrox shall have furnished TNCX with:
  - (i) certified copies of the resolutions duly passed by the boards of directors of Petrox approving this Agreement and the consummation of the transactions contemplated by this Agreement;
  - (ii) the resolutions duly passed by Petrox, as the sole shareholder of Petrox SubCo approving the Amalgamation; and
  - (iii) such other certificates, agreements, or other documents as may reasonably be required by TNCX or its solicitors, acting reasonably, to give full effect to this Agreement, including legal opinions from counsel to Petrox and counsel to Petrox SubCo as to their respective corporate existence and as to the proper issuance of their respective securities.

**6.3 Conditions Precedent to Obligations of Petrox and Petrox SubCo.** The obligation of Petrox and Petrox SubCo to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Petrox and may be waived by Petrox in writing, in whole or in part, on or before the Closing Date):

- (a) the Petrox Due Diligence shall be completed (or waived) on or before the date occurring three weeks of receipt from TNCX of the TNCX minute book, TNCX Financial Statements and all responses to the Petrox Due Diligence Request Letter;
- (b) Petrox shall on or before the Closing Date have received from TNCX all other documents and instruments as Petrox may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (c) all of the representations, warranties and covenants of TNCX made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties

may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and Petrox shall have received a certificate of TNCX dated as at the Closing Date in form satisfactory to Petrox's solicitors, acting reasonably signed by a senior officer or director of TNCX on behalf of TNCX, certifying the truth and correctness in all material respects of the representations, warranties and covenants of TNCX set out in this Agreement;

- (d) TNCX shall have furnished Petrox with:
  - (i) certified copies of the resolutions duly passed by the boards of directors of TNCX approving this Agreement and the consummation of the transactions contemplated by this Agreement;
  - (ii) the resolutions duly passed by the shareholders of TNCX approving the Amalgamation; and
  - (iii) such other certificates, agreements, or other documents as may reasonably be required by Petrox or its solicitors, acting reasonably, to give full effect to this Agreement, including legal opinions from counsel TNCX as to its corporate existence and as to the proper issuance of its securities.
- (e) TNCX shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed and complied with by it prior to or on the Closing Date;
- (f) the Offering shall have been completed to raise gross proceeds of a minimum of \$1,000,000;
- (g) at the Closing Date, there shall have been no Material Adverse Effect on the condition of TNCX's Business (financial or otherwise), TNCX's Assets, TNCX's Properties or its liabilities, earnings, or other business operations or prospects from that shown on or reflected in TNCX's Financial Statements;
- (h) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere, including but not limited to the TSXV and CSE (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by TNCX in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing Date;
- (i) the board of directors of TNCX shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in section 3.4 in a manner materially adverse to Petrox or the completion of the Amalgamation;
- (j) there shall not have occurred any event which has a Material Adverse Effect on TNCX;
- (k) at or prior to Closing, TNCX shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time. All such tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of TNCX in the relevant period and the liability of TNCX for the collection, payment and remittance of tax under applicable Tax Laws;

- (l) upon Closing, TNCX shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof;
- (m) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including satisfaction of the Initial Listing Requirements; and
- (n) TNCX shall deliver, or cause to be delivered to Petrox on or before the Closing Date such other certificates, agreements, or other documents as may reasonably be required by Petrox or its solicitors, acting reasonably, to give full effect to this Agreement, including legal opinions from counsel to TNCX as to its corporate existence and as to the proper issuance of their respective securities, to give full effect to this Agreement.

**6.4 Notice and Effect of Failure to Comply with Conditions.**

- (a) Each of Petrox and TNCX shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder; provided, however, that no such notification shall affect the representations or warranties of the parties or the conditions to the obligations of the parties hereunder.
- (b) If any of the conditions precedents set forth in sections 6.1, 6.2 or 6.3 hereof shall not be complied with or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement (as further provided for herein) provided that prior to the filing of the Articles of Amalgamation for the purpose of giving effect to the Amalgamation, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and the party in breach shall have failed to cure such breach within three Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a party.
- (c) The conditions set out in this Article 6 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, Articles of Amalgamation are filed under the Act to give effect to the Amalgamation.

**ARTICLE VII  
TERMINATION OF AGREEMENT**

**7.1 Rights of Termination.**

- (a) If any of the conditions contained in Article VI hereof shall not be fulfilled or performed by September 30, 2018, or such other date as Petrox and TNCX may mutually agree in writing (the “**Termination Date**”) and such condition is contained in:
  - (i) Section 6.1 hereof, either of the parties hereby may terminate this Agreement by notice in writing in accordance with Section 9.2 to the other party;

- (ii) Section 6.2 hereof, TNCX may terminate this Agreement by notice in writing in accordance with Section 9.2 to Petrox; and
- (iii) Section 6.3 hereof, Petrox may terminate this Agreement by notice in writing in accordance with Section 9.2 to TNCX.

7.2 **Effect of Termination.** If this Agreement is terminated as aforesaid, immediately upon receipt, or deemed receipt in accordance with Section 9.2, by the non-terminating party of the notice of termination, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions of the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Condition.** If either of TNCX or Petrox shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, TNCX or Petrox, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination.** This Agreement may, at any time but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of TNCX and Petrox without further action on the part of the TNCX Shareholders, and, if the Amalgamation does not become effective on or before the Termination Date, either TNCX or Petrox may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

## ARTICLE VIII AMENDMENT

8.1 **Amendment.** This Agreement may at any time be amended by written agreement of the parties hereto without, subject to applicable laws, further notice to or authorization on the part of the TNCX Shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a TNCX Shareholder without approval by the TNCX Shareholders given in the same manner as required for the approval of the Amalgamation.

**ARTICLE IX  
GENERAL**

9.1 **Confidentiality and Public Notices.** Except where compliance with this Section 9.1 would result in a breach of applicable law, notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by TNCX, who when required, shall use its best efforts to provide such authorization and approval to Petrox in a timely manner as shall permit compliance by Petrox with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. Petrox and TNCX shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the issuance of the Resulting Issuer Shares provided for in this Agreement is not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. TNCX agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Petrox or Petrox's Business discovered or acquired by it, its representatives or accountants as a result of Petrox making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to Petrox or Petrox's Business and TNCX agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. Petrox agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to TNCX discovered or acquired by it, its representatives or accountants as a result of TNCX making available to it any information, books, accounts, records or other data and information relating to TNCX and Petrox agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

9.2 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, email or by transmittal by facsimile or other form of recorded communication addressed to the recipient as follows:

**To Petrox and Petrox SubCo:**

c/o Petrox Resources Corp.  
Suite 3001, 505 6th Street SW  
Calgary, AB T2P 1X5  
Attention: Edwin Tam  
Facsimile No.: (403) 228.3013

**with a copy to:**

Tingle Merrett LLP  
1250, 639 – 5 Avenue SW  
Calgary, Alberta T2P 0M9  
Attention: Cynthia Solano  
Facsimile No.: (403) 571-8008

**To TNCX:**

TrueNorth CX Inc.  
Suite 307C, 2 Campbell Drive  
Uxbridge, Ontario L9P 1H6  
Attention: Gary Bartholomew  
Email: gary@sponsorsone.com

**with a copy to:**

Bryce Bonneville

9595 E. Thunderbird Road, #1107  
Scottsdale, AZ 85260  
Email: Bryce@cccounsel.ca

or to such other address, facsimile number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile or other form of recorded communication, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next Business Day if it is received after the end of such normal business hours on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by facsimile transmittal.

9.3 **Expenses.** Except as otherwise provided herein or as otherwise agreed to by the parties hereto, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

9.4 **Time of the Essence.** Time shall be of the essence hereof.

9.5 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

9.6 **Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereby attorn to the non-exclusive jurisdiction of the Courts of Alberta in any dispute that may arise hereunder.

9.7 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile copy or electronically transmitted copy of this Agreement shall be effective and valid proof of execution and delivery.

9.8 **Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

9.9 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

9.10 **Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

9.11 **Waivers.** The parties hereto may, by written agreement:

- (a) extend the time for the performance of any of the obligations or other acts of the parties hereto;

- (b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
- (c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

9.12 **Form of Documents.** All documents to be executed and delivered by Petrox to TNCX on the Closing Date shall be in form and substance satisfactory to TNCX acting reasonably. All documents to be executed and delivered by TNCX to Petrox on the Closing Date shall be in a form and substance satisfactory to Petrox, acting reasonably.

9.13 **Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

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

**TRUENORTH CX INC.**

(Signed) "*Gary Bartholomew*"

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Name: Gary Bartholomew  
Title: President and Chief Executive Officer

**2123054 ALBERTA LTD.**

(Signed) "*Edwin Tam*"

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Name: Edwin Tam  
Title: President

**PETROX RESOURCES CORP.**

(Signed) "*Edwin Tam*"

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Name: Edwin Tam  
Title: President and Chief Executive Officer

**SCHEDULE "A" – ARTICLES OF AMALGAMATION**

*(attached)*



**SCHEDULE OF SHARE CAPITAL**  
**TO THE**  
**ARTICLES OF AMALGAMATION**  
**OF**  
**TrueNorth CX Inc.**

TrueNorth CX Inc. (the "Corporation") is authorized to issue unlimited numbers of shares in each of the classes designated as common shares (the "Common Shares") and preferred shares (the "Preferred Shares") with the rights, privileges, restrictions and conditions attached to each class of unlimited shares as hereinafter specified.

1. Common Shares -The rights, privileges, restrictions and conditions that attach to the unlimited number of Common Shares (herein referred to as the "Common Provisions") and that govern the holders thereof are as follows:
  - a. Voting, Dividend and Dissolution Rights- The holders of Common Shares shall have the right to receive:
    - i. notice of and to attend all meetings of shareholders of the Corporation and to ONE (1) vote per Common Share at all meetings, except meetings at which only holders of a specified class or series of a class of shares other than Common Shares are entitled to receive notice of and to attend and vote at;
    - ii. dividends declared in respect of Common Shares from time to time by the directors of the Corporation; and
    - iii. the assets and the capital of the Corporation remaining in the event of dissolution, liquidation or winding up of the Corporation equally on a share for share basis, subject to prior rights attaching to other shares of the Corporation.
  - b. Priority - The Common Shares shall rank junior to the Preferred Shares and the Common Provisions are subject to the Preferred Provisions (as hereafter defined) and the rights, privileges, restrictions and conditions attached to any other class of shares created hereafter and expressed to rank in preference to the Common Shares.
2. Preferred Shares - The rights, privileges, restrictions and conditions (herein referred to as "Preferred Provisions") that attach to the unlimited number of authorized Preferred Shares as a class and govern the holders thereof are as follows:
  - a. Series Provisions - The Preferred Shares may be issued, at any time, and from time to time, in one or more series, each series to be assigned such designations, comprised of such number of Preferred Shares and subject to such additional rights, privileges, restrictions and conditions, not inconsistent with the Preferred Provisions, as the directors of the Corporation may determine and fix prior to the issuance of any such series.
  - b. Priority - The Preferred Shares shall rank senior to the Common Shares and any other class of shares of the Corporation which by their terms rank junior to the Preferred Shares

with respect to priority in the payment of dividends and in the distribution of assets or return of capital of the Corporation among its shareholders in the event of any dissolution, liquidation or winding up of the Corporation. In any distribution of assets or return of capital of the Corporation among its shareholders, the holders of Preferred Shares will be entitled to receive, in order of priority noted above, a sum equivalent to the value of the Preferred Shares, together with all declared and unpaid dividends thereon.

- c. Voting Rights - Except as may be otherwise provided by law or expressly by the additional rights, privileges, restrictions and conditions attaching to any series of Preferred Shares, the holders of Preferred Shares are not entitled to receive notice of or to attend and vote at any meeting of shareholders of the Corporation and when the holders of Preferred Shares are entitled to receive notice of and to attend and vote at shareholders' meetings, each such holder shall have one (1) vote for each Preferred Share registered in the name of such holder.
- d. Modifications - Except as may be otherwise provided by law, the Preferred Provisions may be amended with the approval of all of the holders of Preferred Shares given in writing or by the affirmative vote of at least two thirds of the votes cast at a meeting of the holders of such shares duly called for that purpose and a quorum for such meeting shall not be less than two (2) holders of outstanding Preferred Shares being present in person or represented by proxy.
- e. Creation of Additional Shares - So long as any Preferred Shares are outstanding, the Corporation shall not, without the approval of the holders of Preferred Shares given in the manner provided under paragraph 2(d) hereof, create any class of shares ranking in priority to or on a parity with the Preferred Shares with respect to the payment of dividends or the distribution of assets or return of capital of the Corporation in the event of a dissolution, liquidation or winding up of the Corporation.

**SCHEDULE OF PRIVATE COMPANY RESTRICTIONS**

**TO THE**

**ARTICLES OF AMALGAMATION**

**OF**

**TrueNorth CX Inc.**

1. The transfer of shares of TrueNorth CX Inc. (the “Corporation”) is restricted. No shares of the capital of the Corporation may be transferred without the approval of the directors of the Corporation.
2. The number of issued and outstanding securities of the Corporation are, counting any 2 or more joint registered owners of a security as one beneficial holder, beneficially owned, directly or indirectly, limited to not more than 50 persons or companies exclusive of:
  - a. persons that are employed by the Corporation or an affiliate of the Corporation; or
  - b. persons that beneficially owned, directly or indirectly, securities of the Corporation while employed by the Corporation or an affiliate of the Corporation and, at all times since ceasing to be so employed, have continued to beneficially own at least one security of the Corporation.
3. Any invitation to the public to subscribe for securities of the Corporation is prohibited.

**SCHEDULE OF OTHER PROVISIONS**

**TO THE**

**ARTICLES OF AMALGAMATION**

**OF**

**TrueNorth CX Inc.**

1. TrueNorth CX Inc. (the “Corporation”) has a lien on shares registered in the name of a shareholder or the legal representative of a shareholder for any debt of that shareholder to the Corporation.
2. The board of directors of the Corporation may, between annual meetings appoint one or more additional directors of the Corporation to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual meeting of the Corporation.
3. Meetings of the shareholders of the Corporation may be held at any place within Canada or the United States of America as the board of directors of the Corporation may determine.