

FORWARD WATER TECHNOLOGIES CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

THE ANNUAL AND SPECIAL MEETING

OF SHAREHOLDERS OF

FORWARD WATER TECHNOLOGIES CORP.

TO BE HELD ON SEPTEMBER 23, 2024

**IN RESPECT OF THE TRANSACTION INVOLVING
FORWARD WATER TECHNOLOGIES CORP.
AND FRASER MACKENZIE ACCELERATION CORP.
AND CERTAIN OTHER MATTERS**

AUGUST 20, 2024

All information contained in this management information circular with respect to Fraser Mackenzie Accelerator Corp. ("FMAC") was supplied by FMAC for inclusion in this circular.

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this information circular.

Dear Forward Water Technologies Corp. Shareholder,

The directors of Forward Water Technologies Corp. ("**FWTC**") cordially invite you to attend the annual and special meeting (the "**FWTC Meeting**") of the shareholders of FWTC (collectively, the "**Shareholders**") to be held at the offices of Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto, Ontario M5K 1G2 on September 23, 2024 at 10:00 a.m. (Toronto time).

At the FWTC Meeting, you will be asked to consider a number of matters including an ordinary resolution (the "**RTO Resolution**") approving a business combination transaction involving FWTC, Fraser Mackenzie Accelerator Corp. ("**FMAC**"), and 1000925180 Ontario Limited (a wholly-owned subsidiary of FWTC) ("**Newco**"), whereby FWTC will acquire all of the issued and outstanding securities of FMAC in exchange for securities of FWTC by way of an amalgamation between FMAC and Newco, upon the terms and conditions set forth in an acquisition agreement (the "**Acquisition Agreement**") dated July 22, 2024 (the "**Amalgamation**"), the full text of which is set forth in the Circular (as defined herein), all as described in greater detail in the accompanying management information circular of FWTC (the "**Circular**")

Prior to the completion of the Amalgamation, FWTC will, subject to receipt of Shareholder approval by way of a special resolution, complete a share consolidation on a 10 for 1 basis (the "**Consolidation**"). Pursuant to the Amalgamation, among other things, (i) FMAC and Newco will amalgamate, and FMAC will become a wholly-owned subsidiary of FWTC; (ii) holders of common shares in the capital of FMAC (collectively, the "**FMAC Shares**") will receive common shares in the capital of FWTC ("**FWTC Shares**") at an exchange ratio of 0.95 post-Consolidation FWTC Shares for every one (1) FMAC Share on a post-Consolidation basis (9.5 on a pre-Consolidation basis) (the "**Share Exchange Ratio**"), with a total of approximately 19,542,450 post-Consolidation FWTC Shares being issued based on the 20,571,000 FMAC Shares that are currently issued and outstanding (which excludes any securities expected to be issued in connection with the Concurrent Financing (as defined in the Circular)); and (iii) each outstanding option and warrant to purchase an FMAC Share will be exchanged for or converted into comparable FWTC options or FWTC warrants based on the Share Exchange Ratio with each such FWTC option or FWTC warrant entitling the holder to purchase FWTC Shares at the applicable exercise prices, with the appropriate adjustments for the Share Exchange Ratio. The Resulting Issuer will continue to carry on FWTC's current business (as described in the Circular) and will remain listed on the TSX Venture Exchange as a Tier 2 Industrial Issuer.

In connection with the Amalgamation, Shareholders will also be asked to consider and approve new directors that will serve as directors of FWTC following completion of the Amalgamation.

A further description of the Amalgamation and all matters to be considered at the FWTC Meeting is set out in the Circular.

The RTO Resolution requires the affirmative vote of the majority of the votes cast on the RTO Resolution by disinterested Shareholders present or represented by proxy at the FWTC Meeting. As the proposed RTO is an arm's length transaction with no interested shareholders no FWTC Shares are expected to be excluded from the vote.

Management of FWTC believe that the proposed Amalgamation is in the best interest of FWTC as the transaction will provide FWTC with access to additional capital (based on the working capital held by FMAC) as well as additional management resources in respect of the new board members that are proposed to serve as directors of FWTC following completion of the Amalgamation.

THE BOARD OF DIRECTORS OF FWTC UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RTO RESOLUTION AND ALL OTHER MATTERS TO BE CONSIDERED AT THE FWTC MEETING.

If you are a non-registered holder of FWTC Shares and have received this letter and the Circular from your broker or another intermediary, please complete and return the form of proxy or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided with it. Failure to do so may result in your FWTC Shares not being eligible to be voted at the FWTC Meeting.

Sincerely,

(signed) "*C. Howie Honeyman*"

C. Howie Honeyman
Director, President and Chief Executive Officer

FORWARD WATER TECHNOLOGIES CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE is hereby given that the annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of **FORWARD WATER TECHNOLOGIES CORP.** ("**FWTC**"), will be held at the offices of Fogler, Rubinoff LLP at Suite 3000, 77 King Street West, Toronto, Ontario M5K 1G8 on Monday, September 23, 2024 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the audited financial statements for the financial year ending March 31, 2024, together with the auditor's report thereon;
2. to fix the number of directors for the ensuing year at five (5);
3. to consider, and, if deemed appropriate, to fix the number of directors on the board of directors (the "**Board**") following the effective time (the "**Change of Board Time**") of completion of the proposed reverse-takeover transaction of Fraser Mackenzie Accelerator Corp. ("**FMAC**") by FWTC (the "**RTO**") within the meaning of Policy 5.2 - *Changes of Business and Reverse Takeovers* of the TSX Venture Exchange Corporate Finance Manual, at seven (7) directors, as more fully described in the Management Information Circular (the "**Circular**") accompanying this notice of Meeting;
4. to elect the directors of FWTC for the ensuing year, or until the Change of Board Time, as the case may be;
5. to elect new directors to serve from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, as more fully described in the Circular;
6. to consider and, if deemed appropriate, to approve by way of a special resolution, with or without variation, the consolidation of FWTC's share capital on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares outstanding, in order to facilitate the RTO, as more particularly set out in the Circular;
7. to re-appoint RSM Canada LLP as auditor of FWTC, to hold office until the next annual general meeting at a remuneration to be fixed by the directors;
8. to consider, and, if thought fit, pass an ordinary resolution approving amendments to FWTC's rolling 10% stock option plan (the "**FWTC Option Plan**") and the ratification of the FWTC Option Plan, as amended, as more particularly described in the Circular;
9. to consider and, if deemed appropriate, to approve an ordinary resolution approving, the RTO, as more fully described in the Circular;
10. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the possible creation of a Control Person (as defined by the policies of the TSX Venture Exchange); and
11. to transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

Only Shareholders of record at the close of business on August 20, 2024 are entitled to receive notice of and vote at the Meeting and any adjournment or postponement thereof.

Registered Shareholders who are unable to be present in person at the Meeting are requested to complete, date, sign and return, in the envelope provided for that purpose, the enclosed form of proxy. Non-registered Shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary. In order to be voted, proxies must be received by TSX Trust Company, by no later than 10:00 a.m. (Toronto time) on September 19, 2024 or, in the case of any adjournment or postponement of the Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the adjourned or postponed Meeting. **Late proxies may be accepted or rejected by the Chair of the Meeting in his or her sole discretion. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her sole discretion, without notice.**

The enclosed proxy is solicited by or on behalf of management of FWTC, and the persons named as proxyholders are directors and/or officers of FWTC, or nominees selected by management. You may appoint another person to represent you at the Meeting by striking

out the names of the persons therein and inserting, in the space provided, the name of the person you wish to represent you at the Meeting.

DATED at Toronto, Ontario, as at the 20th day of August, 2024.

BY ORDER OF THE BOARD

(signed) "C, Howie Honeyman"

C. Howie Honeyman
President, Chief Executive Officer and Director

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FORWARD WATER TECHNOLOGIES CORP.

1086 Modeland Road
Sarnia, Ontario N7S 6L3
Tel: (519) 333-5888

INFORMATION CIRCULAR

(containing information as at August 20, 2024, unless otherwise stated)

Information Contained in this Circular

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of FWTC for use at the Meeting, and any adjournment or postponement thereof. No person is authorized to give any information or make any representation not contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized or as being accurate.

Information contained in this Circular (including the Schedules attached hereto) with respect to FMAC, including without limitation information concerning its assets, has been provided by management of FMAC. Management of FWTC has relied upon FMAC for the accuracy of such information without independent verification. Although FWTC has no knowledge that would indicate that any of the information provided by FMAC is untrue or incomplete, neither FWTC nor any of its officers and directors assumes any responsibility for the accuracy or completeness of such information or any failure by FMAC to disclose facts or events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to FWTC.

All summaries of and references to the Acquisition Agreement and Amalgamation Agreement in this Circular are qualified in their entirety by the complete text of the Acquisition Agreement and form of Amalgamation Agreement (appended to the Acquisition Agreement), which is set forth in Schedule "D" to this Circular. You are urged to read carefully and consider the full text of the Acquisition Agreement and Amalgamation Agreement.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

FWTC Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

Defined Terms

This Circular contains defined terms. For a list of the defined terms used herein, see the "*Glossary of Terms*" in this Circular.

Cautionary Note Regarding Forward-Looking Information

This Circular includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws, respectively. All information, other than statements of historical facts, included in this Circular that address activities, events or developments that FWTC or FMAC expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of FWTC's and FMAC's businesses, operations, plans and other such matters is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and but is not limited to, information regarding: expectations related to whether the Amalgamation will be completed, including, that shareholder, regulatory and other approvals will be obtained, as applicable, and that the covenants, conditions and terms of the Acquisition Agreement and the Amalgamation Agreement will be satisfied in the requisite timing; expectations in respect of the effects and potential benefits of the Amalgamation; expectations in respect of how the steps of the Amalgamation will unfold, including but not limited to, the Consolidation, expectations related to FWTC and FMAC fulfilling the requirements of the TSXV in connection with the Amalgamation; expectations in relation to the Concurrent Financing, including the closing of the Concurrent Financing and the issuance of the Subscription Receipts; expectations in respect of how the fees and expenses of the Amalgamation will be paid; expectations communicated through any pro forma or future-oriented financial information in the Circular; the occurrence of and the particulars of matters to be addressed at the Meeting; statements relating to the business and future activities of FWTC after the date of this Circular; statements based on the financial statements of FWTC or FMAC; expectations for other economic, business, regulatory and/or

competitive factors related to FWTC or FMAC; the expansion potential for the business and operations of FWTC; expectations related to the Resulting Issuer, including but not limited to its sources of funding, the total amount of funds available to it, its anticipated uses of such funds, its capital structure, its business objectives and milestones, its anticipated key personnel, including officers and directors, and their compensation and its plans, goals, future development and the market's acceptance of its products; the existence of and mechanisms for addressing conflicts of interest in respect of certain directors, officers and promoters of the Resulting Issuer; the business objectives and milestones of the Resulting Issuer; the Resulting Issuer being a Tier 2 issuer on the TSXV; the application of the TSXV's escrow policies to Resulting Issuer Shares and other securities of the Resulting Issuer; the principal uses of available funds; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of FWTC and FMAC at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks related to:

- the Amalgamation not being completed;
- FMAC and FWTC not receiving final approval from the TSXV;
- the Acquisition Agreement being terminated;
- the Resulting Issuer issuing additional equity securities after completing the Amalgamation;
- diversion of management attention because of the Amalgamation;
- certain restrictions on FMAC and FWTC while the Amalgamation is pending;
- tax consequences;
- the Resulting issuer's inability to develop, manufacture, market, commercialize, sell or distribute its technology and products;
- failing to protect the Resulting Issuer's proprietary information;
- sales cycle risk;
- FWTC's limited operating history;
- negative cash flow;
- inability to obtain satisfactory financing;
- changes in general business and economic conditions;
- members of the Resulting Issuer's board of directors service on other public company boards;
- reliance on key personnel;
- ability to achieve and manage growth;
- compliance with laws;
- risks inherent in strategic alliances;
- competition;
- conflicts of interest;
- liquidity and additional financing;
- unknown defects and impairments;
- challenging global financial conditions;
- credit and liquidity risk;
- litigation;
- an active trading market for the Resulting Issuer Shares may not develop;
- expiry of escrow restrictions;
- Resulting Issuer will not have any control over the research and reports that securities or industry analysts publish about the Resulting Issuer or its business;
- cybersecurity risks; and
- the Resulting Issuer's dividend policy.

Risks involving the Amalgamation and the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Amalgamation are further discussed under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO – Risk Factors*". Although FWTC and FMAC have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and FWTC and FMAC do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

Currency Presentation

FMAC reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to "\$" in this Circular refer to Canadian dollars.

GLOSSARY OF TERMS

For the purpose of this Circular:

"**Acquisition Agreement**" means the acquisition agreement dated July 22, 2024 among FMAC, FWTC and Newco, the full text of the Acquisition Agreement is attached hereto as Schedule "D";

"**affiliate**" means a company that is affiliated with another company as described below:

- (a) A company is an "**affiliate**" of another company if:
 - (i) one of them is the subsidiary of the other, or
 - (ii) each of them is controlled by the same Person.
- (b) A company is "**controlled**" by a Person if:
 - (i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.
- (c) A Person beneficially owns securities that are beneficially owned by:
 - (i) a company controlled by that Person, or
 - (ii) an affiliate of that Person or an affiliate of any company controlled by that Person;

"**Amalco**" means the company resulting from the Amalgamation of Newco and FMAC;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamation**" means the amalgamation of FMAC and Newco to be effected pursuant to the Amalgamation Agreement;

"**Amalgamation Agreement**" means the amalgamation agreement among FMAC, FWTC and Newco, which outlines the terms of the Amalgamation, the form of the Amalgamation Agreement is appended to the Acquisition Agreement attached hereto as Schedule "D";

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation required by the OBCA to be jointly sent to the OBCA Director and jointly filed by FMAC and Newco and otherwise in a form satisfactory to FMAC and FWTC, each acting reasonably;

"**associate**" when used to indicate a relationship with a Person or company, means:

- (a) an issuer of which the Person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person or company,
- (c) any trust or estate in which the Person or company has a substantial beneficial interest or in respect of which a Person or company serves as trustee or in a similar capacity, and
- (d) in the case of a Person, a relative of that Person, including
 - (i) that Person's spouse or child, or
 - (ii) any relative of that Person or of his spouse who has the same residence as that Person;

"**Audit Committee**" has the meaning ascribed thereto under "*Information Concerning the Resulting Issuer - Resulting Issuer Officers, Directors and Promoters - Committees*";

"**Beneficial Shareholder**" has the meaning ascribed thereto under the heading "*General Proxy Information - Advice To Beneficial Shareholders*";

"**Bridge Financing**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Bridge Financing*";

"**Bridge Financing Debentures**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Bridge Financing*";

"**Bridge Financing Finder Warrants**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Bridge Financing*";

"**Bridge Financing Units**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Bridge Financing*";

"**Bridge Financing Warrants**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Bridge Financing*";

"**Board**" or "**Board of Directors**" means the board of directors of FWTC;

"**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**Change of Board Time**" means the time immediately following the completion of the RTO;

"**Circular**" means this management information circular, including all Schedules hereto, sent to the Shareholders in connection with the Meeting;

"**Closing**" means the completion of the RTO and the date the Final Exchange Bulletin is issued by the Exchange;

"**Closing Date**" means the day that the Amalgamation closes, which shall not be prior to the date upon which all regulatory and other approvals have been obtained for the transactions, including without limitation, the approval of the shareholders of FMAC and FWTC for the Amalgamation, the approval of the Exchange for the Amalgamation, and all conditions contained in the Acquisition Agreement being met or waived;

"**closing market price**" means the price at which the applicable company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**Concurrent Financing**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Concurrent Financing*";

"**Concurrent Financing Finder Warrants**" means the finder warrants expected to be issued to certain finders in connection with the intended closing of the Concurrent Financing, each entitling the holder thereof to purchase one Unit at an exercise price of \$0.107 at any time on or before the second anniversary of the date the Resulting Issuer Shares commence trading on the Exchange;

"**Concurrent Financing Warrant**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Approval of the RTO - The Concurrent Financing*";

"**Consolidation**" consolidation of the FWTC Shares on the basis of 10 pre-consolidation FWTC Shares for every one post-consolidation FWTC Share, to be effected immediately prior to the Amalgamation;

"**Consolidation Resolution**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Consolidation of FWTC Shares*";

"**Control Person**" has the meaning ascribed thereto in the TSXV Corporate Finance Manual;

"**CPC**" means a corporation: (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities commissions in Canada in compliance with the CPC Policy; and (b) in regard to which the Final Exchange Bulletin has not yet been issued;

"**CPC Policy**" means TSXV Policy 2.4 – *Capital Pool Companies*;

"**Dissent Rights**" means the rights of dissent provided to FMAC Shareholders pursuant to the OBCA in connection with the approval of the Amalgamation by FMAC Shareholders;

"**Dissenting FMAC Shareholder**" means any registered FMAC Shareholder who validly exercises Dissent Rights;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"**Effective Date**" means the date shown on the amalgamation certificate giving effect to the Amalgamation;

"**Effective Time**" means such time on the Effective Date as FMAC, FWTC and Newco agree;

"**Escrow Release Conditions**" means:

- (a) the receipt of all corporate, shareholder and regulatory approvals, if any, required in connection with the Amalgamation, including, without limitation, the conditional approval of the TSXV for the Amalgamation and the Resulting Issuer Shares being conditionally approved for listing on the TSXV;
- (b) other than the release of the Escrowed Funds, all conditions precedent to the completion of the Amalgamation, substantially in accordance with the terms of the Acquisition Agreement shall have been satisfied or waived, and shall be confirmed to be true and accurate in a certificate of a senior officer of FMAC; and
- (c) FMAC has delivered the escrow release notice to the Subscription Receipt Agent (as contemplated by the Subscription Receipt Agreement);

"**Escrow Release Deadline**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**Escrowed Funds**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

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

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**Final Exchange Bulletin**" means the Exchange bulletin which is issued following the closing of the RTO and the submission of all required documentation and that evidences the final Exchange acceptance of the RTO;

"**Finders**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**Finders' Fee**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**Finder's Fee Agreements**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**FirstLine**" means FirstLine Venture Partners Corporation;

"**FMAC**" means Fraser Mackenzie Accelerator Corp., a Capital Pool Company which completed its initial public offering on the TSXV on February 22, 2023;

"FMAC Broker Warrants" means the 1,437,100 broker warrants of FMAC entitling the holder thereof to purchase an aggregate of 1,437,100 FMAC Shares at an exercise price of \$0.10 per FMAC Share at any time on or before February 22, 2028;

"FMAC Loan" means the secured loan advanced from FMAC to FWTC evidenced by a secured debenture dated May 13, 2024;

"FMAC Options" means the 2,057,100 options to purchase FMAC Shares at prices of \$0.05 (500,000) and \$0.10 (1,557,100);

"FMAC Option Plan" means the stock option plan of FMAC;

"FMAC Shares" means common shares in the capital of FMAC;

"FMAC Shareholders" means the holders of FMAC Shares;

"FMAC Warrants" means, collectively, FMAC Broker Warrants, Concurrent Financing Warrants, and Concurrent Financing Finder Warrants;

"FO" means forward osmosis;

"FWTC" means Forward Water Technologies Corp.;

"FWTC Options" means the 1,643,700 options to purchase FWTC Shares at prices of \$0.175 (622,500), \$0.085 (620,000) and \$0.105 (401,200) (all such exercise prices on a pre-Consolidation basis);

"FWTC Option Plan" means FWTC's current stock option plan, as may be amended from time to time;

"FWTC Shares" means the common shares in the capital of FWTC;

"FWTC Shareholders" means the holders of FWTC Shares;

"FWTC Warrants" means the warrants to purchase FWTC Shares;

"FWTI" means Forward Water Technologies Inc., a wholly-owned subsidiary of FWTC;

"grant date" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"Green Centre Debt Arrangement" has the meaning ascribed thereto in the Acquisition Agreement;

"Governmental Entity" means any (a) international, multinational, national, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision, agency, commission, board or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) the TSXV;

"IFRS" means International Financial and Reporting Standards, as incorporated in the Handbook of the Chartered Professional Accountants of Canada at the relevant time applied on a consistent basis;

"Initial Listing Requirements" means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the TSXV;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"Insider" includes:

- (a) a director or senior officer of an issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of an issuer;

- (c) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Issuer; or
- (d) the issuer itself if it holds any of its own securities;

"**Insider Participation**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**incentive plan award**" means compensation awarded, earned, paid or payable under an incentive plan;

"**IPO**" has the meaning ascribed thereto under the heading "*Information Concerning FMAC – General Development of the Business*";

"**Issue Price**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**Issuer**" means a company and its subsidiaries which have any of its securities listed for trading on the TSXV and, as the context requires, any applicant company seeking a listing of its securities on the TSXV;

"**Laws**" means all laws, by laws, statutes, rules, regulations, orders, common law, principles of law or equity, ordinances, protocols, codes, notices, directions, judgments or other requirements of any Governmental Entity having the force of law, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self regulatory authority, and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

"**Letter of Intent**" means the non-binding letter agreement dated May 13, 2024 between FWTC and FMAC pursuant to which the parties agreed in principle to the terms of the Amalgamation;

"**Letter of Transmittal**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Consolidation of FWTC Shares*";

"**March 2024 Debentures**" means the \$200,000 principal amount of debentures issued to FirstLine and SCA, in the aggregate amount of \$200,000 advanced on May 24, 2024 which debentures share a pari passu first ranking secured position with the FMAC Loan and mature on December 31, 2024 and bear interest at a rate of 20% per annum commencing on November 19, 2024, with no interest being charged prior to such date;

"**Maximum Financing**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**MD&A**" means management's discussion and analysis prepared pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**Minimum Financing**" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be a NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**Newco**" means 1000925180 Ontario Limited, a wholly-owned subsidiary of FWTC, formed for the purposes of completing the Amalgamation;

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* or any successor instrument(s);

"**NOBOs**" means Beneficial FMAC Shareholders who do not object to their name being made known to the issuer of securities;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**OBCA Director**" means the director appointed pursuant to Section 278 of the OBCA;

"**OBOs**" means Beneficial FMAC Shareholders who object to their names being made known to the issuer of securities;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features;

"**Ordinary Resolution**" has the meaning ascribed thereto under the heading "*General Proxy Information - Voting of Shares and Exercise of Discretion of Proxies*";

"**Outside Date**" means September 30, 2024;

"**Parties**" means FMAC and FWTC, and "**Party**" means either FMAC or FWTC, as applicable;

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**Principals**" means (i) any person who acted as a Promoter within two years before the Closing, (ii) the officers and directors of the Resulting Issuer, (iii) any person holding securities of the Resulting Issuer carrying more than 20% of the voting rights attached to all Resulting Issuer Shares, and (iv) any person holding securities of the Resulting Issuer carrying more than 10% of the voting rights attached to all Resulting Issuer Shares and who has the right to nominate one or more directors or officers of the Resulting Issuer;

"**Promoter**" has the meaning ascribed thereto in the TSXV Manual;

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means;

"**Record Date**" has the meaning ascribed thereto under the heading "*Voting Shares and Principal Holders Thereof*";

"**Related Party Transaction**" has the meaning ascribed to that term under MI 61-101, and includes a related party transaction that is determined by the TSXV to be a Related Party Transaction. The TSXV may deem a transaction to be a Related Party Transaction where the transaction involves non-arms length parties, or where other circumstances exist which may compromise the independence of the issuer with respect to the transaction;

"**Resulting Issuer**" means FWTC after the completion of the Amalgamation, which exists upon issuance of the Final Exchange Bulletin;

"**Resulting Issuer Board**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Election of Directors to Serve From the Change of Board Time*";

"**Resulting Issuer Concurrent Financing Finder Warrants**" means the Concurrent Financing Finder Warrants which are expected to be issued and outstanding at the Effective Time as adjusted as described under the heading "*Steps of the Amalgamation*" below;

"**Resulting Issuer Concurrent Financing Warrants**" means the Concurrent Financing Warrants which are expected to be issued and outstanding at the Effective Time as adjusted as described under the heading "*Steps of the Amalgamation*" below;

"**Resulting Issuer Directors**" has the meaning ascribed thereto under the heading "*Particulars of Matters to be Acted Upon – Election of Directors to Serve From the Change of Board Time*";

"**Resulting Issuer Legacy Broker Warrants**" the FMAC Broker Warrants which are issued and outstanding at the Effective Time as adjusted as described under the heading "*Steps of the Amalgamation*" below;

"**Resulting Issuer Legacy Options**" means the FMAC Options which are issued and outstanding at the Effective Time as adjusted as described under the heading "*Steps of the Amalgamation*" below;

"Resulting Issuer Options" means options to purchase Resulting Issuer Shares issuable under the FWTC Option Plan following the Effective Time;

"Resulting Issuer Shares" means common shares in the capital of the Resulting Issuer (on a post-Consolidation basis);

"Resulting Issuer Warrants" means the warrants to purchase Resulting Issuer Shares;

"RTO" means the proposed business combination, by way of a three-cornered amalgamation, which will result in FMAC becoming a wholly-owned subsidiary of FWTC, pursuant to the terms of the Acquisition Agreement;

"RTO Policy" means Policy 5.2, Changes of Business and Reverse Takeovers, of the TSXV;

"RTO Resolution" means an ordinary resolution of FWTC's shareholders approving the RTO;

"SCA" means Sustainable Chemistry Alliance;

"SEDAR+" means the System for Electronic Document Analysis and Retrieval +;

"Share Exchange Ratio" means 0.95 Resulting Issuer Shares for every one (1) FMAC Share held immediately prior to the Effective Time;

"Shareholders" means the shareholders of FWTC Shares;

"share-based award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock;

"Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a Person;

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in such CPC meeting the Initial Listing Requirements of the TSXV;

"Special Resolution" has the meaning ascribed thereto under the heading "General Proxy Information - Voting of Shares and Exercise of Discretion of Proxies";

"Stock Option Plan Amendment" has the meaning ascribed thereto under the heading "Particulars of Matters to be Acted Upon – Approval of the Amendment to the FWTC Option Plan";

"Subscription Receipt Agent" means TSX Trust Company, in its capacity as subscription receipt agent in connection with the Concurrent Financing;

"Subscription Receipt Agreement" means the subscription receipt agreement expected to be entered into between FMAC and the Subscription Receipt Agent in connection with the Concurrent Financing;

"Subscription Receipts" means the subscription receipts of FMAC expected to be issued pursuant to the Concurrent Financing;

"Sumarria" means Sumarria Inc.;

"TSX Trust" means TSX Trust Company, the registrar and transfer agent for the FMAC Shares;

"TSXV" means the TSX Venture Exchange;

"TSXV Approval" means the TSX having conditionally approved the listing of the Resulting Issuer Shares, subject only to the satisfaction of customary listing conditions;

"TSXV Manual" means the TSXV Corporate Finance Manual;

"Unit" has the meaning ascribed thereto under the heading "*The Concurrent Financing*";

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and

"**VIF**" means a voting instruction form.

SUMMARY

The following is a summary of information relating to FWTC, Newco, FMAC and the Resulting Issuer (assuming completion of the RTO) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Circular and in this summary. Shareholders are encouraged to read this Circular carefully and in its entirety. In this summary, dollar amounts are expressed in Canadian dollars unless otherwise stated. Capitalized words and terms in this summary have the same meanings as set forth in the Glossary and elsewhere in this Circular.

General

This Circular is prepared in accordance with applicable corporate and securities law, the RTO Policy of the TSXV and Form 3D1-*Information Required in an Information Circular for a Reverse Takeover* prescribed under the RTO Policy in connection with the Meeting being held to approve, among other things, the RTO. The information contained in this Circular is as at August 20, 2024, unless otherwise indicated.

The Meeting

The Meeting will be held on September 23, 2024 at 10:00 a.m. (Toronto time) for the purposes set forth in the notice of meeting for Shareholders to consider and, if deemed advisable, to approve the items of business identified in the notice of meeting.

At the Meeting, Shareholders will be asked to, among other items:

- (a) to fix the number of directors for the ensuing year at five (5);
- (b) to consider, and, if deemed appropriate, to fix the number of directors on the Board following the Change of Board Time at seven (7);
- (c) to elect the directors of FWTC for the ensuing year, or until the Change of Board Time, as the case may be;
- (d) to elect new directors to serve from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, as more fully described in the Circular;
- (e) to consider and, if deemed appropriate, to approve by way of special resolution, with or without variation, the consolidation of FWTC's share capital on the basis of one (1) post-Consolidation common share for every ten (10) pre-Consolidation common shares outstanding, in order to facilitate the RTO, as more particularly set out in the Circular;
- (f) to approve certain amendments to FWTC's rolling stock option plan and to ratify the amended plan, as described in the Circular;
- (g) to re-appoint RSM Canada LLP as auditor of FWTC, to hold office until the next annual general meeting at a remuneration to be fixed by the directors;
- (h) consider and, if thought fit, pass with or without variation, the RTO Resolution, authorizing, confirming and approving the RTO;
- (i) to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to ratify and approve the possible creation of a Control Person (as defined by the policies of the TSX Venture Exchange); and
- (j) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The Board has fixed the Record Date for the Meeting as the close of business on August 20, 2024. As at such date, 117,941,095 FWTC Shares were issued and outstanding. Proxies must be received by TSX Trust, FMAC's transfer agent, not later than 10:00 a.m. (Toronto time) on September 19, 2024. See "*General Proxy Information*".

Background of the RTO

On May 13, 2024, FWTC and FMAC entered into the Letter of Intent to combine their respective businesses. On July 22, 2024, FMAC, FWTC and Newco entered into the Acquisition Agreement, which superseded the Letter of Intent. The Acquisition Agreement outlines the principal terms and conditions pursuant to which FWTC, Newco and FMAC intend to complete the proposed RTO that will result in a reverse takeover of FWTC by the shareholders of FMAC.

FMAC is a Capital Pool Company which completed its initial public offering on February 22, 2023. The FMAC Shares are listed for trading on the TSXV under the stock symbol FMAC.P. FMAC has not commenced commercial operations and has no assets other than cash. For more information about FMAC, see "*Information Concerning FMAC – General Development of the Business*".

The Amalgamation

The Amalgamation is intended to be completed pursuant to the terms of the Amalgamation Agreement, the results of which will be, among other things, that FMAC and Newco will amalgamate and the amalgamated company becoming a wholly-owned subsidiary of the Resulting Issuer, and that FMAC Shareholders will receive 0.95 post-Consolidation Resulting Issuer Shares for every one (1) FMAC Share held immediately prior to the Effective Time.

In addition, as a result of the Amalgamation, each FMAC Option or FMAC Warrant (as applicable) issued and outstanding immediately before the Effective Time will be exchanged for Resulting Issuer Legacy Options or Resulting Issuer Warrants (as applicable), at the rate of exchange equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Options or Resulting Issuer Warrants will be issued. To the extent any holder of FMAC Options or FMAC Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Options or Resulting Issuer Warrants at the Effective Time, the number of Resulting Issuer Legacy Options or Resulting Issuer Warrants to which the holder of the FMAC Options or FMAC Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Option or Resulting Issuer Warrant, as applicable, with fractions of one-half (1/2) being rounded up.

Immediately following completion of the Amalgamation, holders of FWTC Shares will own approximately 37.64% of the Resulting Issuer Shares and FMAC Shareholders will own approximately 62.36% of the Resulting Issuer Shares (not including any securities expected to be issued in connection with the Concurrent Financing or conversion of debt of FWTC (including the Bridge Financing Debentures)). The Resulting Issuer will continue to carry on FWTC's current business (as described in the Circular) and will remain listed on the TSXV as a Tier 2 Industrial Issuer. See "*The Amalgamation*".

Steps of the Amalgamation

At the Effective Time, the following events or transactions will occur and will be deemed to occur in the following sequence without any further authorization, act or formality:

- (a) each FMAC Share held by a Dissenting FMAC Shareholder shall be treated in accordance with "*Dissenting FMAC Shareholders' Rights*";
- (b) the Amalgamation will occur, and (among other things):
 - (i) each holder of FMAC Shares (other than Dissenting FMAC Shareholders) will receive post-Consolidation Resulting Issuer Shares for each FMAC Share. The registered holders of FMAC Shares shall cease to be holders of FMAC Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled, all certificates evidencing FMAC Shares shall be null and void. No fractional Resulting Issuer Shares will be issued. To the extent any holder of FMAC Shares would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on the Effective Date, the number of Resulting Issuer Shares to be issued to such shareholder shall be rounded to the nearest whole Resulting Issuer Share with fractions of one-half (1/2) being rounded up;
 - (ii) each holder of FMAC Options shall be deemed to be a holder of Resulting Issuer Legacy Options and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Legacy Options. The rate of exchange of Resulting Issuer Legacy Options for FMAC Options shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Options will be issued. To the extent any holder of FMAC Options would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Options on the Effective Date, the number of Resulting Issuer Legacy Options to which the holder of FMAC Options is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Option with fractions of one-half being rounded up;

- (iii) each holder of Concurrent Financing Warrants shall be deemed to be a holder of Resulting Issuer Concurrent Financing Warrants and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Concurrent Financing Warrants. The rate of exchange of Resulting Issuer Concurrent Financing Warrants for Concurrent Financing Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Warrants will be issued. To the extent any holder of Concurrent Financing Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Warrants to which the holder of Concurrent Financing Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Warrant with fractions of one-half being rounded up;
- (iv) each holder of Concurrent Financing Finder Warrants shall be deemed to be a holder of Resulting Issuer Concurrent Financing Finder Warrants and shall receive notice or amended certificates and agreements evidencing Resulting Issuer Concurrent Financing Finder Warrants. The rate of exchange of Resulting Issuer Concurrent Financing Finder Warrants for Concurrent Financing Finder Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Finder Warrant will be issued. To the extent any holder of Concurrent Financing Finder Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Finder Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Finder Warrants to which the holder of Concurrent Financing Finder Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Finder Warrant with fractions of one-half being rounded up;
- (v) each holder of FMAC Broker Warrants shall be deemed to be a holder of Resulting Issuer Legacy Broker Warrants and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Legacy Broker Warrants. The rate of exchange of Resulting Issuer Legacy Broker Warrants for FMAC Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Broker Warrants will be issued. To the extent any holder of FMAC Broker Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Broker Warrants on the Effective Date, the number of Resulting Issuer Legacy Broker Warrants to which the holder of FMAC Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Broker Warrants with fractions of one-half being rounded up;
- (vi) each holder of a Newco Share will receive one (1) Resulting Issuer Share for each Newco Share held immediately prior to the Amalgamation; and
- (vii) as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco will issue to the Resulting Issuer one Amalco Share for each Resulting Issuer Share issued to the previous holders of FMAC Shares.

Completion of the Amalgamation

Upon the satisfaction or waiver of the conditions to the completion of the Amalgamation, including without limitation obtaining the requisite shareholder and regulatory approvals, FWTC and FMAC will jointly file the Articles of Amalgamation with the OBCA Director.

Pursuant to the Amalgamation, among other things, FMAC and Newco will amalgamate and continue as a wholly-owned subsidiary of the Resulting Issuer, FMAC Shareholders (other than Dissenting FMAC Shareholders) will receive 0.95 post-Consolidation Resulting Issuer Shares for every one (1) FMAC Share held immediately prior to the Effective Time.

Since FMAC and FWTC are Ontario corporations, the rights of FMAC Shareholders and FWTC Shareholders are governed by the applicable law of the province of Ontario, including the OBCA.

The Amalgamation will be completed and will become effective at the Effective Time. It is currently anticipated that the Effective Date will be on or about September 30, 2024.

Conditional Listing Approval

Completion of the Amalgamation is subject to the approval of the TSXV. FWTC and FMAC have obtained the TSXV's conditional approval for the Amalgamation, but FWTC Shareholders are cautioned that the TSXV's final approval may not be obtained.

The Exchange has conditionally accepted the RTO subject to FWTC and FMAC fulfilling all of the requirements of the Exchange.

Interests of Informed Persons In Material Transactions

Other than as disclosed in this Circular, within the three years prior to the date of this Circular, no Insider of FWTC or FMAC, director or associate or affiliate of any Insider or director of FWTC or FMAC, has or had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or could materially affect FWTC or FMAC or any of their respective subsidiaries.

Information about FWTC

FWTC, formerly Hope Well Capital Corp. was incorporated under the OBCA on December 1, 2016 and was a Capital Pool Company as defined in Policy 2.4 of the TSXV. On October 20, 2021, FWTC completed a Qualifying Transaction with Forward Water Technologies Inc. ("**FWTI**"). The transaction was completed by way of a three-cornered amalgamation pursuant to the provisions of the OBCA. Immediately following the completion of the transaction, Hope Well Capital Corp. changed its name from "Hope Well Capital Corp." to "Forward Water Technologies Corp.". The FWTC Shares are listed for trading on the TSXV under the trading symbol "FWTC".

FWTI was incorporated under OBCA on October 11, 2012. Its principal activity is the commercialization of its proprietary forward osmosis ("**FO**") technology. FWTC's FO technology allows businesses to clean their wastewater that would otherwise require costly disposal. The technology also enables the reclamation of up to 90% of the waste as clean water and the return of this valuable resource to the environment. Alternatively, the clean water can be reused by manufacturing operations to reduce a customer's overall water consumption and environmental footprint.

FWTC extracts clean water through a membrane utilizing a FO method. Without using applied pressure, applied energy, or forced filtration FWTC's FO process rejects all impurities and separates only the clean water from the waste stream. FWTC has now completed full commercial design of modular transportable containerized equipment and is prepared to deliver this equipment to end users.

See "*Information Concerning FWTC*".

Information About FMAC

FMAC is a corporation existing under the OBCA. The FMAC Shares are listed for trading on the TSXV under the trading symbol "FMAC". The FMAC Shares have been posted for trading on the TSXV since February 22, 2023. The FMAC Shares closed trading on the TSXV at \$0.05 per FMAC Share on May 13, 2024, the last trading date prior to the announcement of the Amalgamation.

FMAC is a CPC, incorporated for the purposes of identifying and evaluating businesses or assets with a view to completing a Qualifying Transaction in accordance with the CPC Policy. Until completion of a Qualifying Transaction, FMAC will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

See "*Information Concerning FMAC*".

Information about Resulting Issuer

See "*Information Concerning the Resulting Issuer*" and the pro forma financial statements of the Resulting Issuer, which are included as Schedule "C" to this Circular.

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the release of the Escrowed Funds and the Amalgamation as at the dates indicated.

Source of Funds	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Minimum Financing	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Maximum Financing
Estimated FMAC working capital as at July 31, 2024	\$1,400,000	\$1,400,000
Estimated FWTC working capital as at July 31, 2024	\$(1,200,000)	\$(1,200,000)
Net proceeds of the Concurrent Financing	\$1,112,000 ⁽¹⁾	\$1,572,000 ⁽¹⁾
Net proceeds of the Bridge Financing	\$200,000	\$200,000

Source of Funds	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Minimum Financing	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Maximum Financing
Total available funds to be used to achieve the principal uses in the chart below:	\$1,512,000	\$1,972,000

Note:
 (1) Assumes Finders' Fees to be paid on all Subscription Receipts issued in connection with the Concurrent Financing other than Subscription Receipts issued in connection with the Insider Participation.

The following table sets out the proposed use of the available funds by the Resulting Issuer after giving effect to the release of the Escrowed Funds and the Amalgamation.

Principal Uses of Available Funds	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Minimum Financing	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Maximum Financing
Corporate and administrative expenses for 24 months	\$1,012,000 ⁽¹⁾	\$1,472,000 ⁽¹⁾
Incidental costs relating to completing the RTO	\$500,000	\$500,000
Total uses of funds:	\$1,512,000	\$1,972,000

Note:
 (1) Corporate and administrative expenses will be primarily to continue the development of revenue generating projects through activities involving direct customer contact and sales and marketing activities such as presentations at key industry events, furthering consultancy-based relationships to end users, and sponsoring on-site audits to support treatment adoption. Customer engagement will also be supported through use of funds to include bench testing of sample material, customer meetings, and provide structured engineering proposals to enable purchase decisions. Finally, use of funds will be used to further develop the food and beverage applications and further advance the process development to meet industry requirements.

Selected Pro Forma Consolidated Financial Information

The following table sets forth unaudited pro forma financial information of the Resulting Issuer as of March 31, 2024, after giving effect to the RTO and should be read in conjunction with the unaudited pro forma consolidated statement of financial position of the Resulting Issuer attached as Schedule "C". This table is based on unaudited pro forma financial statements.

	Year ended March 31, 2024
Current assets	\$3,010,376
Non-current assets	\$2,938,727
Total assets	\$5,949,103
Current liabilities	\$1,719,518
Non-current liabilities	\$371,286
Shareholders' equity	\$3,858,299

See "Information Concerning the Resulting Issuer" and the pro forma financial statements of the Resulting Issuer, which are included as Schedule "C" to this Circular.

The Concurrent Financing

In connection with the RTO, FMAC is expected to complete a non-brokered private placement of Subscription Receipts at a price of \$0.107 per Subscription Receipt for minimum aggregate proceeds of \$1,200,000 and maximum aggregate proceeds of \$1,700,000. Each Subscription Receipt entitles the holder thereof to receive, upon the satisfaction or waiver of the Escrow Release Conditions prior to the Escrow Release Deadline, and without payment or additional consideration therefor, one (1) Unit. Each Unit consists of one (1) FMAC Share and one-half of a Concurrent Financing Warrant. Each Concurrent Financing Warrant entitles the holder thereof to acquire one (1) FMAC Share at an exercise price of \$0.15 for a term expiring on the third anniversary of the closing of the Amalgamation.

The Bridge Financing

In connection with the RTO, on August 19, 2024, FWTC completed the Bridge Financing of \$200,000 principal amount of Bridge Financing Debentures. The Bridge Financing Debentures bear interest at a rate of 10% per annum and mature on October 31, 2024. The principal amount of Bridge Financing Debentures shall automatically convert into Bridge Financing Units upon completion of the Amalgamation at a conversion price of \$0.1126 per Bridge Financing Unit. Each Bridge Financing Unit is comprised of one Resulting Issuer Share and one Bridge Financing Warrant.

In addition to the foregoing, FirstLine and SCA advanced an aggregate amount of \$200,000 to FWTC on May 24, 2024 along with \$25,000 of the FMAC Loan. The FirstLine and SCA advances and the \$25,000 FMAC Loan share a pari passu first ranking secured position, and mature on December 31, 2024 and each case bear interest at a rate of 20% per annum commencing on November 19, 2024, with no interest being charged prior to such date. \$100,000 principal amount of the FirstLine and SCA loans will convert into Resulting Issuer Shares and Resulting Issuer Warrants concurrently with the completion of the Amalgamation at a price of \$0.145 (post-Consolidation) and with the warrants entitling the holder thereof to acquire one Resulting Issuer Share for a term of three years from the date of issuance at an exercise price of \$0.20 per Resulting Issuer Share. If the Amalgamation is not completed, no portion of the FirstLine and SCA loans will convert into securities of Resulting Issuer securities. The proceeds from these loans were used for working capital purposes.

Risk Factors

There are a number of risks associated with the Amalgamation, the Resulting Issuer, the business of FWTC, the FMAC Shares and the Resulting Issuer Shares, all of which should be carefully considered by FMAC Shareholders. See "*Particulars of Matters to be Acted Upon – Approval of the RTO – Risk Factors*".

Conflicts of Interest

Certain directors, officers and promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see "*Information Concerning the Resulting Issuer – Other Reporting Issuers*" below. In accordance with the OBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See "*Risk Factors – Conflicts of Interest*".

Non Arm's Length Transactions

It is the collective view of FWTC and FMAC that the proposed Amalgamation is not a "Non-Arm's Length Qualifying Transaction" (as defined in the TSXV Manual).

Market Price of FWTC's Shares

For more information, see "*Information Concerning FWTC – Stock Exchange Price*".

Sponsorship and Agent Relationship

FWTC has been exempted from the sponsorship requirements of the TSXV in connection with the RTO.

Interest of Experts

RSM Canada LLP are the auditors of FWTC and have performed an audit in respect of the audited financial statements of FWTC for the financial year ended March 31, 2024 and 2023. RSM Canada LLP are independent of FWTC within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

RSM Canada LLP are the auditors of FMAC and have performed the audit in respect of the audited financial statements of FMAC for the period from the date of incorporation (February 9, 2022) to December 31, 2022 and the fiscal year ended December 31, 2023. RSM

Canada LLP are independent of FMAC within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this "Circular") is furnished in connection with the solicitation of proxies by the management (the "Management") of FORWARD WATER TECHNOLOGIES CORP. ("FWTC"), for use at the annual and special general meeting (the "Meeting") of the shareholders (the "Shareholders") of FWTC to be held on September 23, 2024, at the time and place and for the purposes set forth in the accompanying notice of meeting, and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of FWTC. The cost of solicitation will be borne by FWTC.

Appointment and Revocation of Proxies

The persons named in the enclosed proxy (the "Proxy") are directors and/or officers of FWTC. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for and on behalf of the Shareholder at the Meeting other than the persons named in the enclosed Proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the enclosed Proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another instrument of proxy.**

A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. A proxy will not be valid unless it is deposited with FWTC's registrar and transfer agent, TSX Trust Company ("TSX Trust"), at 301-100 Adelaide St W, Toronto, Ontario, M5H 4H1, or by fax at (416) 595-9593, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer, and deposited with TSX Trust at the address or fax numbers indicated in the preceding paragraph, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting of Shares and Exercise of Discretion of Proxies

On any poll, the persons named in the enclosed Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for, voting withheld or against any resolution, the persons named in the enclosed Proxy will do so in accordance with such direction. **In the absence of any instruction in a proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the enclosed Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution ("**Special Resolution**"), in which case a majority of not less than two thirds of the votes cast will be required.

Advice To Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of FWTC as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of FWTC. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. FWTC has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a Voting Instruction Form ("**VIF**") from FWTC's transfer agent, TSX Trust. These VIFs are to be completed and returned to TSX Trust in the envelope provided or by facsimile. TSX Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the Proxy or VIF provided to a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a VIF, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a VIF from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the VIF must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the shares of FWTC. If you are a non-registered owner and FWTC or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, FWTC (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. In accordance with the provisions of NI 54-101, FWTC has elected not to pay for mailing to OBO's. As a result, OBO's will only receive paper copies of proxy-related materials if the OBO's intermediary assumes the costs of delivery.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of FWTC at any time since the beginning of the last financial year of FWTC;
- (b) the proposed nominees for election as a director of FWTC; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors and the confirmation of the FWTC Option Plan in connection with which the directors and executive officers of FWTC may continue to hold stock options and/or may be entitled to receive stock option grants in the future, all in accordance with the terms thereof. See "*Particulars of Matters to be Acted Upon – Approval of the Amendment to the FWTC Option Plan*".

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

FWTC's authorized capital consists of an unlimited number of common shares ("**FWTC Shares**") without par value, each share carrying the right to one vote, of which 117,941,095 FWTC Shares are issued and outstanding as at August 20, 2024 (the "**Record Date**"). FWTC has no other classes of shares.

Any Shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and senior officers of FWTC, no person holds, directly or indirectly, or exercises control or direction, over more than 10% of the issued and outstanding FWTC Shares of FWTC other than: (i) GreenCentre Canada which has ownership and control of 14,668,560 FWTC Shares that represent approximately 12.4% of the issued and outstanding FWTC Shares (calculated on a non-diluted basis), (ii) SCA which has ownership and control of 26,644,295 FWTC Shares that represent approximately 22.6% of the issued and outstanding FWTC Shares (calculated on a non-diluted basis) and (iii) FirstLine Venture which has ownership and control of 29,664,295 FWTC Shares that represent approximately 25.2% of the issued and outstanding FWTC Shares (calculated on a non-diluted basis).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means (a) a director or executive officer of FWTC; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of FWTC; (c) any person or company who beneficially owns, directly or indirectly, voting securities of FWTC or who exercises control or direction over voting securities of FWTC or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of FWTC, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) FWTC itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere herein or in the notes to FWTC's financial statements for the financial year ended March 31, 2024, none of:

- the Informed Persons of FWTC;
- the proposed nominees for election as a director of FWTC; or
- any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of FWTC's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect FWTC or any subsidiary of FWTC.

FINANCIAL STATEMENTS AND MEETING MATERIALS

The audited financial statements of FWTC as at and for the year ended March 31, 2024, together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The financial statements, together with the auditor's report thereon and FWTC's MD&A, are being mailed only to those Shareholders who are on the supplemental mailing list maintained by FWTC's registrar and transfer agent. Copies of the financial statements, together with the auditor's reports thereon and FWTC's MD&A, notice of meeting, Circular and Proxy are available on the SEDAR+ website at www.sedarplus.ca and at FWTC's office at 1086 Modeland Road, Sarnia, Ontario N7S 6L3.

PARTICULARS OF MATTERS TO BE ACTED UPON

I. FIXING NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

Shareholders will be asked to consider and, if deemed appropriate, to approve and adopt an Ordinary Resolution fixing the number of directors to be elected at the Meeting to serve until the next annual meeting of the Shareholders of FWTC, or until the Change of Board Time (hereinafter defined), as the case may be, unless his or her office is earlier vacated. In order to be effective, an Ordinary Resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

The Board of Directors presently consists of five (5) directors, all of whom are being nominated for re-election. It is proposed that the number of directors for the ensuing year, or until the Change of Board Time, as the case may be, be set at five (5). Each director elected will hold office until the next annual meeting of Shareholders, or until the Change of Board Time (hereinafter defined), as the case may be, unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**") or FWTC's by-laws. Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, an Ordinary Resolution fixing the number of directors of FWTC to be elected at the Meeting at five (5). In order for the following resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote at the Meeting, either in person or by Proxy.

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors as set forth below and herein, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for fixing the number of directors as set forth herein.

The complete text of the Ordinary Resolution which management intends to place before the Meeting is as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of Forward Water Technologies Corp. (the "Company") that:

1. Subject to the Articles of the Company relating to subsequent appointments by the Board of Directors, the number of directors of the Company to be elected to serve until the next annual meeting of the Shareholders of the Company, or until the Change of Board Time (as defined in the management information circular of the Company dated August 20, 2024), as the case may be, be and is hereby fixed at five (5)."

II. FIXING NUMBER OF DIRECTORS TO SERVE FROM THE CHANGE OF BOARD TIME

It is desirable, in connection with the RTO, to elect seven (7) directors to serve from the closing of the RTO (the "**Change of Board Time**") until the close of the next annual meeting of Shareholders or until their successors are elected or appointed. Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, an Ordinary Resolution fixing the number of directors of FWTC to be elected following the Change of Board Time at seven (7). In order for the following resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote at the Meeting, either in person or by Proxy.

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors as set forth below and herein, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for fixing the number of directors as set forth herein.

The complete text of the Ordinary Resolution which management intends to place before the Meeting is as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of Forward Water Technologies Corp. (the "Company") that:

1. Subject to the Articles of the Company relating to subsequent appointments by the Board of Directors, the number of directors of the Company to be elected to serve after the Change of Board Time (as defined in the management information circular of the Company dated August 20, 2024) until the next annual meeting of the Shareholders of the Company be and is hereby fixed at seven (7)."

III. ELECTION OF DIRECTORS TO SERVE UNTIL THE CHANGE OF BOARD TIME

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. Management of FWTC proposes to nominate the persons named below for election as directors of FWTC at the Meeting to serve until the next annual meeting of the Shareholders of FWTC, or until the Change of Board Time, as the case may be, unless his or her office is earlier vacated. All of the nominees are currently members of the Board of Directors of FWTC.

Shareholders will be asked at the Meeting to vote for the election of each of C. Howie Honeyman, Wayne Maddever, John Koehle, Lea Ray and Gerald Goldberg as directors of FWTC, each to be voted on individually, to hold office until the next annual meeting of the Shareholders of FWTC, or until the Change of Board Time, as the case may be.

Approval of the election of directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **The persons named in the enclosed Proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for the election, as directors, of the nominees as set forth herein.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as a director if elected.

Information Concerning Nominees Submitted by Management

The following table sets out required information regarding the persons nominated by Management for election as a director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of FWTC acting solely in such capacity.

Name, Province and Country of ordinary residence ⁽¹⁾ , and positions held with FWTC	Principal occupation for the last five years ⁽¹⁾	Date(s) serving as a Director	No. of FWTC Shares beneficially owned or controlled ⁽¹⁾
C. HOWIE HONEYMAN Director ON, Canada	President and Chief Executive Officer of FWTC and President and Chief Executive Officer of Forward Water Technologies Inc. since July 2015.	Since October 20, 2021	2,596,820
WAYNE MADDEVER ⁽³⁾ Director ON, Canada	Partner at BBP Consulting Inc. since November 2003; Chief Operating Officer of Forward Water Technologies Inc. from August 2019 to October 2021 and Chief Operating Officer of FWTC since October 2021.	Since October 20, 2021	247,000
JOHN KOEHLE ⁽²⁾ Director ON, Canada	Principal and Managing Director at FirstLine Venture Partners since May 2014; Managing Director at FirstLine Foundation since December 2018.	Since October 20, 2021	29,664,295 ⁽⁴⁾
LEA RAY ⁽²⁾⁽³⁾ Director ON, Canada	Corporate Director: Director at Xtract One Technologies Inc.(TSX) since February 2020 and ProDemnity Insurance Company since April 2017. Past Director at RFA Bank of Canada (2015-2023, Chairman from 2019-2023), Aleafia Health Inc (TSX) (2018-2021), Taron Warrantly Corporation (2010-2019) and Workplace Safety and Insurance Board (2008-2019).	Since October 20, 2021	290,000
GERALD (GERRY) GOLDBERG ⁽²⁾⁽³⁾ Director ON, Canada	Former partner at the accounting firm of Grant Thornton LLP and former senior partner at the accounting firm Schwartz Levitsky Feldman LLP prior to 2019; CFO of Canada Computational Unlimited Corp. (formerly Capricorn Business Acquisitions Inc.) from October 2017 to September 2021 and director from December 2016 to September 2021; and CEO of Aion Therapeutics Inc. (formerly, Osoyoos Cannabis Inc.) from October 2018 to August 2020 and director from February 2018 to August 2020; CEO of Canada House Wellness Group Inc. (formerly Abba Medix Group Inc.) from April 2016 to December 2017 and director from April 2016 to December 2018.	Since October 20, 2021	Nil

- Notes:**
- The information as to ordinary residence, principal occupation and number of FWTC Shares beneficially owned or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of FWTC, has been furnished by the respective nominees. Information provided as at the Record Date.
 - Member of the audit committee (Gerald Goldberg, Chair)
 - Member of the Governance, Nomination and Compensation Committee (Lea Ray, Chair).
 - 29,664,295 shares are owned by FirstLine an entity of which Mr. Koehle is the managing director.

Biographical Information

The following is biographical information for each of the directors.

C. Howie Honeyman, CEO, President and Director

Mr. Honeyman has served as CEO of Forward Water Technologies Inc. ("FWT") (the predecessor to FWTC) since 2015 and President since 2016. Mr. Honeyman has over 20 years of experience commercializing new technologies, having worked in senior or executive positions for both large multi-national companies, including Cabot Corporation and more recently several innovation based start-ups,

such as E Ink and Natrix Separations Inc. Mr. Honeyman has also served as the Chief Technology Officer for GreenCentre Canada. Mr. Honeyman's experience in developing and commercializing new technologies includes e-paper displays while at E Ink, and high capacity high through-put membranes for bioprocessing as a Senior Vice President of Natrix Separations Inc., the latter was acquired by MilliporeSigma Canada Co. Mr. Honeyman is also the inventor of record on over 50 US patents. Mr. Honeyman holds a Ph.D. in Chemistry from the University of Toronto.

Wayne Maddever, Chief Operating Officer and Director

Dr. Maddever has served as director of FWT since 2020. Dr. Maddever has over 35 years of experience working in senior executive management positions with technically-based businesses in start-up, turnaround or acquisition situations where his skills at change management have aided in the commercialization of new technologies. Dr. Maddever's experience in both private and public companies, both domestically and internationally, spans a broad variety of industries, including bio and advanced materials, precision manufacturing, recycling, waste to energy and medical devices. Dr. Maddever is currently Portfolio Manager at Bioindustrial Innovation Canada and a Fellow of the Canadian Academy of Engineering. Dr. Maddever also holds a number of patents in several fields. Dr. Maddever holds a Ph.D. in Materials Science Engineering from the University of Toronto.

John Koehle, Director

Mr. Koehle has served as director of FWT since 2019. Mr. Koehle has over ten years of experience supporting the commercialization of early-stage companies. Mr. Koehle's experience includes working in industries such as environmental, transportation, information technology, food, and medical. Mr. Koehle is also the Principal and Managing Director of FirstLine Venture Partners Corporation, a privately held venture capital firm. Over the past 15 years, he has served on numerous boards in both corporate and not-for-profit sectors. Mr. Koehle holds a B.A.Sc. in Mechanical Engineering from the University of Waterloo.

Lea M. Ray, Director

Ms. Ray has over 17 years of experience, holding senior board roles on both public and private sector boards. Corporate Director: Director at Xtract One Technologies Inc.(TSX) since February 2020 and ProDemnity Insurance Company since April 2017. Past Director at RFA Bank of Canada (2015-2023, Chairman from 2019-2023), Aleafia Health Inc (TSX) (2018-2021), Tarion Warranty Corporation (2010-2019) and Workplace Safety and Insurance Board (2008-2019). Ms. Ray is a certified director of the Institute of Corporate Directors (ICD.D) and holds a CPA designation from the Canadian Institute of Chartered Accountants, as well as a Bachelor of Commerce from the University of Windsor.

Gerald (Gerry) Goldberg, Director

Mr. Goldberg has over 40 years of experience working as an accountant. Mr. Goldberg is currently the Chief Executive Officer of Golden Hills Financial Inc. Mr. Goldberg was previously a senior partner at the accounting firm Schwartz Levitsky Feldman LLP and has served as the Chief Executive Officer of Canada House Wellness Group Inc. and Osoyoos Cannabis Inc. Mr. Goldberg has also previously served as the Chief Financial Officer of Capricorn Business Acquisitions Inc. Mr. Goldberg's experience also includes serving as a board member to both Toronto Stock Exchange and TSXV listed companies, including PineTree Capital Ltd. (TSX), Prime City One Capital Corp. (formerly Scorpio Capital Corp.) (TSXV), Jite Technologies Inc. (TSXV), and Harborside Inc. (formerly Grasslands Entertainment Inc.) (TSXV). Mr. Goldberg has also previously served as a board member of companies listed on the Canadian Securities Exchange including but not limited to Gravitas Financial Inc., FSD Pharma Inc., and Amex listed Ever-Glory International Group. Mr. Goldberg holds a CPA from the Canadian Institute of Charter Accountants as well as a Certificate in the Theory of Accounting from the University of South Africa. In addition to the above, Mr. Goldberg is currently and was formerly a director of numerous public companies both in Canada and the USA.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Other than as disclosed below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including FWTC) that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including FWTC) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
 - (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
 - (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or
 - (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Gerald Goldberg was the Interim Chief Executive Officer of Canadian House Wellness Group Inc. when a management cease trade order was issued by the Ontario Securities Commission on September 13, 2017. The management cease trade order was issued in respect of Canadian House Wellness Group Inc.'s failure to file its audited financial statements and management discussion and analysis for the year ended April 30, 2017 before the August 28, 2017 filing deadline. The management cease trade order was lifted effective November 22, 2017.

John Koehle was a director of Enermotion Inc. when it filed for bankruptcy on April 5, 2024 under the *Bankruptcy and Insolvency Act* (Canada).

IV. ELECTION OF DIRECTORS TO SERVE FROM THE CHANGE OF BOARD TIME

In connection with the RTO, the board of directors of the Resulting Issuer (the "**Resulting Issuer Board**") will consist of seven (7) individuals, who will serve as directors from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed (the "**Resulting Issuer Directors**").

It is a condition to the completion of the RTO that the Resulting Issuer Directors, comprised of at least seven (7) individuals, four of whom are nominees of FMAC, two of whom are nominees of FWTC, and one of whom is an independent director mutually agreed upon by FWTC and FMAC, be elected, effective at the Change of Board Time, as directors of the Resulting Issuer.

At the time of the Meeting, the RTO will not yet have been completed and there can be no assurance at that time that it will be completed.

Shareholders will be asked at the Meeting to vote for the election of each of Wayne Maddever, Michael Liik, John Koehle, Philip Benson, Donald Bent, David Iacobelli and Max Graham as directors of the Resulting Issuer Board, each to be voted on individually, to hold office from the Change of Board Time until the close of the next annual meeting of the Shareholders or until their successors are elected or appointed.

The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote in favour of the election of the directors as set forth above and therein. FWTC does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Proxy will be voted in favour of another nominee in their discretion unless the Shareholder has specified in his or her form of proxy that his or her Shares are to be withheld from voting in the election of directors.

Each director elected to the Resulting Issuer Board will hold office from the Change of Board Time until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, as the case may be, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or the provisions of the OBCA.

See below for detailed information concerning the Resulting Issuer Board.

Nominees for Election to the Resulting Issuer Board

The following table sets forth the name of each of the persons proposed to be nominated for election as a director of the Resulting Issuer. All positions and offices in the Resulting Issuer presently held by such nominees, the nominees' municipality and country of residence, principal occupation within the five preceding years, the period during which the nominees have served as directors, and the number and percentage of Resulting Issuer Shares beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised:

The following information concerning the proposed nominees has been furnished by each of them:

Name, Province and Country of ordinary residence ⁽¹⁾ , and positions held with FWTC	Principal occupation for the last five years ⁽¹⁾	Position to be Held	Number of Resulting Issuer Shares to be beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
WAYNE MADDEVER ON, Canada	Partner at BBP Consulting Inc. since November 2003; Chief Operating Officer of Forward Water Technologies Inc. from August 2019 to October 2021 and Chief Operating Officer of FWTC since October 2021.	Proposed COO and Director	24,700
MICHAEL LIIK ON, Canada	Director of FMAC, as well as co-founder and Managing Partner of Fraser Mackenzie Merchant Capital Partnership	Proposed Director	791,666 ⁽³⁾
JOHN KOEHLE ON, Canada	Principal and Managing Director at FirstLine Venture Partners since May 2014; Managing Director at FirstLine Foundation since December 2018.	Proposed Director	3,311,258 ⁽²⁾
PHILIP BENSON ON, Canada	Chief Executive Officer, President and a Director of FMAC, as well as Managing Partner of Fraser Mackenzie Merchant Capital Partnership	Proposed Director	1,013,630
DONALD BENT ON, Canada	Chief Financial Officer and a Director of FMAC, as well as Managing Partner of Fraser Mackenzie Merchant Capital Partnership	Proposed Director	791,667
DAVID IACOBELLI ON, Canada	Director of FMAC	Proposed Director	1,013,629
MAX GRAHAM ON, Canada	Software Engineer at Darwin CX	Proposed Director	443,925 ⁽⁴⁾

- Notes:**
- (1) The information as to ordinary residence, principal occupation and number of Resulting Issuer Shares to be beneficially owned or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of FWTC, has been furnished by the respective nominees. Information provided as at the Record Date.
 - (2) These Resulting Issuer Shares will be owned by FirstLine, an entity of which Mr. Koehle is the managing director. Of these Resulting Issuer Shares, 344,828 will be issued on conversion of debentures held by FirstLine Venture Partners Corporation on completion of the Amalgamation.
 - (3) Resulting Issuer Shares owned by Michael Liik are held through Liikfam Holdings Inc., a company controlled by Mr. Liik.
 - (4) Although Mr. Graham has affiliations with Sumarria, Mr. Graham has no ownership, direction or control over the Resulting Issuer Shares held by Sumarria.

Biographical Information

For biographical information for each of the directors, see "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

V. CONSOLIDATION OF FWTC SHARES

At the Meeting, the Shareholders will be asked to consider, and if thought appropriate, to pass a special resolution in the form set out below (the "**Consolidation Resolution**") amending FWTC's authorized share capital by consolidating FWTC's issued and outstanding

FWTC Shares in the capital of FWTC on the basis of ten (10) pre-Consolidation FWTC Shares for one (1) post-Consolidation FWTC Share.

The Consolidation is also subject to the approval of the Exchange. Assuming approval of the Consolidation is obtained from the Shareholders and the Exchange, the Consolidation will take effect on a date to be coordinated with the Exchange and announced in advance by FWTC.

Principal Effects of the Consolidation

If approved and implemented, the Consolidation will occur simultaneously for all the FWTC Shares and the consolidation ratio would be the same for all such FWTC Shares. The Consolidation would affect all Shareholders equally. Except for any variances attributable to fractional FWTC Shares, the change in the number of issued and outstanding FWTC Shares that would result from the Consolidation would cause no change in the capital attributable to the FWTC Shares and would not materially affect any Shareholders' percentage ownership in FWTC, even though such ownership would be represented by a smaller number of FWTC Shares.

The Consolidation will not change, in any way, any Shareholder's proportion of votes to total votes; however, if the Consolidation Resolution is passed, the total number of votes that a Shareholder may cast at any future general meeting of FWTC will be reduced. Each fractional FWTC Share remaining after conversion that is less than one-half of a FWTC Share will be cancelled and each fractional FWTC Share that is at least one-half of a FWTC Share will be changed to one whole FWTC Share.

The implementation of the Consolidation, following the obtaining of Shareholder approval and all necessary regulatory approvals, including the acceptance of TSXV and the filing of the requisite amendment to the articles of FWTC to effect the Consolidation, will require registered Shareholders to exchange their share certificates for new certificates. Assuming that the Consolidation Resolution receives the requisite Shareholder approval, the Consolidation is approved by the TSXV and the Board determines to implement the Consolidation, the Company will send a letter of transmittal (the "**Letter of Transmittal**") to registered Shareholders. The Letter of Transmittal will detail the instructions for the exchange of share certificates representing pre-Consolidation FWTC Shares for new share certificates representing the number of post-Consolidation FWTC Shares to which a Shareholder is entitled to as a result of the Consolidation. Until surrendered, each share certificate representing pre-Consolidation FWTC Shares will be deemed for all purposes to represent the number of whole post-Consolidation FWTC Shares to which the holder is entitled as a result of the Consolidation. If a registered Shareholder would otherwise be entitled to receive a fractional share, such fractional share shall be treated in the manner described above. Share certificates deposited into brokerage accounts after the implementation of the Consolidation will also be adjusted by the Consolidation ratio.

The exercise or conversion price and the number of FWTC Shares issuable under any outstanding convertible securities of FWTC, including outstanding FWTC Options will be adjusted in accordance with their terms if the Consolidation is implemented.

The principal effect of the Consolidation will be that the number of FWTC Shares issued and outstanding will be reduced from 117,941,095 FWTC Shares as at August 20, 2024, to approximately 11,794,110 FWTC Shares.

Procedure for Implementing the Consolidation

If the Consolidation Resolution is approved by Shareholders and final approval by the Exchange of the Consolidation is received, no further action will be required of Shareholders to implement the Consolidation and it will become effective on the date articles of amendment are filed to give effect to the Consolidation.

Shareholder Approval Authorizing the Consolidation

Shareholders will be asked to approve the Consolidation by Special Resolution at the Meeting, being a majority of not less than two thirds ($\frac{2}{3}$) of the votes cast by Shareholders present in person or by proxy at the Meeting. The text of the Special Resolution, in substantially the form as set out below, will be placed before Shareholders at the Meeting.

The persons named in the enclosed Proxy intend to vote in favour of the Consolidation as set forth below and herein, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for the Consolidation as set forth herein.

"BE IT RESOLVED, as a special resolution of Forward Water Technologies Corp.'s (the "Company") shareholders, that:

- (a) the issued share capital of the Company be altered at a date to be determined by the board of directors of the Company by consolidating all of the issued and outstanding common shares without par value on the basis of ten (10) pre-consolidation common shares for one (1) post-consolidation common share (the "**Consolidation**");
- (b) any fractional shares of the Company arising upon the Consolidation be converted into whole shares of the Company as follows: (i) any fractional shares arising upon the Consolidation comprising less than one-half of one share will be deemed to have been tendered by the registered owner to the Company for cancellation, and will be returned to the authorized but unissued share capital of the Company; and (ii) any fractional shares arising upon the Consolidation comprising greater than or equal to one-half of one share will be converted into one whole share.
- (c) the directors of the Company, in their sole and complete discretion, may act upon this special resolution to effect the Consolidation, or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this special resolution notwithstanding shareholder approval of the Consolidation; and
- (d) any one director or officer of the Company, signing alone, be authorized to execute and deliver, under the corporate seal of the Company or otherwise, all such documents and instruments and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof."

VI. RE-APPOINTMENT AND REMUNERATION OF AUDITORS

Prior to February 7, 2023, FWTC's auditors were KPMG LLP, Chartered Professional Accounts. On February 7, 2023, KPMG LLP, Chartered Professional Accounts resigned at the request of the Board and FWTC appointed RSM Canada LLP, as FWTC's successor auditors.

At the Meeting, Shareholders will be asked to approve a resolution re-appointing RSM Canada LLP, as auditor for FWTC to hold office until the close of the next annual meeting of the Shareholders, and to authorize the directors to fix their remuneration. The Ordinary Resolution must be passed by at least the majority of the votes cast at the Meeting by all Shareholders who vote in respect thereof in person or by proxy. The directors recommend that Shareholders vote in favour of the appointment of RSM Canada LLP, and the authorization of the directors to fix their remuneration.

The persons named in the enclosed Proxy intend to vote in favour of such re-appointment, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for the appointment of RSM Canada LLP.

VII. APPROVAL OF THE AMENDMENT TO THE FWTC OPTION PLAN

At the previous annual general meeting, FWTC proposed and its Shareholders re-approved a 10% "rolling" stock option plan (the "**FWTC Option Plan**"). Under the policies of the Exchange, a rolling stock option plan must be re-approved on a yearly basis by Shareholders.

FWTC now wishes to amend the FWTC Option Plan to give FWTC more flexibility to incentivize and attract, eligible directors, officers, employees and service providers to contribute to the future success of FWTC. Subject to final approval of the TSXV, FWTC wishes to adopt the amendment of the FWTC Option Plan as described directly below (the "**Stock Option Plan Amendment**"). Accordingly, Shareholders will be asked to pass an Ordinary Resolution to confirm and approve the FWTC Option Plan and, in connection with this approval, will be asked to consider and approve the Stock Option Plan Amendment.

FWTC proposes the following Stock Option Plan Amendment:

1. Option Terms – the maximum term of a FWTC Option will be amended such that the expiry date of a FWTC Option shall not be more than ten (10) years after the grant date. This is a change from the current maximum of five (5) years.

A summary of the current material provisions of the FWTC Option Plan are as follows:

- the number of FWTC Shares that may be reserved for issuance under the FWTC Option Plan and under any other securities- based compensation will not exceed, in the aggregate, 10% of the outstanding FWTC Shares (on a non-diluted basis) on each grant date;

- the number of FWTC Shares reserved for issue to any one person in any 12-month period under the FWTC Option Plan or any other securities-based compensation may not exceed 5% of the outstanding FWTC Shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of FWTC Shares reserved for issue to any Consultant (as defined by the Exchange) in any 12-month period under the FWTC Option Plan or any other securities based arrangement may not exceed 2% of the outstanding FWTC Shares at the time of grant;
- the aggregate number of FWTC Shares reserved for issue to any person conducting Investor Relations Activities (as defined by the Exchange) in any 12-month period under the FWTC Option Plan may not exceed 2% of the outstanding FWTC Shares at the time of grant;
- subject to a minimum exercise price of \$0.05, the exercise price per FWTC Share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding five years (to be changed to ten years if the Stock Option Plan Amendment is approved);
- if a participant who is an officer, employee or consultant is terminated for cause, each Option held by such participant shall terminate upon such termination for cause. If a participant dies prior to otherwise ceasing to be an eligible person, each vested Option held by such participant shall terminate no later than the earlier of the expiry date and the date which is twelve months after the date of death. If a participant ceases to be an eligible person other than by death or termination for cause, each vested Option held by such participant shall terminate no later than the expiry date and the date which is 90 days after such event. If any portion of an Option is not vested at the time a participant ceases to be an eligible person, such unvested portion of the option may not be exercised, provided that the Board may, in its discretion and subject to the approval of the Exchange, permit the participant to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates;
- stock options are non-assignable and non-transferable;
- the FWTC Option Plan contains provisions for adjustment in the number of FWTC Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the FWTC Shares, or an amalgamation, merger or other relevant change in FWTC's corporate structure, or any other relevant change in FWTC's capitalization. Any adjustment, other than in connection with a security consolidation or security split, to the Options granted under the FWTC Option Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization; and
- in connection with the exercise of an option, as a condition to such exercise, FWTC shall require the optionee to pay to FWTC an amount as necessary so as to ensure that FWTC is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option.

Shareholders of FWTC will be asked at the Meeting to approve an Ordinary Resolution in the form below to approve the ratification of the FWTC Option Plan and the Stock Option Plan Amendment.

"BE IT RESOLVED THAT, as an ordinary resolution of Forward Water Technologies Corp. (the "Company"):

1. The Stock Option Plan Amendment (as such term is defined in the management information circular of the Company dated August 20, 2024 (the "Information Circular")), and the FWTC Option Plan (as defined in the Information Circular), as amended pursuant to the Stock Option Plan Amendment, be and are hereby authorized and approved.

2. any director or officer of the Company be and he or she is hereby authorized and directed, on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution,

the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In the event that the FWTC Option Plan is not so ratified no further options may be granted under the FWTC Option Plan but those currently outstanding shall remain in place in accordance with their terms until their expiry.

Such resolution must be approved by a majority of FWTC's Shareholders.

The persons named in the enclosed Proxy intend to vote in favour of approving the FWTC Option Plan and, in connection with this approval, approving the Stock Option Plan Amendment, and in the absence of instructions to the contrary, the FWTC Shares represented by Proxies and any other instruments of proxy will be voted for the FWTC Option Plan and the Stock Option Plan Amendment.

VIII. APPROVAL OF THE RTO

Background of the RTO

On May 13, 2024, FWTC and FMAC entered into the Letter of Intent to combine their respective businesses. On July 22, 2024, FMAC, FWTC and Newco entered into the Acquisition Agreement, which superseded the Letter of Intent. The Acquisition Agreement outlines the principal terms and conditions pursuant to which FWTC, Newco and FMAC intend to complete the proposed RTO that will result in a reverse takeover of FWTC by the shareholders of FMAC.

Description of the RTO

Pursuant to Acquisition Agreement, FMAC, and FWTC have agreed to complete the Amalgamation pursuant to which, among other things, upon completion of the Amalgamation, each FMAC Shareholder (other than Dissenting FMAC Shareholders) will be entitled to receive 0.95 post-Consolidation Resulting Issuer Shares for each FMAC Share held immediately prior to the Effective Time.

As at the date of this Circular, there were 20,571,000 FMAC Shares, 2,057,100 FMAC Options, 1,437,100 FMAC Warrants and 11,794,110 FWTC Shares, 164,370 FWTC Options, 924,000 FWTC Warrants issued and outstanding (all numbers calculated after giving effect to the Consolidation, subject to adjustment to account for rounding at the individual securityholder level). In addition to the foregoing, it is expected that on the Effective Date, an additional (a) 692,188 Resulting Issuer Shares and 278,721 Resulting Issuer Shares will be issued to satisfy the conversion of \$100,000 principal amount of debentures of FWTC outstanding and certain interest payments of FWTC, respectively; (b) 10,654,205 Resulting Issuer Shares in the event of the closing of the Minimum Financing; and (c) 15,093,458 Resulting Issuer Shares in event of the closing of the Maximum Financing.

Presuming completion of the Consolidation, upon completion of the Amalgamation, there will be approximately: (a) 44,735,341 Resulting Issuer Shares issued and outstanding (assuming completion of the Minimum Financing); and (b) 49,174,594 Resulting Issuer Shares issued and outstanding (assuming completion of the Maximum Financing).

Presuming completion of the Consolidation and the closing of the Minimum Offering, upon completion of the Amalgamation, the Resulting Issuer Shares will be owned as follows: (1) approximately 26.36% by FWTC Shareholders, approximately 67.50% by former FMAC Shareholders (including the former holders of Subscription Receipts), and approximately 6.14% by FWTC's lenders (inclusive of the holders of the Bridge Financing Debentures) on an undiluted basis and (2) approximately 23.00% collectively by FWTC Shareholders, holders of FWTC Options and FWTC Warrants (exclusive of securities issuable to FWTC lenders), approximately 68.89% collectively by former FMAC Shareholders (including former holders of Subscription Receipts), former holders of FMAC Options, and former holders of FMAC Warrants, and approximately 8.11% by FWTC's lenders (inclusive of the holders of the Bridge Financing Debentures) on a fully-diluted basis (not including any Resulting Issuer Shares issuable upon exercise of Concurrent Financing Warrants or Bridge Financing Warrants underlying Concurrent Financing Finder Warrants or Bridge Financing Finder Warrants, respectively).

Presuming completion of the Consolidation and the closing of the Maximum Offering, upon completion of the Amalgamation, the Resulting Issuer Shares will be owned as follows: (1) approximately 23.98% by FWTC Shareholders, approximately 70.43% by former FMAC Shareholders (including the former holders of Subscription Receipts), and approximately 5.58% by FWTC's lenders (inclusive of the holders of the Bridge Financing Debentures) on an undiluted basis and (2) approximately 20.50% collectively by FWTC Shareholders, holders of FWTC Options and FWTC Warrants (exclusive of securities issuable to FWTC lenders), approximately 72.28% collectively by former FMAC Shareholders (including former holders of Subscription Receipts), former holders of FMAC Options, and former holders of FMAC Warrants, and approximately 7.23% by FWTC's lenders (inclusive of the holders of the Bridge Financing Debentures) on a fully-diluted basis (not including any Resulting Issuer Shares issuable upon exercise of Concurrent Financing Warrants or Bridge Financing Warrants underlying Concurrent Financing Finder Warrants or Bridge Financing Finder Warrants, respectively).

As a result of the Amalgamation, in the event of the closing of: (a) the Minimum Financing 9,427,900 Resulting Issuer Shares; and (b) the Maximum Financing 12,002,667 Resulting Issuer Shares, will be reserved for issuance to former holders of FMAC Options and FMAC Warrants (inclusive of Concurrent Financing Warrants, but exclusive of Resulting Issuer Shares issuable upon exercise of Concurrent Financing Warrants underlying Concurrent Financing Finder Warrants).

Implementation of the Amalgamation is subject to receipt of all requisite regulatory and shareholder approvals, third party consents and other customary conditions.

Steps of the Amalgamation

At the Effective Time, the following events or transactions will occur and will be deemed to occur in the following sequence without any further authorization, act or formality:

- (a) each FMAC Share held by a Dissenting FMAC Shareholder shall be treated in accordance with the provisions of the OBCA dealing with dissenting shareholders;
- (b) the Amalgamation will occur, and (among other things):
 - (i) each holder of a FMAC Share (other than Dissenting FMAC Shareholders) will receive 0.95 fully paid and non-assessable post-Consolidation Resulting Issuer Shares for each FMAC Share held immediately prior to the Amalgamation. The registered holders of FMAC Shares shall cease to be holders of FMAC Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled, all certificates evidencing FMAC Shares shall be null and void. No fractional Resulting Issuer Shares will be issued. To the extent any holder of FMAC Shares would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on the Effective Date, the number of Resulting Issuer Shares to be issued to such shareholder shall be rounded to the nearest whole Resulting Issuer Share with fractions of one-half (1/2) being rounded up;
 - (ii) each holder of FMAC Options shall be deemed to be a holder of Resulting Issuer Legacy Options and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Legacy Options. The rate of exchange of Resulting Issuer Legacy Options for FMAC Options shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Options will be issued. To the extent any holder of FMAC Options would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Options on the Effective Date, the number of Resulting Issuer Legacy Options to which the holder of FMAC Options is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Option with fractions of one-half being rounded up;
 - (iii) each holder of Concurrent Financing Warrants shall be deemed to be a holder of Resulting Issuer Concurrent Financing Warrants and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Concurrent Financing Warrants. The rate of exchange of Resulting Issuer Concurrent Financing Warrants for Concurrent Financing Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Warrants will be issued. To the extent any holder of Concurrent Financing Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Warrants to which the holder of Concurrent Financing Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Warrant with fractions of one-half being rounded up;
 - (iv) each holder of Concurrent Financing Finder Warrants shall be deemed to be a holder of Resulting Issuer Concurrent Financing Finder Warrants and shall receive notice or amended certificates and agreements evidencing Resulting Issuer Concurrent Financing Finder Warrants. The rate of exchange of Resulting Issuer Concurrent Financing Finder Warrants for Concurrent Financing Finder Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Finder Warrant will be issued. To the extent any holder of Concurrent Financing Finder Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Finder Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Finder Warrants to which the holder of Concurrent Financing Finder Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Finder Warrant with fractions of one-half being rounded up;

- (v) each holder of FMAC Broker Warrants shall be deemed to be a holder of Resulting Issuer Legacy Broker Warrants and shall receive notice or amended certificates or agreements evidencing Resulting Issuer Legacy Broker Warrants. The rate of exchange of Resulting Issuer Legacy Broker Warrants for FMAC Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Broker Warrants will be issued. To the extent any holder of FMAC Broker Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Broker Warrants on the Effective Date, the number of Resulting Issuer Legacy Broker Warrants to which the holder of FMAC Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Broker Warrants with fractions of one-half being rounded up;
- (vi) each holder of a Newco Share will receive one (1) Resulting Issuer Share for each Newco Share held immediately prior to the Amalgamation; and
- (vii) as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco will issue to the Resulting Issuer one Amalco Share for each Resulting Issuer Share issued to the previous holders of FMAC Shares.

The name of the Resulting Issuer will be "Forward Water Technologies Corp." and, upon completion of the Amalgamation, the Resulting Issuer Board will consist of seven directors, namely Wayne Maddever, John Koehle, Philip Benson, Donald Bent, David Iacobelli, Michael Liik and Max Graham.

The Acquisition Agreement

The Amalgamation is being completed pursuant to the terms of the Acquisition Agreement and the Amalgamation Agreement. The Acquisition Agreement contains covenants, representations and warranties of and from each of FWTC and FMAC and various conditions precedent, both mutual and with respect to each Party.

The following is a summary of material provisions of the Acquisition Agreement, which is qualified in its entirety by the full text of the Acquisition Agreement, a copy of which is attached as Schedule "D" to this Circular and reference is made thereto for the full text thereof. FMAC Shareholders are urged to read the Acquisition Agreement in its entirety.

Covenants

General

Pursuant to the Acquisition Agreement, each of FWTC and FMAC has covenanted, among other things, to use all commercially reasonable efforts to, and cause their respective subsidiaries to use all commercially reasonable efforts to complete the Amalgamation, unless such efforts would subject the Parties to liability or would be in breach of applicable statutory or regulatory requirements. The Acquisition Agreement also contains covenants of each of FWTC and FMAC pertaining to, among other things: (a) the conduct of business of each of FWTC and FMAC, including with respect to dispositions and acquisitions, or other transactions or material contracts that would conflict or otherwise be contrary or undesirable in connection with the Amalgamation other than in the ordinary course, (b) the issuance of securities or declaration or payment of dividends, (c) obtaining the approval of both the FWTC shareholders and the FMAC shareholders in respect of the Amalgamation, and (d) to refrain from amending their respective articles or by-laws.

The Acquisition Agreement also contains covenants pertaining to the FMAC Loan, subject to certain conditions precedent. In addition, the Acquisition Agreement contains covenants of FWTC to complete the Green Centre Debt Arrangement.

FMAC has obtained TSXV approval to loan up to \$250,000 to FWTC by way of the FMAC Loan. As of July 31, 2024, FMAC had advanced \$175,000 in the aggregate of this amount. The loaned amount has been advanced in tranches, with \$25,000 advanced on May 13, 2024, \$25,000 advanced on June 14, 2024, \$20,000 advanced June 21, 2024, \$35,000 advanced on July 9, 2024 and \$70,000 advanced on July 19, 2024. FMAC expects to advance the balance of the FMAC Loan prior to completion of the Amalgamation. The FMAC Loan shares a pari passu security ranking with loans previously advanced by existing FWTC shareholders FirstLine and SCA. In the event that the Amalgamation does not close by December 31, 2024, the FMAC Loan will mature on December 31, 2024. The FMAC Loan bears no interest until September 10, 2024 (being 120 days following the entering into of the FMAC Loan), with an interest rate of 20% per annum thereafter.

Representations and Warranties

The Acquisition Agreement contains certain representations and warranties of each of FWTC and FMAC to the other Party. These representations and warranties relate to, among other things, organization and corporate capacity and authority, qualification to do

business, subsidiaries, capitalization, absence of conflict or outstanding material orders, partnerships or joint ventures, accuracy of information provided, misrepresentations, voting, articles and by-laws, approvals and consents, restrictions on the Amalgamation, financial statements, bankruptcy and insolvency, commercial operations, non-arm's length transactions, no guarantees, taxes, compliance with laws, employment matters, assets and properties, contracts, fees, securities laws matters, litigation or other material liabilities, absence of certain changes or events.

In addition, the Acquisition Agreement contains certain representations and warranties made by FMAC to FWTC relating to, among other things, the FMAC Loan, the conduct of FMAC's business; reports; and US shareholders.

The Acquisition Agreement also contains certain representations and warranties made by FWTC to FMAC relating to, among other things, insurance, intellectual property matters, the Green Centre Debt, and environmental matters.

Conditions to the Amalgamation

Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated by the Acquisition Agreement, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of, *inter alia*, the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the shareholders of FMAC and FWTC will have approved the Amalgamation;
- (b) the TSXV will have conditionally approved the Amalgamation;
- (c) the TSXV will have conditionally approved the listing of the Resulting Issuer Shares, subject to any Initial Listing Requirements;
- (d) Resulting Issuer Shares will be issued in exchange for FMAC Shares;
- (e) the Amalgamation shall close on or prior to September 30, 2024, unless extended by the Parties in writing;
- (f) the Concurrent Financing will be completed;
- (g) the Consolidation will be completed prior to the completion of the Amalgamation;
- (h) FWTC will have completed the Green Centre Debt Arrangement;
- (i) all necessary exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws in connection with the Amalgamation (including with respect to the creation of a Control Person) shall have been obtained; and
- (j) at the Effective Time, no prohibition at applicable Law against the completion of the transactions contemplated by the Acquisition Agreement shall be in existence.

FMAC Conditions

The obligations of FMAC to complete the transactions contemplated herein, are subject to the fulfillment of, *inter alia*, the following conditions precedent, unless waived in writing by FMAC:

- (a) FWTC shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained the Acquisition Agreement shall be true and correct at the Effective Time, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FWTC shall have been delivered to FMAC as of the Effective Time;
- (b) there shall not have been any material adverse change in the condition (financial or otherwise), of FWTC, the FWTC assets, liabilities, capitalization or business from that described in the Acquisition Agreement and a certificate to that effect signed by a duly authorized officer of FWTC shall have been delivered to FMAC as of the Closing Date, except

for a decrease in FWTC's working capital position reasonably necessary to facilitate the transactions contemplated by the Acquisition Agreement and to meet its customary obligations as a listed issuer on the applicable securities exchange, and as a "reporting issuer" in Ontario, Alberta and British Columbia;

- (c) all necessary steps and corporate proceedings, as approved by FMAC, shall have been taken by FWTC and its board of directors and shareholders to permit the closing of the Amalgamation and the transactions contemplated herein, including without limitation, authorizing the issuance of the Resulting Issuer securities;
- (d) FWTC shall obtain the approval of its shareholders as required by law and the policies of the TSXV to approve the Consolidation, the Amalgamation, the election of directors to serve on the Resulting Issuer Board following Closing and such other matters as FMAC may request;
- (e) holders of no more than 10% of the outstanding FMAC Shares will have exercised Dissent Rights; and
- (f) at the Effective Time, evidence satisfactory to FMAC that FWTC's liabilities (excluding the \$250,000 loan advanced to FWTC by FMAC) do not exceed \$800,000 in the aggregate, net of receivables and cash calculated after giving effect to the conversion of the \$50,000 advanced by FirstLine and \$50,000 advanced by SCA, and the interest and penalties owing under the Green Centre Debt Arrangement.

If any such conditions shall not be fulfilled or waived in writing by FMAC at or prior to the Outside Date, FMAC may rescind Acquisition Agreement by written notice to FWTC and Newco and, in such event, FWTC, Newco and FMAC shall be released from all obligations under the Acquisition Agreement.

FWTC Conditions

The obligation of FWTC to consummate the transactions contemplated by the Acquisition Agreement, and in particular the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of, *inter alia*, the following conditions:

- (a) FMAC shall have executed, delivered and performed all covenants on its part to be performed and all representations and warranties contained in the Acquisition Agreement shall be true and correct at the Effective Time, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FMAC shall have been delivered to FWTC as of the Effective Time;
- (b) there shall not have been any material adverse change in the condition (financial or otherwise), of FMAC, the FMAC assets, liabilities or capitalization, and a certificate to that effect signed by a duly authorized officer of FMAC shall have been delivered to FWTC as of the Effective Time;
- (c) all necessary steps and corporate proceedings shall have been taken by FMAC, its board of directors and shareholders to permit the closing of the Amalgamation and the transactions contemplated herein;
- (d) at the Effective Time, there shall be no inquiry or investigation (either formal or informal), in relation to FMAC or any of its directors or officers, commenced or threatened by any officer or official of TSX or TSXV, the Ontario, Manitoba, Saskatchewan, Alberta, British Columbia or Nova Scotia Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on FMAC, FWTC or the Resulting Issuer upon Closing;
- (e) FMAC shall have executed and delivered to FWTC all documents as FWTC may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of the Acquisition Agreement including a legal opinion of FMAC's counsel in the form and substance acceptable to FWTC, acting reasonably, that opines as to corporate matters;
- (f) at the Effective Time, evidence satisfactory to FWTC that FMAC's assets net of liabilities is at least \$1,250,000, excluding the impact of expenses associated with the Concurrent Financing (including, but not limited to, broker fees and commissions, broker expenses, broker legal expenses, finder fees, stock exchange fees and subscription receipt agent fees); and

- (g) each of the directors and officers of FMAC shall have tendered their resignations (with it being expected that Phillip Benson shall remain a director of Amalco).

If any such conditions shall not be fulfilled or waived in writing by FWTC at or prior to the Outside Date, FWTC may rescind the Acquisition Agreement by written notice to FMAC and, in such event, FWTC, Newco and FMAC shall be released from all obligations under the Acquisition Agreement.

Termination and Break Fees

FMAC and FWTC have agreed that the Acquisition Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of FWTC and FMAC;
- (b) if any applicable regulatory authority has notified either Party in writing that it will not permit the transactions contemplated under the Acquisition Agreement to be completed;
- (c) by either FWTC or FMAC if the Effective Time shall not have occurred on or prior to the Outside Date, or such later date as FWTC and FMAC may agree upon in writing;
- (d) (i) by FWTC, if at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by FMAC in under the Acquisition Agreement is not, in the case of a representation and warranty, true and correct with the same force and effect as if given at and as of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects, and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of FMAC within 20 days of FMAC receiving notice to that effect from FWTC; and (ii) by FMAC, if at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by FWTC in the Acquisition Agreement is not, in the case of a representation and warranty, true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects, and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of FWTC within 20 days of FWTC receiving notice to that effect from FMAC.

Under the provisions of the Acquisition Agreement, in the event of the termination of the Acquisition Agreement in the circumstances set out in the paragraphs immediately above, the Acquisition Agreement shall forthwith become void and none of the Parties shall have any liability or further obligation to the other Party under the Acquisition Agreement, except with respect to certain obligations set forth in the Acquisition Agreement, where applicable.

In the event the Acquisition Agreement is terminated: (i) pursuant to paragraph (c) above, to the extent that any acts or omissions by FWTC are the primary cause of the failure of the parties to close the Amalgamation by 5:00 p.m. (Toronto time) on the Outside Date, or such later date as FWTC and FMAC may agree upon in writing or (ii) pursuant to paragraph (d)(i) above, then FWTC shall pay to FMAC a break fee in the amount of \$50,000.

In the event the Acquisition Agreement is terminated: (i) pursuant to paragraph (c) above, to the extent that any acts or omissions by FMAC are the primary cause of the failure of the parties to close the Amalgamation by 5:00 p.m. (Toronto time) on the Outside Date, or such later date as FWTC and FMAC may agree upon in writing or (ii) pursuant to paragraph (d)(i) above, then FMAC shall pay to FWTC a break fee in the amount of \$50,000.

Fees and Expenses

Except as otherwise provided in the Acquisition Agreement, each Party shall pay all fees, costs and expenses incurred by such Party in connection with the Acquisition Agreement and the transactions contemplated by the Acquisition Agreement.

Approval of FMAC Shareholders Required for the Amalgamation

The FMAC Amalgamation Resolution must be approved by (i) two-thirds (66⅔%) of the votes cast on the FMAC Amalgamation Resolution by FMAC Shareholders present or represented by proxy at the FMAC Meeting; and (ii) the majority of the votes cast on the FMAC Amalgamation Resolution by FMAC Shareholders present or represented by proxy at the FMAC Meeting excluding the FMAC

Shares held by the officers and directors of FMAC. If the FMAC Amalgamation Resolution is not approved by the FMAC Shareholders, the Amalgamation cannot be completed.

Approval of FWTC Shareholders Required for the Amalgamation

The FWTC resolution approving the Amalgamation must be approved by the majority of FWTC Shareholders who attend the FWTC Shareholders meeting at which the Amalgamation will be considered. If such resolution is not approved by the FWTC Shareholders, the Amalgamation cannot be completed.

Timing

FWTC and FMAC expect the Effective Date to occur in September of 2024. However, it is not possible at this time to state with certainty when the Effective Date will occur.

The Amalgamation will become effective as of the Effective Time on the Effective Date, which is expected to be the date of the filing with the Director of the Articles of Amalgamation, together with such other materials as may be required by the Director. The Effective Date could be delayed, however, for a number of reasons, including the failure to satisfy closing conditions on acceptable terms and conditions in a timely manner.

Subject to certain limitations, either Party may terminate the Acquisition Agreement if the Amalgamation is not consummated by 5:00pm (Toronto time) on the Outside Date.

Completion of the Amalgamation

Upon the satisfaction or waiver of the conditions to the completion of the Amalgamation, including without limitation, obtaining the requisite shareholder and regulatory approvals, FWTC and FMAC will jointly file the Articles of Amalgamation with the OBCA Director.

Pursuant to the Amalgamation, among other things, FMAC and Newco will amalgamate and continue as a wholly-owned subsidiary of the Resulting Issuer, FMAC Shareholders (other than FMAC Shareholders) will ultimately be entitled to receive 0.95 post-Consolidation Resulting Issuer Shares for every one (1) FMAC Share held immediately prior to the Effective Time. Since FMAC and FWTC are Ontario corporations, the rights of FMAC Shareholders and FWTC Shareholders are governed by the applicable law of the province of Ontario, including the OBCA, and by FMAC and FWTC's respective articles and by-laws.

Treatment of Fractional Resulting Issuer Shares

No certificates or scrip representing fractional Resulting Issuer Shares shall be issued upon the surrender for exchange of certificates pursuant to the Amalgamation and no dividend, stock split or other change in the capital structure of the Resulting Issuer shall relate to any such fractional Resulting Issuer Shares and such fractional interests shall not entitle the owner thereof to exercise any rights as a holder of Resulting Issuer Shares. Where the aggregate number of Resulting Issuer Shares to be delivered to a former FMAC Shareholder as a result of the Amalgamation would result in a fraction of a Resulting Issuer Share being deliverable, the number of Resulting Issuer Shares to be received by such former FMAC Shareholder shall be rounded to the nearest whole Resulting Issuer Share with fractions of one-half being rounded up.

Conditional Listing Approval

Completion of the Amalgamation is subject to the approval of the TSXV. FWTC and FMAC have obtained the TSXV's conditional approval for the Amalgamation described in this Circular, but Shareholders are cautioned that the TSXV's final approval may not be obtained.

The Concurrent Financing

In connection with the RTO, FMAC is expected to complete a non-brokered private placement offering (the "**Concurrent Financing**") of a minimum of 11,214,953 Subscription Receipts (the "**Minimum Financing**") and a maximum of 15,887,850 Subscription Receipts (the "**Maximum Financing**") at a price of \$0.107 ("**Issue Price**") per Subscription Receipt for minimum aggregate gross proceeds of approximately \$1,200,000 with respect to the Minimum Financing and approximately \$1,700,000 with respect to the Maximum Financing. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be automatically converted without any further consideration or action by the holder thereof into one (1) unit of the FMAC (each, a "**Unit**"). Each Unit consists of one (1) FMAC

Share and one-half of a common share purchase warrant of FMAC (each whole warrant, a "**Concurrent Financing Warrant**"). Each Concurrent Financing Warrant entitles the holder thereof to acquire one (1) FMAC Share at an exercise price of \$0.15 for a term expiring on the third anniversary of the Effective Date. In connection with the Concurrent Financing, FMAC is expected to enter into the Subscription Receipt Agreement.

It is expected that each of Michael Lambert, Philip Benson, Dave Iacobelli and Robert Eberschlag (Insiders of FMAC and persons anticipated to be Insiders of the Resulting Issuer) will participate in the Concurrent Financing for aggregate subscriptions of approximately \$100,000 (approximately \$25,000 or 233,644 Subscription Receipts each) (the "**Insider Participation**").

In connection with the Concurrent Financing, FMAC entered into certain finder's fee agreements (the "**Finder's Fee Agreements**") with certain persons introducing subscribers of Subscription Receipts to FMAC (the "**Finders**"). Pursuant to the terms of the Finder's Fee Agreements, each of the Finders will be entitled to receive (on the Effective Date): (a) a cash fee not exceeding 8.0% of the gross proceeds raised from subscriptions in the Concurrent Financing from persons who participated in the offering that were introduced to FMAC by the Finder (the "**Finder's Fee**"); and (b) a number of Concurrent Financing Finder Warrants equal to not more than 8.0% of the total number of Subscription Receipts issued to persons who participate in the offering that were introduced to FMAC by each Finder. It is expected that other than with respect to the Insider Participation that the Finders will receive a Finders' Fee and Concurrent Financing Finder Warrants on all Subscription Receipts sold in connection with the Concurrent Financing.

The gross proceeds of the Concurrent Financing are being held in escrow by the Subscription Receipt Agent. The funds held in escrow by the Subscription Receipt Agent, together with all interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**". Provided that the Escrow Release Conditions are satisfied on or prior to the date that is 120 days following the closing of the Concurrent Financing (the "**Escrow Release Deadline**"), the Escrowed Funds will be released from escrow by the Subscription Receipt Agent to FMAC, in an amount equal to the Escrowed Funds, less the foregoing deductions.

If the Escrow Release Conditions have not been satisfied or waived (to the extent permitted) on or prior to the Escrow Release Deadline, the Escrowed Funds, together with any interest accrued thereon, shall be returned to the holders of the Subscription Receipts an amount equal in the aggregate to: (i) the subscription price in respect of each of such holder's Subscription Receipts; and (ii) such holder's pro rata share of the interest earned on the Escrowed Funds, less applicable withholding taxes, if any, and the Subscription Receipts shall thereafter be cancelled. FMAC has agreed that it shall be responsible and liable to the holders of the Subscription Receipts for any shortfall between the aggregate Subscription Receipt price paid by the original purchasers of the Subscription Receipts and the amount of the Escrowed Funds.

The Bridge Financing

In connection with the RTO, on August 19, 2024, FWTC completed a financing (the "**Bridge Financing**") of \$200,000 principal amount of convertible debentures (the "**Bridge Financing Debentures**"). The Bridge Financing Debentures bear interest at a rate of 10% per annum and mature on October 31, 2024. The principal amount of Bridge Financing Debentures shall automatically convert into units of the Resulting Issuer ("**Bridge Financing Units**") upon completion of the Amalgamation at a conversion price of \$0.1126 per Bridge Financing Unit. Each Bridge Financing Unit will be comprised of one Resulting Issuer Share and one Resulting Issuer Share purchase warrant (the "**Bridge Financing Warrants**"). Each Bridge Financing Warrant shall entitle the holder thereof to purchase one Resulting Issuer Share at an exercise price of \$0.1579 at any time prior to August 19, 2027.

In addition, 142,096 finder's warrants (the "**Bridge Financing Finder Warrants**") were issued by FWTC to certain persons who introduced subscribers of the Bridge Financing Debentures to FWTC. Each Bridge Financing Finder Warrant entitles the holder to acquire one post-Consolidation FWTC Share and one half of one warrant to acquire a post-Consolidation FWTC Share (with the same exercise price and expiry date as the Bridge Financing Warrants) at a price of \$0.1126 at any time on or before August 19, 2026.

In addition to the foregoing, FirstLine and SCA, advanced an aggregate amount of \$200,000 to FWTC on May 24, 2024 along with \$25,000 of the FMAC Loan. The FirstLine and SCA advances and the \$25,000 FMAC Loan share a pari passu first ranking secured position, and mature on December 31, 2024 and each case bear interest at a rate of 20% per annum commencing on November 19, 2024, with no interest being charged prior to such date. \$100,000 principal amount of the FirstLine and SCA loans will convert into Resulting Issuer Shares and Resulting Issuer Warrants concurrently with the completion of the Amalgamation at a price of \$0.145 (post-Consolidation) and with the warrants entitling the holder thereof to acquire one Resulting Issuer Share for a term of three years from the date of issuance at an exercise price of \$0.20 per Resulting Issuer Share. If the Amalgamation is not completed, no portion of the FirstLine and SCA loans will convert into securities of Resulting Issuer securities. The proceeds from these loans were used for working capital purposes.

Risk Factors

In evaluating the RTO, FWTC Shareholders should carefully consider the following risk factors relating to the RTO. These risk factors are not a definitive list of all risk factors associated with the RTO. Additional risks and uncertainties, including those currently unknown or considered immaterial by FWTC, may also adversely affect the Resulting Issuer Shares and/or the business of the Resulting Issuer following completion of the RTO. FWTC Shareholders should carefully consider the following risk factors and those set out elsewhere in this Circular before making a decision regarding approving the RTO Resolution.

Risks Relating to the RTO

There can be no certainty that the Amalgamation will be completed

Completion of the Amalgamation, including the Consolidation is subject to a number of conditions, certain of which may be outside the control of both FWTC and FMAC, including, without limitation, the requisite approvals of the FWTC Shareholders and the FMAC Shareholders. There can be no assurance, nor can FWTC or FMAC provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Amalgamation will be completed as currently contemplated or at all. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of the Resulting Issuer or the trading price of the Resulting Issuer Shares.

If the Amalgamation is not completed, the market price of the FWTC Shares may decline. In addition, FWTC and FMAC will each remain liable for significant consulting, accounting, legal and financial advisory and other costs relating to the Amalgamation and will not realize anticipated benefits of the Amalgamation. If the Amalgamation is not completed and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party that will agree to equivalent or more attractive terms than those of the Acquisition Agreement.

FWTC and FMAC have not yet obtained the Final Approval of the TSXV for the Amalgamation

The TSXV has provided conditional approval for the Amalgamation, but may not provide final approval for the Amalgamation.

Possible termination of the Acquisition Agreement

Each of FWTC and FMAC has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Acquisition Agreement will not be terminated by either FWTC or FMAC before the completion of the Amalgamation. See "*The Amalgamation – The Acquisition Agreement – Termination*".

Certain costs related to the Amalgamation, such as consulting, accounting, legal, financial advisory and other fees must be paid by each of FWTC and FMAC even if the Amalgamation is not completed.

Shareholders do not approve the Creation of Control Person Resolution

In the event that FWTC Shareholders or FMAC Shareholders do not approve Sumarria as a Control Person, this may prevent the closing of the Amalgamation on the terms contemplated herein or at all.

Following the completion of the Amalgamation, the Resulting Issuer may issue additional equity securities

Following the completion of the Amalgamation, the Resulting Issuer may issue equity securities to finance its activities. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing Resulting Issuer shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

The pending Amalgamation may divert the attention of FWTC's and FMAC's management

The pendency of the Amalgamation could cause the attention of FWTC's and FMAC's management to be diverted from the day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Amalgamation and could have an adverse effect on the business, operating results or prospects of FWTC or FMAC regardless of whether the Amalgamation is ultimately completed, or of the Resulting Issuer if the Amalgamation is completed.

While the Amalgamation is pending, FWTC and FMAC are restricted from taking certain actions

The Acquisition Agreement restricts FWTC and FMAC from taking specified actions until the Amalgamation is completed without the consent of the other party, which may adversely affect the ability of each to execute certain business strategies, including, but not limited to, the ability in certain cases to enter into or amend contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. These restrictions may prevent FWTC and FMAC from pursuing attractive business opportunities that may arise prior to the completion of the Amalgamation which may further have an adverse effect on the Resulting Issuer.

Tax Consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective securityholder's specific circumstances. Such tax consequences are not described herein and this Circular is not intended to be, nor should it be construed as, legal or tax advice to any particular securityholder. Existing and prospective securityholders should consult their own tax advisors with respect to any such tax considerations.

Risks Relating to the Business to be Carried on by the Resulting Issuer

Negative cash flow

FWTC has a limited history of operations, and no history of profitability; FWTC has had negative operating cash flow since its incorporation. FWTC has not currently entered into a significant amount of near-term commercial projects. The Resulting Issuer will have limited sources of operating cash flow and no assurance that additional funding will be available for further research and development of the technology. No assurance can be given that the Resulting Issuer will ever attain positive cash flow or profitability. Furthermore, the Resulting Issuer will require significant revenue generation or further funding to carryout its business as currently anticipated.

The Resulting Issuer may not be able to develop, manufacture, market, commercialize, sell or distribute its technology and products

If the Resulting Issuer cannot successfully develop, manufacture, market, commercialize, sell or distribute its technology and products, or if the Resulting Issuer experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Resulting Issuer may not be able to develop market-ready commercial products or technology at acceptable costs, which would adversely affect the Resulting Issuer's ability to effectively enter the market. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in manufacturing or distribution processes would have a material adverse effect on the Resulting Issuer's commercialization plans and the Resulting Issuer's business, prospects, results of operations and financial condition.

Proprietary protection

The Resulting Issuer's success will depend to a significant degree on the protection of its proprietary intellectual property. The unauthorized reproduction or other misappropriation of the Resulting Issuer's intellectual property by third parties could result in both the loss of its intellectual property value and the loss of business. The Resulting Issuer will rely upon a combination of patents, copyright, trade secrets and trademark laws to protect its proprietary rights. The steps that the Resulting Issuer will take to protect these proprietary rights, however, may not be adequate to deter misappropriation of proprietary information or to protect the Resulting Issuer if misappropriation occurs. The Resulting Issuer may not be able to detect unauthorized use of its proprietary information and take appropriate steps to enforce its intellectual property rights. If the Resulting Issuer resorts to legal proceedings to enforce its intellectual property rights, the proceedings could be burdensome and expensive and could involve a high degree of risk.

Sales cycle risk

The sales cycle of the Resulting Issuer's technology is lengthy and unpredictable. In addition, the sale of the Resulting Issuer's technology is influenced by various economic factors including interest rates and general fluctuations in the business cycle. While potential customers are evaluating the Resulting Issuer's technology, the Resulting Issuer may incur unexpected expenses. The result of these unexpected expenses could cause fluctuations of the quarterly operating results.

Limited operating history

FWTC does not have any history of earnings or profitability. FWTC has recently completed its full commercial design and has not yet begun to deliver its equipment to end users. The likelihood of success of the Resulting Issuer must be considered in light of the problems,

expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business. The Resulting Issuer will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Debt financing

From time to time, the Resulting Issuer may rely on debt financing for a portion of its business activities, including capital and operating expenditures. There are no assurances that the Resulting Issuer will be able to comply at all times with any covenants under its debt arrangements, if applicable; nor are there assurances that the Resulting Issuer will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Resulting Issuer to secure financing or refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Resulting Issuer's financial results. Further, any inability of the Resulting Issuer to obtain new financing may limit its ability to support future growth.

Inability to Attract and Retain Qualified Management Personnel

The Resulting Issuer will be dependent upon the continued availability and commitment of its key management personnel, whose contributions to the operations of the Resulting Issuer will be of significant importance. The loss of any such key management personnel could negatively affect the business operations of the Resulting Issuer. From time to time, the Resulting Issuer may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Resulting Issuer is expected to from time to time retain third party specialized technical personnel to assess and execute on potential business and operational opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Resulting Issuer's ability to employ such individuals' expertise in a timely manner. The Resulting Issuer's ability to recruit and retain qualified personnel will be critical to the Resulting Issuer's success and there can be no assurance that the Resulting Issuer will be able to recruit and retain such personnel. In the event that the Resulting Issuer is not successful in recruiting and/or retaining qualified personnel, the Resulting Issuer's ability to execute its business model and growth strategy could be affected, which could have a material adverse effect on the Resulting Issuer.

Changes in general business and economic conditions

The Resulting Issuer's future performance will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled, such as general economic and financial conditions in the industry or the economy at large. Many industries, including the wastewater treatment industry, are impacted by global market conditions. Some of the key impacts of previous financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange markets and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including, but not limited to, consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, changes in interest rates and changes in tax rates may adversely affect the Resulting Issuer's growth and profitability potential.

Members of the Resulting Issuer's board of directors serve on other public company boards

Certain of the proposed directors and officers of the Resulting Issuer serve, and may in future serve, as directors or officers of, or have significant shareholdings in, other companies involved in the wastewater treatment industry and, to the extent that such other companies may engage in transactions or participate in the same ventures in which the Resulting Issuer participates, or in transactions or ventures in which the Resulting Issuer may seek to participate, the directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the directors and officers may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Reliance on key personnel

FWTC strongly depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term. The Resulting Issuer's success will depend in large measure upon the continued availability and commitment of certain key personnel, including C. Howie Honeyman and Wayne Maddever, whose contributions to the operations of the Resulting Issuer will be of significant importance. The loss of the services of such key personnel could have a material adverse effect on the Resulting Issuer's business and prospects as it may not be able to find suitable individuals to replace them on a timely basis. The contributions of the existing management team to FWTC's immediate and near term operations are likely to be of central importance.

From time to time, the Resulting Issuer may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Resulting Issuer is expected to from time to time retain third party specialized technical personnel to assess and execute on potential business and operational opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Resulting Issuer's ability to employ such individuals' expertise in a timely manner. The Resulting Issuer's ability to recruit and retain qualified personnel will be critical to the Resulting Issuer's success and there can be no assurance that the Resulting Issuer will be able to recruit and retain such personnel. In the event that the Resulting Issuer is not successful in recruiting and/or retaining qualified personnel, the Resulting Issuer's ability to execute its business model and growth strategy could be affected, which could have a material adverse effect on the Resulting Issuer.

Ability to achieve and manage growth

The growth of the Resulting Issuer's operations may place a strain on managerial, financial and human resources and its ability to continue its rate of growth will depend on a number of factors, including the availability of working capital, existing and emerging competition, the ability to maintain sufficient profit margins and to recruit and train additional qualified personnel and the ability to expand the Resulting Issuer's markets.

Compliance with Laws

The Resulting Issuer's operations will be subject to various Laws. The Resulting Issuer will endeavour to comply with all relevant Laws, however, there is a risk that the Resulting Issuer's interpretation of Laws, including, but not limited to applicable stock exchange rules and regulations, may differ from those of others, and the Resulting Issuer's operations may not be in compliance with such Laws. In addition, achievement of the Resulting Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by Governmental Entities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals required by the Resulting Issuer may significantly delay or impact the development of the Resulting Issuer's business and operations, and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. Any potential non-compliance could cause the business, financial condition and results of the operations of the Resulting Issuer to be adversely affected. Further, any amendment to or replacement of applicable Laws governing the activities of the Resulting Issuer may cause adverse effects to the Resulting Issuer's operations.

The Resulting Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable Laws may result in enforcement actions thereunder, including orders issued by Governmental Entities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. The Resulting Issuer may be liable for civil or criminal fines or penalties imposed for violations of Laws. Amendments to current Laws, or more stringent application of existing Laws, may have a material adverse impact on the Resulting Issuer, resulting in increased capital expenditures or production costs, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The introduction of new tax Laws, or changes to, or differing interpretation of, or application of, existing tax Laws, in any of the countries in which the Resulting Issuer may operate could result in an increase in the Resulting Issuer's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax Laws will not be enacted or that existing tax Laws will not be changed, interpreted or applied in a manner which could result in the Resulting Issuer's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Resulting Issuer.

Due to the complexity and nature of the Resulting Issuer's operations, various legal and tax matters may be outstanding from time to time. If the Resulting Issuer is unable to resolve any of these matters favourably, there may be a material adverse effect on the Resulting Issuer. There are also risks to the business of the Resulting Issuer represented by court rulings or legislative changes.

Risks inherent in strategic alliances

The Resulting Issuer may enter into strategic alliances with third parties that it believes will complement or augment its existing business. The Resulting Issuer's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Resulting Issuer's business, and may involve risks that could adversely affect the Resulting Issuer, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to the Resulting Issuer's business or that the Resulting Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all.

Competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. Moreover, competitive factors may result in the Resulting Issuer being unable to enter into desirable arrangements with new parties, to recruit or retain qualified employees or to acquire the capital necessary to fund its capital investments.

Conflicts of interest

The Resulting Issuer's executive officers, directors and consultants may devote time to their outside business interests. In some cases, the Resulting Issuer's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers, directors and consultants.

In addition, the Resulting Issuer may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable Laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable Laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Liquidity and additional financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

Unknown defects and impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a material adverse effect on the Resulting Issuer. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a material adverse effect on the Resulting Issuer.

Challenging global financial conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by Government Entities. Global financial conditions could suddenly and rapidly destabilize in response to future events, as Government Entities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Resulting Issuer, or the ability of the operators of the companies in which the Resulting Issuer will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their

projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Resulting Issuer and the price of the Resulting Issuer's securities could be adversely affected.

Credit and liquidity risk

The Resulting Issuer will be exposed to counterparty risks and liquidity risks including, but not limited to: (i) through financial institutions that may hold the Resulting Issuer's cash and cash equivalents; (ii) through companies that will have payables to the Resulting Issuer; (iii) through the Resulting Issuer's insurance providers; and (iv) through the Resulting Issuer's lenders, if any. The Resulting Issuer will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Resulting Issuer to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Resulting Issuer. If these risks materialize, the Resulting Issuer's operations could be adversely impacted and the price of the Resulting Issuer Shares could be adversely affected.

Litigation

The Resulting Issuer may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse effect on the Resulting Issuer. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer. Securities litigation could result in substantial costs and damages and divert the Resulting Issuer's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Resulting Issuer could have a negative impact on the Resulting Issuer's financial position.

An active trading market for the Resulting Issuer Shares may not develop

An active trading market may not develop following completion of the Qualifying Transaction or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time it wishes to sell them or at a price that it considers reasonable. The lack of an active market may also reduce the fair market value of the Resulting Issuer Shares. An inactive market may also impair Resulting Issuer's ability to raise capital at times in the future.

Expiry of escrow restrictions

Although Resulting Issuer Shares issued in connection with the Qualifying Transaction will be freely tradable, Resulting Issuer Shares held by certain directors, executive officers and control persons of the Resulting Issuer will be subject to escrow pursuant to the policies of the TSXV. Sales of a substantial number of the Resulting Issuer Shares in the public market after the escrow restrictions lapse, or the perception that these sales could occur, could adversely affect the market price of the Resulting Issuer Shares, and may make it more difficult for investors to sell their Resulting Issuer Shares at a favourable time and price.

The Resulting Issuer will not have any control over the research and reports that securities or industry analysts publish about the Resulting Issuer or its business.

The trading market for the Resulting Issuer Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Resulting Issuer or its business. Resulting Issuer will not have any control over these analysts. If one or more of the analysts who covers the Resulting Issuer should downgrade the Resulting Issuer Shares or change their opinion of our business prospects, the Resulting Issuer's share price would likely decline. If one or more of these analysts ceases coverage of the Resulting Issuer or fails to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which could cause its share price or trading volume to decline.

Cybersecurity risks

The information systems of the Resulting Issuer, and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Resulting Issuer depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Resulting Issuer are unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these

and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Resulting Issuer.

Dividend policy

The declaration, timing, amount and payment of dividends are at the discretion of the Resulting Issuer's board of directors and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

RTO Resolution

At the Meeting, in accordance with the requirements of the RTO Policy of the TSXV, Shareholders will be asked to consider, and if thought fit, to pass with or without variation, as an Ordinary Resolution in the form below, the RTO Resolution, authorizing, confirming and approving the RTO.

"BE IT RESOLVED THAT, as an ordinary resolution:

1. The reverse takeover (the "**RTO**") of Forward Water Technologies Corp. (the "**Company**") by way of a three-cornered amalgamation of a wholly-owned subsidiary of the Company and Fraser Mackenzie Accelerator Corp. ("**FMAC**") (the "**RTO**") to be effected pursuant to the terms of an acquisition agreement dated July 22, 2024, as amended, among the Company, FMAC and 1000925180 Ontario Limited. (the "**Acquisition Agreement**"), as more particularly described in the Company's information circular dated August 20, 2024, be approved and effected and all matters relating to the RTO, all as contemplated in the Acquisition Agreement, be authorized and approved, and the board of directors of the Company is authorized to amend or revise the terms and conditions of the RTO in its discretion to the extent permitted by the Acquisition Agreement without further notice to or approval of the shareholders of the Company;
2. The Acquisition Agreement, and the execution and delivery of the Acquisition Agreement is ratified, confirmed and approved and the board of directors of the Company are authorized and empowered to amend or revise the Acquisition Agreement in its discretion to the extent permitted therein without further notice or approval of the shareholders of the Company;
3. Notwithstanding that the RTO has received the approval of the shareholders of the Company, the board of directors of the Company may, subject to the terms of the Acquisition Agreement, decide not to proceed with the RTO or revoke this resolution at any time before the Closing Date (as defined in the Acquisition Agreement) without further notice to or approval of the shareholders of the Company; and
4. Any one director or officer of the Company is authorized and empowered, acting for, in the name of and on behalf of the Company, to do all such acts and things and execute, deliver and file, as the case may be, or cause to be delivered and filed all other documents and instruments necessary or desirable to carry out and give effect to the provisions of this resolution."

Recommendation of Directors

FWTC's Board of Directors believe that the RTO is in FWTC's best interests and unanimously recommends that Shareholders vote in FAVOUR of the RTO Resolution.

In order to pass the above RTO Resolution, a simple majority of the votes cast by disinterested Shareholders, present in person or by proxy at the Meeting, is required. As the proposed RTO is an arm's length transaction with no interested shareholders no FWTC Shares are expected to be excluded from the vote.

The persons named in the enclosed Proxy intend to vote in favour of approving the RTO, and in the absence of instructions to the contrary, the shares represented by Proxies and any other instruments of proxy will be voted for the approval of the RTO.

IX. CREATION OF A CONTROL PERSON

In accordance with the policies of the TSXV, FWTC is required to obtain the approval of the FWTC Shareholders and holders of FMAC Shares with respect to the intended closing of the Concurrent Financing if the number of Resulting Issuer Shares ultimately issued to a securityholder plus the number of Resulting Issuer Shares issuable upon exercise of the convertible securities held by such securityholder would result in such securityholder becoming a Control Person of the Resulting Issuer.

Sumarria is a private investment holding company. Sumarria is led by its President, Chief Executive Officer and Chairman, Anthony R. Graham. Mr. Graham was formerly a Senior Officer at Wittington Investments, Limited, the principal holding company of the Weston-Loblaw Group, of which he was President from 2000 to 2014 and Vice Chairman from 2014 to 2019. Prior to joining Wittington Investments, Limited, he held senior positions in Canada and the United Kingdom with National Bank Financial Inc. (formerly Lévesque Beaubien Geoffrion Inc.), a Montréal-based investment dealer. Mr. Graham serves on the Board of Directors of Power Corporation of Canada and Bombardier Inc., as well as a number of private companies.

Sumarria is the holder of all of the Bridge Financing Debentures (convertible into 1,776,199 Resulting Issuer Shares upon Closing) and is expected to purchase 7,476,635 Subscription Receipts in the Concurrent Financing. In the event such purchase and closing of:

- (a) the Minimum Financing, satisfaction of the Escrow Release Conditions and closing of the Amalgamation, and assuming the exercise of all Resulting Issuer Warrants (expected to be 3,551,402) and Bridge Financing Warrants (expected to be 1,776,199) held by Sumarria, Sumarria would hold approximately 28.06% of the issued and outstanding Resulting Issuer Shares; and
- (b) the Maximum Financing, satisfaction of the Escrow Release Conditions and closing of the Amalgamation, and assuming the exercise of all Resulting Issuer Warrants (expected to be 3,551,402) and Bridge Financing Warrants (expected to be 1,776,199) held by Sumarria, Sumarria would hold approximately 26.15% of the issued and outstanding Resulting Issuer Shares.

Accordingly, and in accordance with the policies of the TSXV, the potential creation of Sumarria as a Control Person requires the "disinterested vote" of the FWTC Shareholders, being, the approval by a majority of the votes cast by FWTC Shareholders voting at the meeting, excluding votes attaching to shares beneficially owned, or over which control or direction is exercised, by Sumarria or their Associates or Affiliates (as defined in the policies of the TSXV). For the purposes of obtaining disinterested FWTC Shareholder approval, as of the date of this Circular and to the best of FWTC's knowledge, neither Sumarria or any person that may be an Associate or Affiliate of Sumarria, owns or exercises control or direction over any FWTC Shares, and accordingly, no votes are required to be excluded for the purposes of the "disinterested vote".

The completion of the Amalgamation is conditional upon each of FWTC and FMAC obtaining shareholder approval of Sumarria as a Control Person of the Resulting Issuer, provided that the Parties may waive such condition if they develop an alternate arrangement with Sumarria acceptable to the TSXV that would cause Sumarria not to become a Control Person of the Resulting Issuer.

Control Person Resolution

At the Meeting, FWTC Shareholders will be asked to consider, and if thought fit, to pass with or without variation, an Ordinary Resolution in the form below, to ratify and approve the creation of Sumarria as a Control Person of the Resulting Issuer.

"BE IT RESOLVED THAT

- (1) The creation of Sumarria, Inc. (together with its affiliates, "Sumarria") as a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange) of the Resulting Issuer, resulting from the issuance of the Resulting Issuer Shares and the Resulting Issuer Concurrent Financing Warrants (each such term as defined in the management information circular of Forward Water Technologies Corp. (the "**Company**") dated August 20, 2024 (the "**Circular**")), as more particularly described in the Circular, is hereby approved and authorized.
- (2) Any one or more director or officer of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, the articles of amendment reflecting such consolidation and all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

The Board unanimously recommends that FWTC Shareholders vote FOR the resolution approving the Control Person at the Meeting.

X. OTHER MATTERS

As of the date of this Circular, Management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

INFORMATION CONCERNING FWTC

Corporate Structure

Name and Incorporation

FWTC, formerly Hope Well Capital Corp. was incorporated under the OBCA on December 1, 2016 and was a Capital Pool Company as defined in Policy 2.4 of the TSXV. On October 20, 2021, FWTC completed a Qualifying Transaction with Forward Water Technologies Inc. ("**FWTI**"). The transaction was completed by way of a three-cornered amalgamation pursuant to the provisions of the OBCA. Immediately following the completion of the transaction, Hope Well Capital Corp. changed its name from "Hope Well Capital Corp." to "Forward Water Technologies Corp.". The FWTC Shares are listed for trading on the TSXV under the trading symbol "FWTC". FWTI was incorporated under OBCA on October 11, 2012. Its principal activity is the commercialization of its proprietary forward osmosis ("**FO**") technology.

General Development of the Business

Overview and History

FWTC's sole business is the commercialization of its proprietary FO technology. FWTC's technology can reduce the volumes of challenging waste streams having extraordinarily high levels of dissolved salts while at the same time returning fresh water for re-use or surface releases.

FWTC has developed a low-cost wastewater treatment process that can effectively manage waste streams that are currently disposed of using energy intensive high-cost processes. FWTC extracts clean water through a membrane utilizing a forward osmosis ("**FO**") method that uses a proprietary draw solute. Without using applied pressure, applied energy, or forced filtration, FWTC's FO process rejects all impurities and separates only the clean water from the waste stream.

On April 26, 2018, FWTI entered into a technology sub-license agreement with GreenCentre Canada (the "**GCC Agreement**"). Pursuant to the GCC Agreement, FWTI obtained an exclusive, worldwide license to certain GreenCentre Canada intellectual property, which allows FWTI (i) to engage in the design, manufacture, distribution and sale of certain FWTI products that incorporate GreenCentre Canada intellectual property; (ii) to use the licensed rights under a license agreement between PARTEQ Research and Development Innovations and GreenCentre Canada, only to the extent required for (i) above; and (iii) to use the GreenCentre intellectual property to create improvements in certain products and processes in exchange for payment to GreenCentre Canada of an annual earned royalty of 5% of net sales, subject to a maximum cumulative cap of \$1 million, and a minimum of \$25,000 annually. FWTI also has a right to sub-license the rights to the GreenCentre Canada technology to equipment, hardware and software manufacturers, in order to manufacture components of products. The term of the GCC Agreement began on April 30, 2018 and expires on expiry of the last to expire of the patents of the GreenCentre Canada technology, as such patents are set out under the GCC Agreement.

During the summer and fall of 2019, FWTI demonstrated the ability to scale its technology to commercial volumes through the successful operation of a pilot plant in Airdrie, Alberta. FWTI was able to showcase its ability to treat waste water using exceptionally low thermal and electrical energy inputs compared to traditional methods, reducing the waste volume and associated costs of disposal by 60% or more and/or limiting the energy needed to evaporate the waste to 100% solids if required.

On August 20, 2020, FWTI entered into an exclusive license agreement with Goldfinch Engineering Systems PVT Limited to provide for the further development and commercialization of the FO technology. The Goldfinch Engineering agreement provides Goldfinch Engineering with an exclusive license for the use of FWTI's FO technology within the industrial wastewater treatment sector in India, provided certain minimum royalty conditions to maintain exclusivity are met.

On October 20, 2021, FWTC (formerly Hope Well Capital Corp.) completed the reverse takeover transaction with Forward Water Technologies Inc. The transaction was completed by way of a three-cornered amalgamation pursuant to the provisions of the *Business Corporations Act* (Ontario), whereby 2644246 Ontario Limited, a wholly-owned subsidiary of Hope Well Capital Corp., amalgamated with and into Forward Water Technologies Inc., with Forward Water Technologies Inc. surviving as a wholly-owned subsidiary of Hope Well Capital Corp. Pursuant to the transaction, the outstanding common shares and warrants of Forward Water Technologies Inc. were exchanged for common shares and warrants, respectively, of Hope Well Capital Corp. on the basis of five Hope Well Capital Corp.

securities for every one Forward Water Technologies Inc. security. Immediately following the completion of the transaction, Hope Well Capital Corp. changed its name to "Forward Water Technologies Corp."

In December 2021, FWTC began the building of a mobile commercial demonstration unit which can be placed on a customer's site to allow for a longer term (3-4 month) performance of the FO technology. In November 2023 FWTC completed work on the mobile demonstration unit.

Since 2021, FWTC has been active in developing its client base, commercial opportunities and further advancing the base technology. This includes acting as key consultants within the lithium brine processing sector, the fabrication of the commercial demonstration unit, and developing a technical approach suited for food and beverage treatment.

On May 1, 2023, FWTC announced that FWTC had licensed specific intellectual property from FUJIFILM Corporation in order to solidify protection of its water treatment technology platform, and which will secure further clean water alternatives to legacy solutions to combat the ongoing global water crisis. As part of this agreement, FWTC paid a \$135,620 licensing fee.

On May 30, 2023, FWTC announced a partnership with Mead & Hunt. FWTC will guide project support with its FO expertise, design know-how, and technical assets. Mead & Hunt will provide extensive supply chain connections, engineering design experience, capabilities to fabricate the needed treatment equipment, as well as an established customer pipeline.

On May 31, 2023, FWTC announced that it has signed a technical advisory engagement with CleanTech Lithium PLC to review and assess technologies capable of further increasing CleanTech Lithium's existing process efficiencies. Under this advisory engagement, FWTC will evaluate and advise on various technologies for use within CleanTech Lithium's operations, at its Laguna Verde and Francisco Basin projects located in the lithium triangle within Chile.

On October 23, 2023, FMAC completed a non-brokered private placement of 9,240,000 units at a price of \$0.05 per unit for gross proceeds of \$462,000. Each unit consisted of one FMAC Share and one FMAC Warrant. Each warrant entitles the holder thereof to acquire one FMAC Share at a price of \$0.075 per share at any time on or before October 20, 2026.

On January 11, 2024, FWTC announced that it has been contracted by CleanTech Lithium PLC to provide advisory services for the support and development of their DLE processes in Chile. This agreement was signed on December 31, 2023.

On May 24, 2024, FirstLine and SCA, advanced an aggregate amount of \$200,000 to FWTC. The FirstLine and SCA advances and the \$25,000 FMAC Loan share a *pari passu* first ranking secured position, and mature on December 31, 2024 and bear interest at a rate of 20% per annum commencing on November 19, 2024, with no interest being charged prior to such date. \$100,000 principal amount of the FirstLine and SCA loans will convert into Resulting Issuer Shares and Resulting Issuer Warrants concurrently with the completion of the Amalgamation at a price of \$0.145 (post-Consolidation) and with the warrants entitling the holder thereof to acquire one Resulting Issuer Share for a term of three years from the date of issuance at an exercise price of \$0.20 per Resulting Issuer Share. If the Amalgamation is not completed, no portion of the FirstLine and SCA loans will convert into securities of Resulting Issuer securities. The proceeds from these loans were used for working capital purposes.

FMAC obtained TSXV approval to loan up to \$250,000 to FWTC by way of the FMAC Loan. As of July 31, 2024, FMAC had advanced \$175,000 in the aggregate of this amount. The loaned amount has been advanced in tranches, with \$25,000 advanced on May 13, 2024, \$25,000 advanced on June 14, 2024, \$20,000 advanced June 21, 2024, \$35,000 advanced on July 9, 2024 and \$70,000 advanced on July 19, 2024. FMAC expects to advance the balance of the FMAC Loan prior to completion of the Amalgamation. The FMAC Loan shares a *pari passu* security ranking with loans previously advanced by existing FWTC shareholders, FirstLine and SCA. In the event that the Amalgamation does not close by December 31, 2024, the FMAC Loan will mature on December 31, 2024. The FMAC Loan bears no interest until September 10, 2024 (being 120 days following the entering into of the FMAC Loan), with an interest rate of 20% per annum thereafter.

On July 11, 2024, FWTC announced that it has initiated new projects via direct customer contact in the food and beverage space to enable more efficient wastewater handling in the production of food and beverage products with globally positioned multinational manufacturers. FWTC has entered into early planning stages for a pilot or early commercial trials after being selected for evaluation by two unique clients.

On July 22, 2024, FWTC announced the execution of the Acquisition Agreement in connection with the RTO.

Selected Consolidated Financial Information and Management's Discussion and Analysis

The following table sets out selected financial information for FWTC for the years ended March 31, 2024 and 2023 and should be read in conjunction with the FWTC's consolidated financial statements for those periods. The audited consolidated financial statements of FWTC for the years ended March 31, 2024 and March 31, 2023 are available on SEDAR+ at www.sedarplus.ca and are incorporated by reference herein.

	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2022
	(\$)	(\$)	(\$)
Total Expenses	2,258,690	2,421,598	4,186,933
Amounts deferred in connection with the RTO	Nil	Nil	Nil

FWTC's MD&A for the years ended March 31, 2024 and 2023 are available on SEDAR+ at www.sedarplus.ca and are incorporated by reference herein, and should be read in conjunction with FWTC's audited consolidated financial statements for the years ended March 31, 2024, 2023 and 2022 which and are incorporated by reference herein.

Description of Securities

FWTC's authorized capital consists of an unlimited number of FWTC Shares without par value. As of the date of this Circular, there are 117,941,095 FWTC Shares outstanding. There are 9,240,000 FWTC Warrants and 1,643,700 FWTC Options outstanding.

The holders of FWTC Shares are entitled to vote at all meetings of Shareholders, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of FWTC. The FWTC Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring the Shareholder to contribute additional capital and no restrictions on the issuance of additional securities by FWTC. There are no restrictions on the repurchase or redemption of FWTC Shares by FWTC except to the extent that any such repurchase or redemption would render FWTC insolvent.

FWTC Option Plan

FWTC has a 10% "rolling" stock option plan. For more information, see "*Particulars of Matters to be Acted Upon – Approval of the Amendment to the FWTC Option Plan*".

Prior Sales

During the 12-month period before the date of this Circular, FWTC has issued the following securities

Date of Issue	Price per Security (\$)	Number and Type of FWTC Security
October 3, 2023	\$0.05 (FWTC Share)	452,000 FWTC Shares
October 23, 2023	\$0.05 (FWTC Unit)	9,240,000 FWTC Units ⁽¹⁾
January 2, 2024	\$0.05 (FWTC Share)	452,000 FWTC Shares
May 24, 2024	\$1,000 (March 2024 Debentures)	\$200,000 (March 2024 Debentures) ⁽²⁾
August 19, 2024	\$1,000 (Bridge Financing Debentures)	\$200,000 (Bridge Financing Debentures) ⁽³⁾

Note:

- Each FWTC Unit was comprised of one FWTC Share and one FWTC Warrant. Each such FWTC Warrant entitles the holder thereof to acquire one FWTC Share at a price of \$0.075 per FWTC Share at any time on or before October 20, 2026.
- \$100,000 of secured convertible debentures bear interest at 20% per annum with such interest to commence on November 19, 2024 and maturing on the earlier of December 31, 2024 and the closing of the RTO. These convertible debentures will convert into units of Forward Water ("Units") concurrently with the completion of the RTO at a conversion price of \$0.145 per unit (following the Consolidation). Each unit will be comprised of one common share and one-half of one common share purchase warrant of FWTC with each whole warrant entitling the holder to purchase one Resulting Issuer Share at an exercise price of \$0.20 (post-Consolidation) at any time prior to the third anniversary of the issuance of such warrant. If the RTO is not completed the debentures will not be convertible. The remaining \$125,000 of debentures are not convertible, will mature on December 31, 2024 and will otherwise have the same terms as set forth above.
- \$200,000 of Bridge Financing Debentures

Stock Exchange Price

The FWTC Shares are currently listed for trading on the TSXV under the trading symbol "FWTC". The following table sets out the high and low closing prices and volume of trading of FWTC Shares on the TSXV for the periods indicated.

Period	High	Low	Trading Volume
October 1, 2022 – December 31, 2022	\$0.10	\$0.05	1,111,192
January 1, 2023 – March 31, 2023	\$0.105	\$0.065	1,138,416
April 1, 2023 – June 30, 2023	\$0.08	\$0.04	695,980
July 1, 2023 – September 30, 2023	\$0.095	\$0.045	1,087,932
October 1, 2023 – December 31, 2023	\$0.06	\$0.02	970,177
January 1, 2024 – March 31, 2024	\$0.05	\$0.015	2,146,369
April 1, 2024 – June 30, 2024	\$0.025	\$0.01	2,416,000
July 1, 2024 – August 19, 2024	\$0.015	\$0.01	908,500

Executive Compensation

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the CEO and the CFO of an issuer and each of the three most highly compensated executive officers or individuals whose total compensation exceeds \$150,000. Based on those requirements, the individuals of FWTC for whom disclosure is required under Form 51-102F6 are Mr. C. Howie Honeyman, the President and CEO, Mr. Michael Willetts, CFO, and Mr. Grant Thornley, VP Engineering Solution Sales. Such individuals are collectively referred to as the NEOs.

Compensation Discussion and Analysis

NEO Compensation Discussion and Analysis

FWTC's Governance, Nomination and Compensation Committee is comprised of Lea Ray (Chair), Gerald Goldberg and Wayne Maddever. All members, other than Mr. Maddever, are independent directors. Each of the members of the committee have had experience in setting compensation policies at other companies both at the board and management levels. This experience has provided each of them with an understanding of appropriate compensation practices.

FWTC's executive compensation policies are designed to support an appropriate relationship between the executive pay and the creation of shareholder value. The Governance, Nomination and Compensation Committee reviews the design and components of FWTC's compensation for the NEOs. During 2023, Mr. Honeyman, as CEO, provided information requested by the members of the Governance, Nomination and Compensation Committee but recused himself from discussions regarding his own compensation.

The Governance, Nomination and Compensation Committee develops an executive compensation plan for the NEOs that is designed to link corporate performance to the creation of shareholder value for Shareholders.

The objective of FWTC's executive compensation program and strategy is to attract, retain, and motivate talented executives and provide incentives for executives to create sustainable shareholder value over the long term. To achieve this objective, executive compensation is designed based on the following principles:

- ***To align with FWTC's business*** - reflect FWTC's past performance and current state of development; to be commensurate with FWTC's financial ability to remunerate NEOs;
- ***To align to shareholder interests*** - align the interests of executives with those of Shareholders through the use of awards which increase in value when shareholder value increases, and decline in value when the share price falls;
- ***Corporate governance*** - continually review and, as appropriate for FWTC, adopt executive compensation practices that align to current market practices;

- **Pay for performance** - align with FWTC's desire to create a performance culture and create tangible relationships between pay and performance; and
- **Pay competitively** - reflect each NEO's performance, expertise, responsibilities, and length of service to FWTC in their compensation; set overall target compensation to ensure it remains competitive.

The Governance, Nomination and Compensation Committee has implemented a compensation regime that is designed to reflect the above objectives. Executive compensation consists of a combination of salary, annual performance bonus awards and longer-term equity-based incentives.

Compensation for the NEOs consists of three components: a base salary or fee, cash-based incentive compensation and long-term incentive plans including the FWTC Option Plan. Their compensation is designed to take into consideration the experience, responsibility and expected performance of each individual and the size of FWTC's asset base. Option awards and the terms thereof for the CEO are determined by the Governance, Nomination and Compensation Committee and option awards for all other employees, and the terms thereof, are based on recommendations made by the CEO and approved by the Governance, Nomination and Compensation Committee.

Option-Based Awards

The FWTC Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The FWTC Option Plan is an important part of FWTC's long-term incentive strategy for its NEOs, as well as for its other directors, officers, other management, employees and consultants (collectively, "**eligible persons**"), permitting them to participate in any appreciation of the market value of FWTC's FWTC Shares over a stated period of time. The FWTC Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to FWTC's long-term growth, performance and success as well as increasing shareholder value. The Board of Directors reviews the grant of stock options to NEOs from time to time, based on various factors such as the NEO's level of responsibility and role and importance in FWTC achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when considering new grants of stock options to NEOs.

FWTC has no equity compensation plans other than the FWTC Option Plan.

Base Salary or Consulting Fee

Executive base salaries or consulting fees are intended to adequately remunerate executives for properly fulfilling the requirements of their positions. Criteria used in the determination of base salaries include performance, the individual's experience level, specific competencies and the scope and complexity of the position held. The total base salaries and fees paid or payable to the NEOs in the year ended March 31, 2024 were \$325,000.

Annual Incentive Compensation

To motivate senior management to achieve short-term corporate goals, FWTC may provide incentive compensation to the NEOs based on performance. The success of executive team members in achieving their individual objectives and their contribution to FWTC in reaching its overall goals are factors in determination of their annual incentive compensation. The Governance, Nomination and Compensation Committee has delegated the determination of bonuses for the executive officers other than the CEO to the CEO. These bonuses are based on their performance together with the overall performance of FWTC.

The Governance, Nomination and Compensation Committee's goal is to tie executive compensation to both individual performance and corporate results. The Governance, Nomination and Compensation Committee assesses the CEO's performance based on operational goals and corporate performance, as well as to the needs of FWTC that arise on a day-to-day basis.

Use of Financial Instruments

FWTC does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out certain information respecting the compensation paid to the NEOs during the three most recently completed financial year(s) in which they were acting in the capacity of a NEO.

Name and principal position (a)	Year ⁽¹⁾ (b)	Salary (\$) (c)	Share based awards (\$) (d)	Option based awards (\$) ⁽²⁾ (e)	Non-equity incentive plan compensation (f)		Pension value (g)	All other compensation (h)	Total compensation (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
C. Howie Honeyman President, CEO and Director	2024	180,000	Nil	Nil	Nil	Nil	Nil	Nil	\$180,000
	2023	180,000	Nil	Nil	Nil	Nil	Nil	\$14,000 ⁽⁵⁾	\$194,000
	2022	180,000	Nil	Nil	Nil	Nil	Nil	\$14,000 ⁽⁵⁾	\$194,000
Michael Willetts ⁽³⁾ CFO	2024	Nil	Nil	Nil	Nil	Nil	Nil	\$74,463 ⁽⁴⁾	\$74,463
	2023	Nil	Nil	Nil	Nil	Nil	Nil	\$38,755 ⁽⁴⁾	\$38,775
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$29,395 ⁽⁴⁾	\$29,395
Grant Thornley VP Engineering Solution Sales	2024	145,000	Nil	Nil	Nil	Nil	Nil	\$7,250	\$152,250
	2023	145,000	Nil	Nil	Nil	Nil	Nil	\$7,250	\$152,250

- Notes:**
- (1) Fiscal year ended March 31.
 - (2) Deemed fair value of options granted and vested during the fiscal year, based on the Black-Scholes-Merton model. See audited annual financial statements for the respective fiscal year for the underlying assumptions with respect to options granted in that year.
 - (3) Mr. Willetts is a fractional CFO at WD Numeric Corporate Services Inc. ("WD Numeric") and was appointed as CFO of FWTC on October 20, 2021 in connection with the closing of the Qualifying Transaction.
 - (4) Represents the amount that WD Numeric paid Mr. Willetts that was attributable to the services that he provided to FWTC. Mr. Willetts received 50% of the amount that WD Numeric invoiced FWTC.
 - (5) \$9,000 of this figure represents an RRSP matching and \$5,000 represents compensation for health related costs including life/disability insurance.

NEO Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date dd/mm/yy (d)	Value of unexercised in-the-money-options ⁽¹⁾ (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
C. Howie Honeyman	401,200	\$0.105	01/19/28	Nil	n/a	n/a	n/a
Michael Willetts	Nil	Nil	Nil	Nil	n/a	n/a	n/a
Grant Thornley	350,000	\$0.085	01/19/28	Nil	n/a	n/a	n/a

- Notes:**
- (1) Based on the difference between the exercise price of the option and the closing market price of the FWTC Shares on the Exchange on the last day of the financial year ended March 31, 2024, being \$0.015.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards –Value vested during the year ⁽¹⁾ (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
C. Howie Honeyman	Nil	11,882	n/a
Michael Willetts	Nil	n/a	n/a
Grant Thornley	Nil	9,917	n/a

Notes:
(1) For options that became vested during the financial year ended March 31, 2024, and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the FWTC Shares on the Exchange on the vesting date.

NEO Termination and Change of Control Benefits

Other than as set forth below, there are no provisions in any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in FWTC or a change in the NEO's responsibilities. Mr. Honeyman's employment agreement entitles him to 40 weeks of his salary where he is terminated without cause in the first year of his employment. This amount is increased by four weeks for each year of service to a maximum of 65 weeks of salary. Mr. Honeyman is also entitled to a continuation of his benefits during such period. If Mr. Honeyman had been terminated on March 31, 2024, he would have been entitled to a payment in the amount of \$195,084.

Mr. Thornley's employment agreement entitles him to 2 weeks of his salary where he is terminated without cause in this first year of employment. This amount is increased by 2 weeks for every full-time of service thereafter for a maximum of sixty-five (65) weeks. If Mr. Thornley had been terminated on March 31, 2024, he would have been entitled to a payment in the amount of \$27,770.

Director Compensation

The following table sets out certain information respecting the compensation paid to directors of FWTC who were not NEOs during FWTC's most recently completed financial year:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards(1) (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Wayne Maddever	Nil	n/a	Nil	n/a	n/a	n/a	0
John Koehle	Nil	n/a	Nil	n/a	n/a	n/a	0
Andrew Pasternak ⁽²⁾	Nil	n/a	Nil	n/a	n/a	n/a	0
Gerald Goldberg	37,500	n/a	Nil	n/a	n/a	n/a	37,500
Lea Ray	35,742	n/a	Nil	n/a	n/a	n/a	35,742

Notes:
(1) Deemed fair value of options granted and vested during the fiscal year, based on the Black-Scholes-Merton model. See audited annual financial statements for the most recently completed financial year for underlying assumptions for options granted in the most recently completed financial year.
(2) Mr. Pasternak resigned as a director of FWTC on June 7, 2024.

Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of FWTC who were not NEOs.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date dd/mm/yy (d)	Value of unexercised in-the-money options ⁽¹⁾ (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Wayne Maddever	n/a	n/a	n/a	n/a	n/a	n/a	n/a
John Koehle	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Andrew Pasternak ⁽²⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gerald Goldberg	261,250	0.175	09/11/26	0	n/a	n/a	n/a
Lea Ray	261,250	0.175	09/11/26	0	n/a	n/a	n/a

Notes:
(1) Based on the difference between the exercise price of the option and the closing market price of the FWTC Shares on the Exchange on the last day of the financial year ended March 31, 2024, being \$0.015.
(2) Mr. Pasternak resigned as a director of FWTC on June 7, 2024.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year, for the directors of FWTC who were not NEO's.

Name	Option-based awards –Value vested during the year ⁽¹⁾ (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Wayne Maddever	n/a	n/a	n/a
John Koehle	n/a	n/a	n/a
Andrew Pasternak ⁽²⁾	n/a	n/a	n/a
Gerald Goldberg	\$11,643	n/a	n/a
Lea Ray	\$11,643	n/a	n/a

Notes:
(1) For options that became vested during the financial year ended March 31, 2024 and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the FWTC Shares on the Exchange on the vesting date.
(2) Mr. Pasternak resigned as a director of FWTC on June 7, 2024.

Audit Committee Disclosure

The charter of FWTC's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Circular as Schedule "A".

Corporate Governance Disclosure

The information required to be disclosed by National Instrument 58-101 Disclosure of Corporate Governance Practices is attached to this Circular as Schedule "B".

Securities Authorized for Issuance Under Equity Compensation

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of March 31, 2024:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding those in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	1,643,700	\$0.124	10,150,409
Equity compensation plans not approved by securityholders	Nil	n/a	n/a
TOTAL	1,643,700	\$0.124	10,150,409

Notes:
 (1) Represents the FWTC Option Plan, which reserves a number of FWTC Shares equal to 10% of the then outstanding FWTC Shares from time to time, for issue pursuant to stock options.

For further information on the FWTC Option Plan, refer to the heading "*Particulars of Matters to be Acted Upon – Approval of the Amendment to the FWTC Option Plan.*"

Indebtedness Of Directors and Executive Officers

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

- the individuals who are, or at any time since the beginning of the last financial year of FWTC were, a director or executive officer of FWTC;
- the proposed nominees for election as a director of FWTC; or
- any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to FWTC or any subsidiary of FWTC, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by FWTC or any subsidiary of FWTC.

Management Contracts

Except as disclosed herein, management functions of FWTC and any subsidiary thereof are not, to any substantial degree, performed other than by directors or executive officers of FWTC or any subsidiary thereof.

Non-Arm's Length Party Transactions/Arm's Length Transactions

FWTC has not acquired or provided any assets or services in any transaction involving a director, officer or promoter of FWTC, or a securityholder that is considered a principal securityholder as defined in the TSXV Manual, either before or after giving effect to the Effective Time, or any of their respective associates or affiliates, other than as set out below or otherwise disclosed in this Circular.

- (a) Loan payable

In April 2018, FWTC's original shareholder sold 66% of FWTC to two unrelated parties.

As part of the transaction with the unrelated parties, the common shares held by the original shareholder at the time of the transaction were cancelled, 3,400 Class A common shares were issued to the original shareholder, the outstanding loan payable balance was extinguished, and two additional liabilities were established, as follows:

FWTC issued a \$300,000 loan payable to the original shareholder payable upon FWTC obtaining one million (\$1,000,000) in gross revenue, with repayments calculated as 5% of gross margin and payable within 30-days of receipt of related revenue. The loan expired on April 27, 2023 and was renewed with a maturity date of April 30,

2024. The loan is currently under discussion as part of the Acquisition Agreement. The fair value of the loan payable on initial recognition was determined to be \$134,493. During the year ended March 31, 2024 finance costs of \$nil (2023 - \$20,828) were recorded related to this loan payable.

Balance at March 31, 2022	\$	279,172
Accretion expense		20,828
Balance at March 31, 2023 and 2024	\$	300,000

(b) Key management personnel

	For the year ended March 31,	
	2024	2023
Salaries and benefits	\$ 270,705	\$ 259,876
Stock-based compensation	40,594	41,565
	\$ 311,299	\$ 301,441

During the year ended March 31, 2024, FWTC incurred consulting fees of \$151,990 (2023 - \$69,478), to WD Numeric Corporate Services, for the services of Mike Willetts to act as Chief Financial Officer of FWTC.

(c) During the year ended March 31, 2024, FWTC paid a shareholder of FWTC \$25,000 (2023 - \$52,377) for licensing fees.

The proposed RTO is an Arm's-Length Transaction.

Legal Proceedings

There are no legal proceedings material to FWTC to which FWTC or a subsidiary of FWTC is a party or of which any of their respective property is the subject matter. Additionally, to the reasonable knowledge of the management of FWTC, there are no such proceedings contemplated.

Auditor, Transfer Agent and Registrar

Auditor

FWTC's independent auditors are RSM Canada LLP, Chartered Professional Accountants, of 112 4 Avenue SW Suite 2200, Calgary, AB T2P 0H3. RSM Canada LLP is independent of FWTC in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

Transfer Agent and Registrar

FWTC's transfer agent and registrar is TSX Trust Company at 301-100 Adelaide St W, Toronto, Ontario, M5H 4H1.

Directors' and Officers' Liability Insurance

In 2023, FWTC maintained Directors' and Officers' Liability Insurance with a \$3,000,000 combined aggregate limit per occurrence. The annual premium for the period October 22, 2022 to October 22, 2023 was \$35,050. It was renewed for the period October 22, 2023 to October 22, 2024 at an annual premium of \$35,050. Generally, under this insurance, FWTC would be reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers and individual directors and officers would be reimbursed for losses arising during the performance of their duties for which they are not indemnified by FWTC. Excluded from coverage are illegal acts and those acts which would result in personal profit. The deductible under FWTC's directors' and officers' insurance policy is \$25,000. No amounts were paid by individual directors and officers for this coverage.

INFORMATION CONCERNING FMAC

Corporate Structure

Name, Address and Incorporation

The full corporate name of FMAC is Fraser Mackenzie Accelerator Corp. FMAC was incorporated under the laws of the Province of Ontario pursuant to the OBCA on February 9, 2022. The registered and head office address of FWTC is located at 116 Eastbourne Avenue, Toronto, Ontario, M5P 2G3.

General Development of the Business

FMAC was incorporated under the OBCA on February 9, 2022 and is classified as a Capital Pool Company, as defined in the CPC Policy. FMAC is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia. The FMAC Shares trade on the TSXV under the stock symbol "FMAC".

The principal business of FMAC is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. FMAC has no assets other than cash held and loans made to FMAC and has not conducted commercial operations. Until completion of a Qualifying Transaction, FMAC will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. With the consent of the TSXV, this may include the raising of additional funds in order to finance an acquisition.

Three-Year History

FMAC was incorporated on February 9, 2022. On February 9, 2022, FMAC issued 5,000,000 FMAC Shares to its founders at a price of \$0.05 per share for aggregate consideration of \$250,000. On September 26, 2022, FMAC granted its directors and officers stock options to purchase 500,000 FMAC Shares at a price of \$0.05 per share for a term of 10 years.

On January 10, 2023, FMAC issued 1,200,000 FMAC Shares in an arm's length private placement at a price of \$0.10 per share for aggregate consideration of \$120,000.

On February 22, 2023, FMAC completed its Initial Public Offering ("**IPO**") of 14,371,000 FMAC Shares at a purchase price of \$0.10 per share for gross proceeds of \$1,437,100 and granted its directors additional options to purchase up to 1,557,100 FMAC Shares at a price of \$0.10 per share for a period of 10 years from the date of grant, in accordance with the policies of the TSXV. Additionally, in connection with the IPO, FMAC issued an aggregate 1,437,100 FMAC Broker Warrants with each FMAC Broker Warrant entitling the holder thereof to acquire one (1) FMAC Share at an exercise price of \$0.10 per share, exercisable until February 22, 2028.

FMAC evaluated a number of potential acquisitions before entering into the Letter of Intent with respect to its proposed business combination with FWTC. On July 22, 2024 FMAC and FWTC executed the Acquisition Agreement, with the intention that the Amalgamation will serve as FMAC's Qualifying Transaction for the purposes of the CPC Policy.

Selected Consolidated Financial Information and Management's Discussion and Analysis

The following table presents the selected unaudited financial information for FMAC for the three months period ended March 31, 2024, and audited financial information for the period from the date of incorporation (February 9, 2022) to December 31, 2022 and for the year ended December 31, 2023. The following information is taken from and should be read in conjunction with FMAC's financial statements and related notes thereto and "Management's Discussion and Analysis of the Financial Condition and Results of Operations" all of which are available under FMAC's profile on SEDAR+ at www.sedarplus.ca and are incorporated by reference herein. This table contains financial information derived from financial statements that have been prepared in accordance with IFRS. Certain information included in such financial statements and management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Note Regarding Forward-Looking Information.*"

	Three Months Ended March 31, 2024 (unaudited)	Year ended December 31, 2023 (audited)	Period from date of incorporation (February 9,
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			2022 to December 31, 2022) (audited)
Interest income	\$15,768	\$32,827	-
Net income (loss)	\$2,422	(\$124,389)	(\$66,194)
Total assets	\$1,505,223	\$1,510,214	\$176,268
Total liabilities	\$17,182	\$24,594	\$48,045
Cash dividends declared	Nil	Nil	Nil

Quarterly Information

The following is a summary of the Company's financial results for the last four quarters for which financial statements have been prepared.

	Quarter ended March 31, 2024	Quarter ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended June 30, 2023
Net income (loss)	\$2,422	\$5,468	\$9,347	\$(32,055)
Expenses	\$13,346	\$11,794	\$5,705	\$32,567
Net income (loss) per share – Basic	0.00	0.00	0.00	0.00
Total assets	\$1,505,223	\$1,510,214	\$1,492,189	\$1,481,304

Description of Securities

FMAC is authorized to issue an unlimited number of FMAC Shares, of which 20,571,000 FMAC Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. FMAC has reserved in respect of granted FMAC Options an aggregate of 500,000 FMAC Shares at an exercise price of \$0.05 per share and 1,557,100 FMAC Shares at an exercise price of \$0.10 per share. In connection with the IPO, FMAC granted non-transferable broker warrants to acquire up to an aggregate of 1,437,100 FMAC Shares (the "**Broker Warrants**"). Each Broker Warrant is exercisable to acquire one FMAC Share at a price of \$0.10 per share. See "*Prior Sales*".

FMAC Shares

The holders of FMAC Shares are entitled to: (i) receive dividends as and when declared by the FMAC board of directors, out of the moneys properly applicable to the payment of dividends, in such amount and in such form as the FMAC board of directors may from time to time determine; (ii) in the event of the dissolution, liquidation or winding-up of FMAC, whether voluntary or involuntary, or any other distribution of the assets of FMAC among its shareholders for the purpose of winding-up its affairs receive the remaining property and assets of FMAC; and (iii) receive notice of and to attend all meeting of the shareholders of FMAC and to have one vote for each FMAC Share held at all meetings of the shareholders of FMAC.

Consolidated Capitalization

The table below shows the capitalization of FMAC as at March 31, 2024 and as of the date hereof, and after giving effect to the Concurrent Financing.

Designation of Security	Amount Authorized	Amount outstanding as at March 31, 2024 ⁽¹⁾	Amount outstanding as of the date hereof ⁽²⁾	Amount outstanding after giving effect to the Minimum Financing and assuming satisfaction of the Escrow Release Conditions ⁽²⁾⁽³⁾	Amount outstanding after giving effect to the Maximum Financing and assuming satisfaction of the Escrow Release Conditions ⁽²⁾⁽³⁾
FMAC Shares	Unlimited	20,571,000	20,571,000	31,785,953	36,458,850

Notes:

(1) As at the date of the most recent FMAC balance sheet contained herein and as at the date hereof, FMAC had not commenced commercial operations.

(2) Excluding up to 2,057,100 FMAC Shares issuable pursuant to the FMAC Options granted to certain directors and officers and up to 1,437,100 FMAC Shares issuable pursuant to the FMAC Broker Warrants.

(3) Excluding all FMAC Warrants expected to be issuable in connection with the Concurrent Financing.

Prior Sales

Since the date of incorporation, 20,571,000 FMAC Shares have been issued as follows:

Date	Number of FMAC Shares	Issue Price per FMAC Share (\$)	Aggregate Issue Price (\$)	Nature of Consideration Received
February 9, 2022	5,000,000 ⁽¹⁾	0.05	\$250,000	Cash
January 10, 2023	1,200,000	0.10	\$120,000	Cash
February 22, 2023	14,371,000	0.10	\$500,000	Cash
Total	20,571,000	-	\$1,437,100	-

Notes:

(1) These FMAC Shares are subject to escrow pursuant to the CPC Policy. See "Escrowed Securities".

Stock Exchange Price

The FMAC Shares have been posted for trading on the TSXV since February 22, 2023 under the trading symbol "FMAC-PV". The FMAC Shares were halted from trading on May 14, 2024, concurrently with the announcement of the RTO. The market price of the FMAC Shares on the TSXV on May 13, 2024, the final day of trading immediately prior to the halt, was \$0.05. The following table shows FAMC's monthly price ranges and volume traded on the TSXV for the applicable period prior to being halted.

Period	High	Low	Trading Volume
August 2023	\$0.110	\$0.110	10,000
September 2023	\$0.110	\$0.110	5,000
October 2023	Nil	Nil	Nil
November 2023	\$0.100	\$0.100	57,000
December 2023	Nil	Nil	Nil
January 2024	\$0.105	\$0.100	55,500
February 2024	\$0.050	\$0.050	1,000
March 2024	\$0.100	\$0.020	45,500
April 2024	\$0.045	\$0.040	100,000
May 1, 2024 – May 13, 2024	\$0.050	\$0.045	2,500

Escrowed Securities

Securities Escrowed Prior to the Completion of the Amalgamation

Subject to the policies of the TSXV, all FMAC Shares that may be acquired from treasury by Non-Arm's Length Parties of the Corporation prior to the date of the Final Exchange Bulletin will be deposited with TSX Trust under the Escrow Agreement. For certainty, it is not expected that the Subscription Receipts acquired by Non-Arm's Length Parties of the Corporation will be subject to escrow.

All FMAC Options and all FMAC Shares issued prior to the date of the Final Exchange Bulletin pursuant to the exercise of FMAC Options are subject to escrow under the Escrow Agreement.

In addition, all FMAC Shares issued on or after the date of the Final Exchange Bulletin pursuant to the exercise of FMAC Options granted prior to the Corporation's initial public offering with an exercise price that is less than \$0.10 are also subject to escrow under the Escrow Agreement.

The following table sets out, as at the date hereof, the number of FMAC Shares and FMAC Options which are held in escrow:

Name and Municipality of Residence of Shareholder	Number of Common Shares Escrowed	Percentage of Common Shares	Number of FMAC Options held in Escrow
Philip Benson Minesing, Ontario	833,334	4.05%	342,850
Donald Bent Toronto, Ontario	833,334	4.05%	342,850
Robert Eberschlag Toronto, Ontario	833,333 ⁽¹⁾	4.05%	342,850
David Iacobelli Oakville, Ontario	833,333	4.05%	342,850
Michael Lambert Calgary, Alberta	833,333	4.05%	342,850
Michael Liik Toronto, Ontario	833,333 ⁽²⁾	4.05%	342,850
TOTAL	5,000,000	24.3%	2,057,100

Notes:

⁽¹⁾ The FMAC Shares are held by Robert Eberschlag Professional Corp., a company controlled by Robert Eberschlag.

⁽²⁾ The FMAC Shares are held by Liikfam Holdings Inc., a company controlled by Michael Liik.

Where the FMAC Shares are required to be held in escrow and are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement has agreed not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the TSXV. Any holding company must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it could reasonably result in a change of control of the holding company. In addition, the TSXV may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement:

- (a) all FMAC Options granted prior to the date of the Final Exchange Bulletin and all FMAC Shares that were issued pursuant to the exercise of such FMAC Options prior to the date of the Final Exchange Bulletin will be released from escrow on the date of the Final Exchange Bulletin, other than FMAC Options that were granted prior to FMAC's initial public offering with an exercise price that is less than the issue price of the FMAC Shares under this prospectus

and any FMAC Shares that were issued pursuant to the exercise of such FMAC Options which will be released from escrow in accordance with (b);

- (b) except for the FMAC Options and FMAC Shares issued pursuant to the exercise of such FMAC Options that are released from escrow on the date of the Final Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final Exchange Bulletin	25%
Date 6 months following Final Exchange Bulletin	25%
Date 12 months following Final Exchange Bulletin	25%
Date 18 months following Final Exchange Bulletin	25%
TOTAL	100%

The TSXV's prior consent must be obtained before a transfer within escrow of escrowed FMAC Shares. Generally, the TSXV will only permit a transfer within escrow to be made to existing Principals of the Corporation and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed FMAC Shares will not be released. Under the Escrow Agreement, upon the issuance by the TSXV of a bulletin delisting the Corporation, the Transfer Agent is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Corporation that were issued at a price below the Offering price under this prospectus and all FMAC Options and FMAC Shares acquired on the exercise of FMAC Options held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange bulletin.

Principal Shareholders

To the knowledge of the directors and executive officers of FMAC, no person or company is expected to beneficially own, directly or indirectly or exercise control or direction over FMAC Shares carrying ten percent (10%) or more of the voting rights attached to all outstanding FMAC Shares.

Executive Compensation

Since its incorporation, FMAC had two (2) NEOs: Philp Benson, who serves as chief executive officer ("**CEO**"), and Donald Bent who serves as chief financial officer ("**CFO**").

Compensation Discussion and Analysis

This section provides information regarding the compensation program in effect for the fiscal period ended December 31, 2023 for the NEOs and directors of FMAC. FMAC does not have a formal pre-determined compensation plan nor does it engage in benchmarking practices. Rather, FMAC informally assesses the performance of its NEOs and considers a variety of factors generally, both objective and subjective, when determining compensation levels. Going forward, the compensation program of FMAC has the following objectives: (i) to provide a compensation program that is fair and competitive in order to attract and retain well-qualified and experienced executives within FMAC; (ii) to focus the efforts of executives on business performance; and (iii) to recognize individual performance. Compensation of the NEOs currently consists solely of option grants.

In performing its duties, the FMAC Board has considered the implications of risks associated with FMAC's compensation policies and practices. At its present early stage of development and considering its present compensation policies, FMAC currently has no compensation policies or practices that would encourage an executive officer or other individual to take inappropriate or excessive risks. A NEO or director is permitted for his or her own benefit and at his or her own risk, to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units or exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly.

Statement on Executive Compensation

Since the incorporation of FMAC, no NEOs or directors of FMAC received compensation for their services as NEOs or directors, for committee participation, for involvement in special assignments or for services as consultant or expert, other than the directors being awarded an aggregate of 2,057,100 FMAC Options under the FMAC Option Plan.

FMAC has no arrangements, standard or otherwise, pursuant to which NEOs or directors are compensated by FMAC for their services in their capacity as NEOs or directors, or for committee participation, for involvement in special assignments or for services as consultants or experts for the period from the date of incorporation (February 9, 2022) to the date hereof.

FMAC has the FMAC Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist FMAC in compensating, attracting, retaining and motivating the NEOs and directors of FMAC and to closely align the personal interests of such persons to that of the FMAC Shareholders.

In accordance with the CPC Policy, no compensation in the form of a salary, consulting fee, management contract fee, directors' fee or bonus has been paid to or earned by any NEO or director for the period from the date of incorporation (February 9, 2022) to the date hereof.

The following table sets out certain information respecting the compensation paid to the directors and NEOs of FMAC for the period from the date of incorporation of FMAC (February 9, 2022) to December 31, 2022 and for the year ended December 31, 2023.

Director and NEO Summary Compensation Table

Name and position	Year⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Philip Benson <i>CEO, President, Chair of the Board and Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Donald Bent <i>Chief Financial Officer and Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Robert Eberschlag <i>Corporate Secretary and Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
David Iacobelli <i>Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Michael Liik <i>Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Michael Lambert <i>Director</i>	2022 2023	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Note:

(1) Period from the date of incorporation (February 9, 2022) to December 31, 2022.

Stock Options and Other Compensation Securities

From the date of incorporation of FMAC to the date hereof, FMAC Options to purchase up to 2,057,100 FMAC Shares have been granted as follows:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Philip Benson <i>CEO, President, Chair of the Board and Director</i>	Options	83,334	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,516	February 22, 2023	0.10	N/A	0.10	February 22, 2033
Donald Bent <i>Chief Financial Officer and Director</i>	Options	83,334	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,516	February 22, 2023	0.10	N/A	0.10	February 22, 2033
Robert Eberschlag <i>Corporate Secretary and Director</i>	Options	83,333	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,517	February 22, 2023	0.10	N/A	0.10	February 22, 2033
David Iacobelli <i>Director</i>	Options	83,333	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,517	February 22, 2023	0.10	N/A	0.10	February 22, 2033
Michael Liik <i>Director</i>	Options	83,333	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,517	February 22, 2023	0.10	N/A	0.10	February 22, 2033
Michael Lambert <i>Director</i>	Options	83,333	September 26, 2022	0.05	N/A	0.10	September 26, 2032
		259,517	February 22, 2023	0.10	N/A	0.10	February 22, 2033
Total:		2,057,100					

Incentive Plan Awards – Value Vested Or Earned During The Year

There are: (a) no options awarded under the FMAC Option Plan for the NEOs and directors that vested during the financial year ended on December 31, 2023; and (b) 2,057,100 options awarded under the FMAC Option Plan for the NEOs and directors that vested during the period from the date of incorporation of FMAC (February 9, 2022) to December 31, 2022. There has been no security-based compensation under non-equity incentive plans granted to NEOs and the directors for the aforementioned period.

Incentive Plan Awards – Outstanding Option-Based Awards

There were an aggregate of 2,057,100 option-based awards granted under the FMAC Option Plan to NEOs and directors outstanding as at the date hereof.

Pension Benefits

FMAC does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. FMAC does not have any form of deferred compensation plan.

Termination and Change of Control Benefits

FMAC has no plans or arrangements in respect of remuneration received or that may be received by the NEO in FMAC's most recently completed financial year or current financial year in respect of compensating such officer in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

There are no employment contracts between FMAC and the NEO.

There are no compensatory plans, contracts or arrangements between FMAC and any NEO, where the NEO is entitled to receive more than \$50,000 from FMAC, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the NEO's employment with FMAC;
- (b) a change of control of FMAC; or
- (c) a change of the NEO's responsibilities following a change in control.

Management Contracts

FMAC is not a party to a management contract with anyone other than directors or executive officers of FMAC.

Equity Compensation Plan Information

The following table sets out information as of December 31, 2023 with respect to the FMAC Option Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	nil	nil	nil
Equity compensation plans not approved by securityholders	2,057,100	\$0.09	nil
TOTAL	2,057,100	\$0.09	nil

Indebtedness of Directors and Executive Officers

As of the date of this Circular, there is no indebtedness outstanding of any current or former director, executive officer or employee of FMAC or any of its subsidiaries which is owing to FMAC or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by FMAC, entered into in connection with a purchase of securities or otherwise.

Legal Proceedings

FMAC has not been, and is not presently involved in, any legal proceedings nor, to FMAC's knowledge, are any such proceedings contemplated.

Non-Arm's Length Party Transactions

It is the collective view of FMAC and FWTC that the proposed Amalgamation is not a non-arm's length transaction

Auditor, Transfer Agent and Registrar

Auditor

The auditors of FMAC are RSM Canada LLP, Chartered Professional Accountants located at 11 King St W #700, Toronto, ON M5H 4C7.

Transfer Agent and Registrar

FMAC's transfer agent and registrar is TSX Trust at its principal office in Toronto, Ontario at 301 – 100 Adelaide Street West, Toronto ON M5H 4H1.

Material Contracts

FMAC has not been, and is not presently involved in, any legal proceedings nor, to FMAC's knowledge, are any such proceedings contemplated.

FMAC has not entered into contracts material to investors in the FMAC Shares hereunder, other than:

- (a) The Transfer Agency and Registrarship Agreement dated as of January 11, 2023 between FMAC and TSX Trust;
- (b) The Escrow Agreement dated as of January 11, 2023, among FMAC, TSX Trust and those shareholders that executed such Escrow Agreement referred to under "*Escrowed Securities*";
- (c) The Agency Agreement dated as of January 11, 2023 among FMAC and iA Private Wealth Inc. in connection with FMAC's initial public offering; and
- (d) The Acquisition Agreement.

Copies of the foregoing agreements are available under FMAC's profile on SEDAR+ at <https://www.sedarplus.ca> and will be available for inspection at the office of FMAC's legal counsel located at 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1, during ordinary business hours, until the completion of the Amalgamation and for a period of 30 days thereafter

INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Circular. Following the completion of the RTO, the Resulting Issuer will carry on the business of FWTC. Please see the discussion under the various headings in the sections entitled "Information Concerning FWTC" and "Information Concerning FMAC" for additional information regarding FWTC and FMAC, respectively.

Corporate Structure

Name and Incorporation

The Resulting Issuer will be continued under the laws of the province of Ontario, and its corporate name will be "Forward Water Technologies Corp.". The Resulting Issuer will use the stock symbol "FWTC" which is currently in use by FWTC.

The Resulting Issuer's registered and head office will be at 1086 Modeland Road, Sarnia, Ontario N7S 6L3.

Intercorporate Relationships

Following Closing, FWTC will acquire all of the issued and outstanding securities of FMAC by way of a three-cornered amalgamation between FWTC, FMAC and Newco. Amalco shall be a wholly-owned subsidiary of FWTC. The only other subsidiary of the Resulting Issuer will be FWTI, which will also be wholly owned by the Resulting Issuer.

Narrative Description the Business

The Resulting Issuer will carry on the business currently carried on by FWTC. See "*Information Concerning FWTC – General Development of the Business*".

Business Objectives & Milestones

The table below sets out the anticipated primary business objectives for the Resulting Issuer over the 24-month period following the Effective Time.

FWTC has already initiated the shipment of the commercial demonstration plant to the Chicago, Illinois site of Conductive Energy where in collaboration the plant is expected to be used to convert over 80,000 litres of lithium brine eluate to approximately 500kg of battery grade lithium carbonate. This is being performed under contract with Clean Tech Lithium PLC and is revenue generating. The results from this effort are expected to lead to two potential outcomes. First, commercial scale opportunities for Clean Tech Lithium PLC are expected to advance and lead to the first commercial plant definitive sale in September 2025. While the specific nature of the plant will need to be determined, it is expected to be a substantial revenue generating event for the Resulting Issuer. Secondly, the success of the Clean Tech Lithium PLC on-site trial is expected to encourage a second developing client to also initiate on-site trials for their own requirements. FWTC believes it has a least two clients that would be specifically interested in this exercise and anticipates at least one entering a contract by December of 2025.

To build better visibility across non-lithium sectors, the Resulting Issuer also intends to add resources to exploit opportunities in the industrial sector more broadly by hiring a senior sale engineer. This resource is also expected to further the Resulting Issuer's ability to integrate with engineering partners that have established client bases but cannot offer a differentiating technology. It is anticipated that this senior sale engineer would allow rapid access to a qualified client base and result in contract discussions in the fall of 2025.

Milestone	Timeline	Expected Cost to Support	Revenue Generation
Deliver, install, commission, and operate, mobile demonstration plant for clean tech lithium at Conductive Energy US site	Commissioning: Sep 2024 Operate: Oct 2024	\$35,000	Yes

Secure second demonstration on-site contract	April 2025	\$50,000	No
Hire senior sale engineer for industrial sector (non-lithium)	Jun 2025	\$100,000	No
Initiate negotiation for definitive sale for first lithium commercial plant	Sep 2025	\$20,000	Yes
Industrial treatment plant contract being negotiated	Oct 2025	\$20,000	Yes
Begin second On-site demonstration	Dec 2025	\$35,000	Yes
Initiate negotiation for definitive sale for first industrial commercial plant	Mar 2026	\$25,000	No
Complete demonstration plant for food & beverage concentrates	June 2026	\$350,000	No*
Preform food & beverage concentrate trials	Aug 2026	\$50,000	Yes
Total		\$685,000	

*not revenue generating at on-set of program but commercial partners will be expected to financially support once engaged.

Finally, FWTC has also advanced the base technology to enable direct food and beverage product contact. This improvement (also patent protected) allows the safe and effective cold concentration of food stuff. As of August of 2024, FWTC is developing project plans with global alcoholic beverage producers and dairy manufacturers. It is anticipated this will lead to full scale early commercial testing by June of 2026. This commercial testing will be revenue generating if and when implemented.

Description of Securities

Resulting Issuer Shares

Following the completion of the RTO, the authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares (being the FWTC Shares as constituted following the completion of the Consolidation and the Qualifying Transaction). The Resulting Issuer Shares will have the same rights, privileges, restrictions and conditions as the FWTC Shares, as described under "Information Concerning FWTC – Description of the Securities".

Warrants

Following completion of the Amalgamation, a total of approximately 10,660,778 Resulting Issuer Shares will be reserved for issuance upon the exercise of 10,660,778 Resulting Issuer Warrants assuming completion of the Minimum Financing and 13,235,545 Resulting Issuer Shares will be reserved for issuance upon the exercise of 13,235,545 Resulting Issuer Warrants assuming completion of the Maximum Offering (in each case not including any Resulting Issuer Shares issuable upon exercise of Concurrent Financing Warrants or Bridge Financing Warrants underlying Concurrent Financing Finder Warrants and Bridge Financing Finder Warrants, respectively).

Options

Following completion of the RTO, a total of approximately 2,118,612 Resulting Issuer Shares will be reserved for issuance under the FWTC Option Plan (which will continue as the Resulting Issuer's option plan), which shall include the 1,954,242 Resulting Issuer Options reserved upon the exercise of the 2,057,100 FMAC Options, and the 164,370 Resulting Issuer Options reserved upon the exercise of the 164,370 post-Consolidation FWTC Options granted under the FWTC Option Plan.

Resulting Issuer Stock Option Plan

The Resulting Issuer's stock option plan will be the FWTC Option Plan.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Amalgamation, the Consolidation and Exchange Ratio:

Designation of Security	Number Authorized or to be Authorized	Number Outstanding Upon Completion of the Amalgamation Assuming Completion of the Minimum Financing	Number Outstanding Upon Completion of the Amalgamation Assuming Completion of the Maximum Financing
Resulting Issuer Shares	Unlimited	44,735,341	49,174,594
Resulting Issuer Options	10% of the outstanding Resulting Issuer Shares	2,118,612	2,118,612
Warrants to purchase Resulting Issuer Shares ⁽¹⁾	Unlimited	10,660,778	13,235,545

Notes:

- (1) Not including any Resulting Issuer Shares issuable upon exercise of Concurrent Financing Warrants or Bridge Financing Warrants underlying Concurrent Financing Finder Warrants and Bridge Financing Finder Warrants, respectively.

Fully Diluted Share Capital

Set out below is a table indicating the approximate number of Resulting Issuer securities expected to be outstanding on a fully-diluted basis after giving effect to the Amalgamation and the expected completion of the Concurrent Financing and the percentage of the fully-diluted shares which each category represents.

Resulting Issuer Pro Forma Shareholdings	Resulting Issuer Shares Assuming Completion of the Minimum Financing		Resulting Issuer Shares Assuming Completion of the Maximum Financing	
	(%) ⁽¹⁾	(#) ⁽²⁾	(%) ⁽¹⁾	(#) ⁽²⁾
Resulting Issuer Shares held by existing FWTC Shareholders (exclusive of FWTC Shares underlying the FWTC debt instruments):	20.51%	11,794,110	18.28%	11,794,110
Resulting Issuer Shares to be issued in exchange for FMAC Shares (exclusive FMAC Shares underlying the Subscription Receipts):	33.98%	19,542,450	30.28%	19,542,450
Resulting Issuer Shares to be issued to holders of the Subscription Receipts ⁽³⁾ :	18.52%	10,654,205	23.39%	15,093,458
Resulting Issuer Shares to be issued to lenders of FWTC (inclusive of holders of the Bridge Financing Debentures):	4.77%	2,744,576	4.25%	2,744,576
Total non-diluted share capital of the Resulting Issuer:	77.78%	44,735,341	76.21%	49,174,594
Resulting Issuer Shares Issuable to Holders of				
FMAC Warrants: ⁽⁴⁾	12.99%	7,473,655	15.57%	10,048,422
FMAC Options:	3.40%	1,954,245	3.03%	1,954,245
FWTC Warrants: ⁽⁵⁾	2.21%	1,268,828	1.97%	1,268,828
FWTC Options:	0.29%	164,370	0.25%	164,370
Warrants issued in connection with the Bridge Financing ⁽⁶⁾	3.34%	1,918,295	2.97%	1,918,295

Resulting Issuer Pro Forma Shareholdings	Resulting Issuer Shares Assuming Completion of the Minimum Financing		Resulting Issuer Shares Assuming Completion of the Maximum Financing	
	(%) ⁽¹⁾	(#) ⁽²⁾	(%) ⁽¹⁾	(#) ⁽²⁾
Total fully diluted capital of the Resulting Issuer:	100.00%	57,514,734	100.00%	64,528,754

Notes:

- (1) All percentages are on a fully-diluted basis.
- (2) All numbers are presented on a post-Amalgamation/post-Consolidation basis.
- (3) Includes the following Insiders of FMAC: Michael Lambert, Philip Benson, Dave Iacobelli and Robert Eberschlag. Each expected to receive 221,962 Resulting Issuer Shares upon satisfaction of the Escrow Release Conditions and closing of the Amalgamation.
- (4) Does not include the Resulting Issuer Shares issuable upon exercise of the Resulting Issuer Concurrent Financing Warrants underlying the Resulting Issuer Concurrent Financing Finder Warrants.
- (5) Does not include any warrants issued in connection with the Bridge Financing.
- (6) Includes the Resulting Issuer Shares underlying the Bridge Financing Warrants and the Resulting Issuer Shares to be issued immediately upon exercise of the Bridge Financing Finder Warrants, but does not include the Resulting Issuer Shares issuable upon exercise of the Bridge Financing Warrants underlying the Bridge Financing Finder Warrants.

Selected Pro Forma Financial Information

The following table sets forth unaudited pro forma financial information of the Resulting Issuer as of March 31, 2024 (the most recently completed financial year of FWTC), after giving effect to the Amalgamation and should be read in conjunction with the unaudited pro forma consolidated statement of financial position of the Resulting Issuer attached as Schedule "C". This table is based on unaudited pro forma financial statements.

	Year ended March 31, 2024
Current assets	\$3,010,376
Non-current assets	\$2,938,727
Total assets	\$5,949,103
Current liabilities	\$1,719,518
Non-current liabilities	\$371,286
Shareholders' equity	\$3,858,299

See the pro forma financial statements of the Resulting Issuer included as Schedule "C" to this Circular.

Available Funds and Principal Purposes

The following table sets out the estimated funds available to the Resulting Issuer after giving effect to the release of the Escrowed Funds and the Amalgamation as at the dates indicated.

Source of Funds	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Minimum Financing	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Maximum Financing
Estimated FMAC consolidated working capital as at July 31, 2024	\$1,400,000	\$1,400,000
Estimated FWTC consolidated working capital as at July 31, 2024	\$(1,200,000)	\$(1,200,000)
Net proceeds of the Concurrent Financing	\$1,112,000 ⁽¹⁾	\$1,572,000 ⁽¹⁾
Net proceeds of the Bridge Financing	\$200,000	\$200,000
Total available funds:	\$1,512,000	\$1,972,000

Notes:

- (1) Assumes completion of the Concurrent Financing and Finders' Fee to be paid on all Subscription Receipts issued in connection with the Concurrent Financing other than Subscription Receipts issued in connection with the Insider Participation.

The following table sets out the proposed use of the available funds by the Resulting Issuer after giving effect to the release of the Escrowed Funds and the Amalgamation.

Principal Uses of Available Funds	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Minimum Financing	Following Completion of the Amalgamation and the release of the Escrowed Funds Assuming Completion of the Maximum Financing
Corporate and administrative expenses for 24 months	\$1,012,000 ⁽¹⁾	\$1,472,000 ⁽¹⁾
Estimated incidental costs relating to completing the Amalgamation	\$500,000	\$500,000
Total uses of funds:	\$1,512,000	\$1,972,000

Note:

- (1) Corporate and administrative expenses will be primarily to continue the development of revenue generating projects through activities involving direct customer contact and sales and marketing activities such as presentations at key industry events, furthering consultancy-based relationships to end users, and sponsoring on-site audits to support treatment adoption. Customer engagement will also be supported through use of funds to include bench testing of sample material, customer meetings, and provide structured engineering proposals to enable purchase decisions. Finally, use of funds will be used to further develop the food and beverage applications and further advance the process development to meet industry requirements.

Dividend Policy

Following the completion of the Amalgamation, the Resulting Issuer is expected to retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, the Resulting Issuer is not expected to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the directors of the Resulting Issuer, after taking into account many factors, including the Resulting Issuer's operating results, financial condition and current and anticipated cash assets.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

The only securities of the Resulting Issuer expected to be subject to escrow or restrictions on transfer immediately following the Effective Time are those governed by the existing Escrow Agreement. The following table sets out, as of the date of this Circular, the number of Resulting Issuer Shares and Resulting Issuer Options anticipated to be held in escrow after giving effect to the Amalgamation:

Escrowed Securities					
Name	Designation of class ⁽¹⁾	Prior to Giving Effect to the Amalgamation		After Giving Effect to the Amalgamation Assuming Minimum/Maximum Financing	
		Number of FMAC securities held in escrow	Percentage of class	Number of Resulting Issuer securities held in escrow	Percentage of class
Philip Benson	Options (and underlying Shares)	342,850	16.67%	79,167 / 79,167	3.74% / 3.74%
	Shares	833,334	4.05%	791,667 / 791,667	1.77% / 1.61%
Donald Bent	Options (and underlying Shares)	342,850	16.67%	79,167 / 79,167	3.74% / 3.74%
	Shares	833,334	4.05%	791,667 / 791,667	1.77% / 1.61%
Robert Eberschlag	Options (and underlying Shares)	342,850	16.67%	79,166 / 79,166	3.74% / 3.74%
	Shares	833,333 ⁽¹⁾	4.05%	791,666 / 791,666	1.77% / 1.61%

David Iacobelli	Options (and underlying Shares)	342,850	16.67%	79,166 / 79,166	3.74% / 3.74%
	Shares	833,333	4.05%	791,666 / 791,666	1.77% / 1.61%
Michael Lambert	Options (and underlying Shares)	342,850	16.67%	79,166 / 79,166	3.74% / 3.74%
	Shares	833,333	4.05%	791,666 / 791,666	1.77% / 1.61%
Michael Liik	Options (and underlying Shares)	342,850	16.67%	79,166 / 79,166	3.74% / 3.74%
	Shares	833,333 ⁽²⁾	4.05%	791,666 / 791,666	1.77% / 1.61%

Notes:

- (1) The shares are held by Robert Eberschlag Professional Corp., a company controlled by Robert Eberschlag.
(2) The shares are held by Liikfam Holdings Inc., a company controlled by Michael Liik.

Conditions Governing the Transfer, Release and Cancellation of the Escrow Securities

Where the Resulting Issuer Shares are required to be held in escrow and are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement has agreed not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the TSXV. Any holding company must sign an undertaking to the TSXV that, to the extent reasonably possible, it will not permit or authorize securities to be issued or transferred if it could reasonably result in a change of control of the holding company. In addition, the TSXV may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement, escrowed securities will be released based upon the following schedule:

Release Dates	Percentage to be Released
Date of Final Exchange Bulletin	25%
Date 6 months following Final Exchange Bulletin	25%
Date 12 months following Final Exchange Bulletin	25%
Date 18 months following Final Exchange Bulletin	25%
TOTAL	100%

Resulting Issuer Principal Securityholders

To the knowledge of management of FWTC and FMAC, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Amalgamation, the anticipated closing of the Concurrent Financing and the Bridge Financing other than as disclosed in this Circular. See "*Particulars of Matters to be Acted Upon – Creation of a Control Person.*"

Resulting Issuer Officers, Directors and Promoters

Name, Address, Occupation and Resulting Issuer Security Holdings

The following table sets out (a) the name, province or state and country of each person proposed as a director or officer of the Resulting Issuer, or a promoter of the Resulting Issuer, (b) all positions and offices in the Resulting Issuer to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of FWTC or FMAC, and (e) the number and percentage of Resulting Issuer Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the date of the Amalgamation.

Name, Province or State, and Country of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Resulting Issuer	Director/ Officer of FWTC Since	Number (and Percentage) of Resulting Issuer Shares Owned or Controlled ⁽¹⁾
C. Howie Honeyman <i>Ontario, Canada</i>	Chief Executive Officer, President and Director of FWTC	Chief Executive Officer and President	2015	259,682 (0.53%)
Michael Willetts <i>Ontario, Canada</i>	Chief Financial Officer of FWTC Chief Financial Officer services through WD Numeric Corporate Services and Fresh Consulting	Chief Financial Officer	2021	Nil (0%)
Wayne Maddever ⁽⁷⁾ <i>Ontario, Canada</i>	Chief Operating Officer and a Director of FWTC Partner at BBP Consulting Inc. 2003 to Present Chief Operating Officer of Forward Water Technologies Inc. 2019 – 2021	Chief Operating Officer and Director	2021	24,700 (0.05%)
John Koehle <i>Ontario, Canada</i>	Director of FWTC Principal and Managing Director of FirstLine Venture Partners Corporation – 2014 to Present Managing Director at FirstLine Foundation – December 2018 to Present	Director	2019	3,311,258 ⁽²⁾ (6.73%)
Philip Benson ⁽⁷⁾ <i>Ontario, Canada</i>	Managing Partner of Fraser FMMC	Director	N/A	1,013,630 (2.06%)
Donald Bent ⁽⁶⁾ <i>Ontario, Canada</i>	Co-Founder of FMMC	Director	N/A	791,667 (1.61%)
David Iacobelli <i>Ontario, Canada</i>	Chief Commercial Officer, Flanagan's Foodservice — March 2022 to present Consultant — October 2021 to February 2022 President and General Manager, Clorox Company of Canada – September of 2018 to October of 2021	Director	N/A	1,013,629 (2.06%)

Name, Province or State, and Country of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Resulting Issuer	Director/ Officer of FWTC Since	Number (and Percentage) of Resulting Issuer Shares Owned or Controlled ⁽¹⁾
Michael Liik ⁽⁶⁾ <i>Ontario, Canada</i>	Managing Partner of FMMC Chief Executive Officer and Chairman, Cymat Technologies Inc.	Director	N/A	791,666 (1.61%) ⁽³⁾
Max Graham ⁽⁶⁾⁽⁷⁾ <i>Ontario, Canada</i>	Director of FWTC Software Developer, QA Engineer of North One – June 2019 to June 2021 Backend Software Developer of Darwin CX Technologies ULC – February 2022 to present	Director	2024	443,925 ⁽⁴⁾ (0.90%)
Michael Lambert <i>Alberta, Canada</i>	Professional Director on boards of various business corporations and not for profit entities, including Chair of Sinneave Family Foundation — July 2018 to present and Citizen Member of Audit Committee of the City of Calgary — October 2017 to present	Executive Vice-President, Business Development, Western Markets	N/A	1,013,629 (2.06%)
Robert Eberschlag <i>Ontario, Canada</i>	Partner, WeirFoulds LLP — April 2018 to present	Corporate Secretary	N/A	1,013,629 (2.06%) ⁽⁵⁾

Notes:

- (1) All numbers are presented on a post-Amalgamation/post-Consolidation basis, assuming completion of the Maximum Financing, and considers securities expected to be issued in connection with such person's participation in the Concurrent Financing and Bridge Financing.
- (2) These Resulting Issuer Shares will be owned by FirstLine, an entity of which Mr. Koehle is the managing director. Of these Resulting Issuer Shares, 344,828 will be issued on conversion of debentures held by FirstLine on completion of the Amalgamation.
- (3) Resulting Issuer Shares owned by Michael Liik are held through Liikfam Holdings Inc., a company controlled by Mr. Liik.
- (4) Although Mr. Graham has affiliations with Sumarria, Mr. Graham has no ownership, direction or control over the Resulting Issuer Shares held by Sumarria.
- (5) Resulting Issuer Shares owned by Robert Eberschlag are held through Robert Eberschlag Professional Corporation, a company controlled by Mr. Eberschlag.
- (6) Member of the audit committee with Donald Bent as Chair.
- (7) Member of the governance, nomination and compensation committee with Philip Benson as Chair.

For particulars of the occupations of the directors and officers see "*Biographical Information*" below.

All directors of the Resulting Issuer will hold office until the next annual general meeting of the Resulting Issuer unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer in accordance with applicable law.

The directors and officers of the Resulting Issuer as a group will own, directly or indirectly, or exercise control or direction over, 18,556,418 Resulting Issuer Shares (representing approximately 37.74% of the issued and outstanding Resulting Issuer Shares, assuming completion of the Maximum Financing).

Biographical Information

The following is a brief description of each of the proposed directors and officers of the Resulting Issuer (including details with regard to their principal occupations for the last five years).

C. Howie Honeyman, Chief Executive Officer and President

Mr. Honeyman is the Chief Executive Officer, President and a director of FWTC. He has 20 years of experience commercializing new technologies at Xerox, Cabot Corp., E Ink, Natrix Separations and as former CTO of GreenCentre Canada. Mr. Honeyman Commercialized high capacity high through-put membranes for bioprocessing as SVP of Natrix Separations which was recently acquired by Millipore-Sigma. Other Commercial Success: E-paper at E-Ink an MIT start-up – invented and led the team that developed the first commercial platform of e-paper used in e-readers today. Since 2015, Mr. Honeyman has been leading Forward Water to become a premier wastewater treatment solution. Mr. Honeyman is also an inventor of record on over 50 US patents and holds a PhD in chemistry from the University of Toronto.

Michael Willetts, Chief Financial Officer

Mr. Willetts is currently the Chief Financial Officer of FWTC. He has over 25 years in financial leadership roles primarily in manufacturing from large multinational businesses to startups, both public and private. His first career was as an engineer in the automotive industry before entering into finance at the Ford Motor Company. Mr. Willetts went on to progressively larger finance roles in several international automotive suppliers (Textron, GKN, DSM) and Canadian manufacturers (Armtec, Stronach International, AirBoss of America). Michael is currently providing fractional CFO services through WD Numeric Corporate Services and Fresh Consulting in the manufacturing, SaaS, entertainment, and cannabis industries. Mr. Willetts is a Professional Engineer and has a BAsC, BComm, and MBA from the University of Windsor.

Wayne Maddever, Chief Operating Officer and Director

Dr. Maddever is currently the Chief Operating Officer and a Director of FWTC. He received his Ph.D. in Materials Science Engineering from the University of Toronto. Since 1985 he has held senior executive management positions with technically based businesses in start-up, turnaround or acquisition situations where his skills at change management have brought considerable success in the commercialization of new technologies. His experience in both private and public companies, both domestically and internationally, spans a broad variety of industries, including bio- and advanced materials, precision manufacturing, recycling, waste to energy and medical devices. He holds a number of patents in several fields. He is a Fellow of the Canadian Academy of Engineering. In addition to his duties as COO of Forward Water, he is currently Portfolio Manager at Bioindustrial Innovation Canada, one of the major shareholders of FWTC.

John Koehle, Director

Mr. Koehle is currently a director of FWTC. He has served as director of FWTC since 2019. Mr. Koehle has over ten years of experience supporting the commercialization of early-stage companies. Mr. Koehle's experience includes working in industries such as environmental, transportation, information technology, food, and medical. Mr. Koehle is also the Principal and Managing Director of FirstLine Venture Partners Corporation, a privately held venture capital firm. Over the past 15 years, he has served on numerous boards in both corporate and not-for-profit sectors. Mr. Koehle holds a B.A.Sc. in Mechanical Engineering from the University of Waterloo.

Philip Benson, Director

Mr. Benson is the Chief Executive Officer, President and a Director of FMAC. He has over thirty years of experience in the investment industry that has spanned portfolio management, research and investment banking.

Mr. Benson's principal occupation has been to serve as a Managing Partner of Fraser Mackenzie Merchant Capital Corp. ("FMMC") since 2011. Prior to establishing FMMC in 2011, Mr. Benson spent 4 years at Fraser Mackenzie Limited, where he led the firm's diversified industries investment banking activities. Prior to that, he was a Director at Blackmont Capital (formerly First Associates) providing investment banking services to a clientele spanning the industrial, technology and consumer products sectors. From 1993-1999, he was a Vice President and partner at MMI Group, a Toronto based money manager and merchant bank. He has authored a number of articles for Canadian and international publications, including a comprehensive study of Canada's aerospace industry. He is also the author of *The 50 Best Stocks to Own in Canada*, published by Macmillan Canada in 2001. Mr. Benson is a former member of the Canadian Forces. Mr. Benson sits on the Board of Vision Utility Services Inc. and Yangaroo Inc. (YOO-TSXV).

Donald Bent, Director

Mr. Bent is the Chief Financial Officer and a Director of FMAC. He is currently and has been since March 2013, a managing partner of FMMC, a privately-owned, Toronto-based private fund manager and financial advisory services partnership focused on helping lower middle market companies grow, primarily in Canada. He is also currently and has been since April 2014, a co-founder, managing partner and member of the investment committee of FMMC GP Inc., the general partner for FMMC's limited partnership mezzanine debt funds, which provide first and second secured term debt facilities to profitable mid-sized Canadian businesses. Prior to joining FMMC, Mr. Bent cofounded Latitude Partners, where he raised and co-managed one of Canada's first buyout funds aimed specifically at the technology industry. More recently, Mr. Bent was also a partner and member of the investment committee at Fulcrum Capital Partners (formerly HSBC Capital (Canada) Inc.). During Mr. Bent's tenure, Fulcrum/HSBC Capital was involved in the management and investment of various funds with a mandate to provide mezzanine financing as well as private equity to mid-sized businesses. Prior to Fulcrum and Latitude Partners, Mr. Bent held various positions at TD Securities and KPMG.

David Iacobelli, Director

Mr. Iacobelli is a Director of FMAC. He is a senior executive with a deep knowledge in business transformation, strategic leadership and organizational effectiveness. Through his career, Mr. Iacobelli has had progressive experience in building brands, leading teams, innovation, strategy, P&L management, product supply chain, digital transformation, mergers & acquisitions, government, media, and sustainability. Mr. Iacobelli has spent the last 24 years in the consumers packaged goods industry working for multiple tier one organizations including Coca-Cola, Kraft Foods, Mondelez and Clorox. Most recently, starting in March of 2022, he has been Chief Commercial Officer at Flanagan's Foodservice, with ownership of Sales, Marketing, Category management and Supply Chain. Mr. Iacobelli also consulted from October 2021 until February 2022. Prior to that, from September of 2018 to October of 2021, Mr. Iacobelli led the "Clorox Company of Canada" business unit as the President and General Manager. Prior to that, from March of 2015 to September of 2018, he led the Clorox Company of Canada Sales division which was expanded to include the Clorox Company International Sales organization in December of 2017, which consisted of 23 countries and 100 markets.

Michael Liik, Director

Mr. Liik is a Director of FMAC. He is a co-founder and Managing Partner of FMMC who is actively involved in all aspects of the business. He is a MBA and a Professional Engineer with both business and engineering degrees obtained from the University of Toronto. Michael's unique 35-year career combines extensive operations leadership experience with principal investing and merchant banking expertise. Prior to FMMC, Michael was a partner with HSD Partners, a private equity firm and is a principal at Liikfam Holdings Inc., an early-stage venture investor. His public company senior management roles have included CEO and co-founder of Cymat Technologies Ltd. (CYM-TSXV) from 1999 to 2004 (he is currently Executive Chairman); VP Corporate Development, Slater Steel from 1993 to 1998 (with responsibilities of COO); and VP Development, Horsham Corporation in Berlin (predecessor to Trizec Corporation) from 1990 to 1993. Michael began his career at National Bank and was a founding member of its mezzanine real estate lending and investment group. Michael has been a board member of numerous public and private companies with current roles including Northern Birch Credit Union and Cymat Technologies Ltd.

Max Graham, Director

Max Graham is a seasoned software engineer specializing in system development at Darwin CX, a SaaS company in the publishing space. Previously, Max was an early hire at NorthOne digital banking, contributing to the company's growth from 14 to nearly 100 employees. He co-founded Jintronix, a medical device company that successfully completed a Techstars incubator in partnership with Microsoft in Seattle, WA. Max holds a bachelor's degree in Civil Engineering from McGill University.

Michael Lambert, Executive Vice-President, Business Development, Western Markets

Mr. Lambert is a Director of FMAC. He has over 30 years of successful Executive and Board Leadership in Canadian public and private companies in various industries. Mike is a professional director devoting his time to for profit and not for profit boards.

During his career Mr. Lambert has been involved in a multitude of companies. These include Calgary Co-op, Canadian Tire Corporation, the George Weston Loblaw group (Real Canadian Superstores), The Southam Newspaper Group (The National Post), Mark's Work Warehouse, The Forzani Group (Sport Chek), Parkland Fuel Corporation, Canadian Pacific Railway, Yellow Pages Group, and Premium Brands Inc. During this time, Mr. Lambert has been involved in a multitude of transactions (financings, acquisitions, divestitures) in excess of \$5 Billion. Public Company Boards that Mr. Lambert served on include Mark's Work Warehouse Ltd., Yellow Page Group, Premium Brands Inc., and Gemini Corporation. Upon retiring from executive life, Mr. Lambert was elected to the Board, (Jan, 2017 to March, 2020) of The Calgary Co-Op, a Billion Dollar top line Cooperative Company which successfully operates Grocery, Fuel, Wine, Spirits and Beer, and Cannabis retailing in the Calgary market. Mr. Lambert was Chair of the Governance Committee. Mr. Lambert also

is a Citizen Member of the City of Calgary Audit Committee (October 2017 to present). Mr. Lambert also served on the Board of Directors of Millennium EMS Solutions (MEMS) (March 2019 to April 2022). MEMS is a private Environmental Services Company based in Alberta servicing the Natural Resources Industries. Mr. Lambert also joined the Board of Directors of Gemini Corporation (August 2016 to April 2018) and served as Chair of the Audit Committee. Gemini, as a public company on the TSXV, carried on the business of an integrated project construction company focused on energy and industrial facilities primarily in Alberta. In the Not for Profit area, Mr. Lambert was on the Board of the Association of the Rehabilitation of the Brain Injured (ARBI), January to October of 2018 after a brain Injury of a family member and joined the Board of Directors of the Sinneave Family Foundation, a Foundation in Support of Autism (July 2018 to present) and currently serves as Chair of the Board. As a long-time advocate of Good Governance, he is the recipient of various Canadian awards including Best Corporate Governance, Best Investor Relations and Best Annual Report. He also was a recipient of the prestigious Canadian Dealmaker of the Year award.

Robert Eberschlag, Corporate Secretary

Mr. Eberschlag is the Corporate Secretary and a Director of FMAC. A practising lawyer who focuses on corporate and securities law, Mr. Eberschlag has over twenty-four years' experience advising public companies and investment banks in connection with corporate finance, mergers and acquisitions, and corporate governance and compliance matters. He is particularly experienced with TSXV matters, including CPC IPOs, qualifying transactions, reverse take-overs, and public and private offerings. He is currently, and has since April 2018 been, a partner at WeirFoulds LLP, a law firm. From May 2016 to March 2018, Mr. Eberschlag was a partner at DeMarco Allan LLP, a law firm. Prior to that, he was for many years a partner at Norton Rose Fulbright LLP and one of its predecessor firms. He will devote approximately 10% of his time to perform the work required in connection with the management of FMAC and completion of the Amalgamation.

Cease Trade Orders or Bankruptcies

Other than as set out below, no proposed director, officer or promoter of the Resulting Issuer, and no securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the last ten years prior to date of this Circular, been a director, officer or promoter of any person or company that, while such person was acting in that capacity (i) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days, or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Lambert was a director of Gemini Corporation, a TSXV listed corporation from July 2016 to April 2018. In April 2018, ATB Financial, Gemini Corporation's senior secured creditor, applied to the Alberta Court of Queen's Bench for a receivership order, which was subsequently granted. FTI Consulting Canada Inc. was appointed as receiver of all of Gemini Corporation's assets, undertakings and properties. Shares of Gemini Corporation were cease-traded on April 19, 2018. Mr. Lambert had acted as a director of Gemini Corporation within the year prior to the granting of the receivership order.

John Koehle was a director of Enermotion Inc. when it filed for bankruptcy on April 5, 2024 under the *Bankruptcy and Insolvency Act* (Canada).

Penalties and Sanctions

No proposed director, officer or promoter of the Resulting Issuer or securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder making a decision about the Amalgamation.

Personal Bankruptcies

In the ten years prior to the date hereof, none of the proposed directors, officers or promoters of the Resulting Issuer or any securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Committees

Audit Committee

The primary functions of the audit committee are to fulfill the Resulting Issuer's responsibilities in relation to reviewing the integrity of the Resulting Issuer's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Resulting Issuer's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

The audit committee shall consist of not less than three independent members of the board of directors. However, for so long as the Resulting Issuer is a "venture issuer" as defined in NI 52-110, it is not required to comply with composition, independence or financial literacy. In the event the Resulting Issuer cannot comply with all or a part of these provisions, then the audit committee shall be comprised of not less than three members of the board of directors, a majority of whom are not officers or employees of the Resulting Issuer or a subsidiary. All of the current members are considered financially literate and independent.

Governance, Nomination and Compensation Committee

The mandate of the GNCC includes reviewing the compensation arrangements for the Resulting Issuer's senior executives, reviewing and approving the responsibilities of, and related performance criteria for, the senior executives as well as their long-term and short-term incentive compensation targets and assessing their performance against such criteria and targets. In addition, the committee is to develop and make recommendations to the Resulting Issuer's board of directors with respect to corporate governance matters, including preparing and reviewing the Resulting Issuer's disclosure with respect to human resources and compensation matters before such disclosure is submitted to the board of directors for approval. The GNCC is also responsible for the review and periodic update of the Resulting Issuer's corporate governance mandates, policies and procedures which govern the conduct of the Resulting Issuer's directors, officers and other employees. Moreover, the GNCC is mandated to examine, on an annual basis, the size and composition of the board of directors and, if appropriate, make recommendations in that regard in order to ensure the composition of the board of directors facilitates effective decision making.

Conflicts Of Interest

Certain directors, officers and promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see "*Other Reporting Issuers*" below. In accordance with the OBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer.

Other Reporting Issuers

The following table sets out information for the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the five years prior to the date hereof, directors, officers or promoters of other reporting issuers.

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Term
C. Howie Honeyman	Forward Water Technologies Corp.	TSVX	Officer and Director	2015 to Present
Michael Willets	Forward Water Technologies Corp.	TSVX	Officer	2021 to Present
Wayne Maddever	Forward Water Technologies Corp.	TSVX	Officer and Director	2021 to Present
John Koehle	Forward Water Technologies Corp.	TSVX	Director	2019 to Present
Philip Benson	Yangaroo Inc.	TSXV	Director	2016 to Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Term
	Fraser Mackenzie Accelerator Corp.	TSXV	Officer and Director	2022 to Present
Donald Bent	Fraser Mackenzie Accelerator Corp.	TSXV	Officer and Director	2022 to Present
David Iacobelli	Fraser Mackenzie Accelerator Corp.	TSXV	Director	2022 to Present
Michael Liik	Cymat Technologies Ltd.	TSXV	Chief Executive Officer and Chairman	October 1999 to Present
	Fraser Mackenzie Accelerator Corp.	TSXV	Director	2022 to Present
	Carthew Bay Technologies Inc.	OTCBB	President and Director	November 2002 to Present
Michael Lambert	Gemini Corporation	TSX	Director	July 2016 to April 2018
	Fraser Mackenzie Accelerator Corp.	TSXV	Director	2022 to Present
Robert Eberschlag	Fraser Mackenzie Accelerator Corp.	TSXV	Officer and Director	2022 to Present

Resulting Issuer Executive Compensation

The Resulting Issuer does not intend to implement any changes to the existing executive compensation structure of FWTC. See "*Information Concerning FWTC – Executive Compensation*".

Pension Plan Benefits

The Resulting Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Compensation of Directors

It is anticipated that the directors of the Resulting Issuer will be paid fees for their services. However, the amounts of such fees will be determined at the discretion of the Resulting Issuer Board following completion of the RTO. The Resulting Issuer may also grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer.

Indebtedness of the Resulting Issuer's Directors and Officers

As of the date of this Circular, no proposed director, executive officer or senior officer of the Resulting Issuer or any associate thereof, will be indebted to the Resulting Issuer or any of its subsidiaries, or has been at any time during the preceding financial year.

No director, executive officer or other senior officer of FWTC or FMAC or person who acted in such capacity in the last financial year of FWTC or FMAC or proposed director or officer of the Resulting Issuer, or any associate of any such director or officer is, or has been, at any time since the incorporation of FWTC or FMAC, indebted to FWTC or FMAC nor is, or at any time since the incorporation of FWTC or FMAC has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by FWTC or FMAC.

Investor Relations Arrangements

The Resulting Issuer has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer and no such arrangements are contemplated for the Resulting Issuer.

Options to Purchase Securities

The following table sets out particulars with respect to the stock options to purchase Resulting Issuer Shares expected to be held upon completion of the RTO by (i) all executive officers and past executive officers of the Resulting Issuer, as a group, and all directors and past directors of the Resulting Issuer who are not also executive officers, as a group; (ii) all other employees and past employees of the Resulting Issuer, as a group, (iii) all consultants of the Resulting Issuer, as a group, and (iv) any other person or company, including any underwriter or agent.

Class of Optionees (as a group)	Type of Security	Number	Exercise Price	Expiry Date
Executive Officers and Past Executive Officers (3 Persons) ⁽¹⁾	Resulting Issuer Options	691,534	\$0.052631579 - \$1.05	January 9, 2028 to February 22, 2033
Directors and Past Directors who are not also Executive Officers (6 Persons) ⁽²⁾	Resulting Issuer Options	1,355,078	\$0.052631579 - \$1.75	November 26, 2026 to February 22, 2033
Employees and Past Employees (2 Persons)	Resulting Issuer Options	37,000	\$0.85	January 9, 2028
Consultants and Past Consultants (1 Person) ⁽³⁾	Resulting Issuer Options	35,000	\$0.85 - \$1.75	November 9, 2026 to January 9, 2028

Notes:

- (1) Includes (i) 158,332 Resulting Issuer Options exercisable at an exercise price of \$0.052631579 per Resulting Issuer Share, at any time on or before September 26, 2032, (ii) 493,082 Resulting Issuer Options exercisable at an exercise price of \$0.105263158 per Resulting Issuer Share, at any time on or before February 22, 2033, and (iii) 40,120 Resulting Issuer Options exercisable at an exercise price of \$1.05 per Resulting Issuer Share, at any time on or before January 9, 2028.
- (2) Includes (i) 316,666 Resulting Issuer Options exercisable at an exercise price of \$0.052631579 per Resulting Issuer Share, at any time on or before September 26, 2032, (ii) 986,162 Resulting Issuer Options exercisable at an exercise price of \$0.105263158 per Resulting Issuer Share, at any time on or before February 22, 2033, and (iii) 52,250 Resulting Issuer Options exercisable at an exercise price of \$1.75 per Resulting Issuer Share, at any time on or before November 9, 2026.
- (3) Includes (i) 10,000 Resulting Issuer Options exercisable at an exercise price of \$1.75 per Resulting Issuer Share, at any time on or before November 9, 2026, and (ii) 25,000 Resulting Issuer Options exercisable at an exercise price of \$0.85 per Resulting Issuer Share, at any time on or before January 9, 2028.

Risk Factors

Following completion of the RTO, the Resulting Issuer's business will be FWTC's business. Accordingly, all of the risk factors applicable to FWTC and its business will be applicable to the Resulting Issuer. See "*Particulars of Matters to be Acted Upon – Approval of the RTO – Risk Factors*".

Auditors, Transfer Agent and Registrar

Auditor

Following completion of the RTO, it is expected that the auditor of the Resulting Issuer will be RSM Canada LLP, Chartered Professional Accountants located at 11 King St W #700, Toronto, ON M5H 4C7.

Transfer Agent and Registrar

Following completion of the RTO, it is expected that the transfer agent and registrar of the Resulting Issuer will be TSX Trust at its principal office in Toronto, Ontario at 301 – 100 Adelaide Street West, Toronto ON M5H 4H1.

GENERAL MATTERS

Conflicts of Interest

Certain directors, officers and promoters of the Resulting Issuer are associated with other reporting issuers or other corporations that may give rise to conflicts of interest. Please see "*Information Concerning the Resulting Issuer – Other Reporting Issuers*" below. In accordance with the OBCA, directors or officers of the Resulting Issuer who have a material interest in a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Some of the directors and officers of the Resulting Issuer have or will have either other employment or other business or time restrictions placed on them and, accordingly, these directors and officers of the Resulting Issuer will only be able to devote part of their time to the affairs of the Resulting Issuer. See "*Risk Factors – Conflicts of Interest*".

Non Arm's Length Transactions

It is the collective view of FWTC and FMAC that the proposed Amalgamation is not a "Non-Arm's Length Qualifying Transaction" (as defined in the TSXV Manual).

Market Price of FWTC's Shares

For more information, see "*Information Concerning FWTC – Stock Exchange Price*".

Sponsorship and Agent Relationship

FWTC has been exempted from the sponsorship requirements of the TSXV in connection with the RTO.

Interest of Experts

RSM Canada LLP are the auditors of FWTC and have performed an audit in respect of the audited financial statements of FWTC for the financial year ended March 31, 2024 and 2023. RSM Canada LLP are independent of FWTC within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

RSM Canada LLP are the auditors of FMAC and have performed the audit in respect of the audited financial statements of FMAC for the period from the date of incorporation (February 9, 2022) to December 31, 2022 and the fiscal year ended December 31, 2023. RSM Canada LLP are independent of FMAC within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Additional Information

Additional information relating to FWTC is available on SEDAR+ at www.sedarplus.ca. Copies of FWTC's financial statements and MD&A may be obtained without charge at the offices of FWTC at 1086 Modeland Road, Sarnia, Ontario N7S 6L3.

Other Material Facts

Management of FWTC knows of no other matters to come before the Meeting other than those referred to in the notice of meeting for FWTC. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy. There are no material facts about FWTC, FMAC, the Resulting Issuer or the Amalgamation which are not otherwise disclosed in this Circular.

Director Approval

The contents of this Circular and the sending thereof to the Shareholders has been approved by the Board of Directors.

DATED at Toronto, Ontario, as of this 20th day of August, 2024.

FORWARD WATER TECHNOLOGIES CORP.

"C. Howie Honeyman"

C. HOWIE HONEYMAN
President & CEO

SCHEDULE "A"

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

1. PURPOSE

1.1 The primary functions of the Audit Committee of Forward Water Technologies Corp. (the "**Company**") are to fulfill its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

2.1 **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be an "independent" (as such term is used in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**")).

2.5 **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.6 **Venture Issuer** - For so long as the Company is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "*Composition*", 2.4 "*Independence*" or 2.5 "*Financial Literacy*" above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Company or a subsidiary of the Company.

3. MEETINGS

3.1 **Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and CEO may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

3.2 **Secretary and Minutes** - The Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

3.3 **Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

3.4 **Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the CFO or the President and CEO. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

3.5 **Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. **FUNCTIONS AND RESPONSIBILITIES**

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

4.1 Financial Reports

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual consolidated audited financial statements of the Company, the external auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with Canadian generally accepted accounting principles, or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.
- (c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim consolidated financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:
 - (i) meet with management and the external auditors to discuss the financial statements and MD&A;
 - (ii) review the disclosures in the financial statements;
 - (iii) review the audit report or review report prepared by the external auditors;
 - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
 - (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
 - (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;

- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review results of the Company's whistleblowing program; and
- (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 **Approval of Other Financial Disclosures** - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms

4.3 **External Auditors**

- (a) **General** -The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.
- (c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** - If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

- (i) **Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 **Internal Controls**

- (a) **General** - The Audit Committee shall monitor the system of internal control.
- (b) **Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors: (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions; (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings; (iii) any material issues raised by any inquiry or investigation by the Company's regulators; (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4.5 **Whistleblowing Procedures** - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

4.6 **Succession Planning** - In consultation with the Board, the Audit Committee shall review succession plans for the CFO and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of CFO of the Company and make recommendations to the Board with respect to the appointment of a CFO.

4.7 **Adverse Investments and Transactions** - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

4.8 **Audit Committee Disclosure** - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

4.9 **Assessment of Regulatory Compliance** - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

4.10 **Delegation** - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. **REPORTING TO THE BOARD**

5.1 The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

ITEM 2: **COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are Gerald Goldberg (Chair), Lea Ray and John Koehle. A member of the Committee is considered financially literate if the member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company. A member of the audit committee is considered independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of the directors, reasonably interfere with the exercise of a member's independent judgment.

All of the current members are considered financially literate and independent.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

For information on the relevant education and experience of the audit committee members please see their biographies in the attached information circular.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

During the most recently completed fiscal year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years, is as follows:

	FYE March 31, 2024	FYE March 31, 2023
Audit fees for the year ended	\$58,037	\$51,360
Audit related fees	\$14,145	\$9,095
Tax fees	\$ 11,275	\$4,547
All other fees (non-tax)	Nil	Nil
Total Fees:	\$83,457	\$65,002

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in Part 5 (Reporting Obligations) of NI 52-110.

SCHEDULE "B"

FORWARD WATER TECHNOLOGIES CORP.

NI 58-101

CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices the Company is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

A director is considered independent if the director has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

Director	Independence
C. Howie Honeyman	Not independent, as he is President & CEO of the Company
Wayne Maddever	Not independent, as he is Chief Operating Officer of the Company
John Koehle	Independent
Gerald Goldberg	Independent
Lea Ray	Independent

ITEM 2. DIRECTORSHIPS

The directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Lea Ray	Xtract One Technologies Inc. (Toronto Stock Exchange)
Gerald Goldberg	Baymount Incorporated (formerly, Academy Capital Corp.) (NEX)

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To that end, the Company has adopted a Code of Business Conduct and Ethics which applies to the directors, officers and employees of the Company and its subsidiaries in respect of their activities in connection with the Company. The Code of Business Conduct and Ethics is provided to all such directors, officers, employees and other persons, and addresses such matters as compliance with laws, conflicts of interest, confidential information, protection and proper use of our assets, rules and regulations and the reporting of illegal and unethical behaviour. The Code of Business Conduct and Ethics can be viewed on the SEDAR+ website (www.sedarplus.ca).

The Company encourages those who become aware of a conflict or potential conflict or departures from the Code of Business Conduct and Ethics to bring it to the attention of their immediate supervisor or the Chair of the Audit Committee or the Governance, Nomination and Compensation Committee. The Board requires every director and officer to disclose any direct or indirect conflict of interest that he or she has and, if applicable, not to vote on any resolution in connection with such matter unless permitted by the Business Corporations Act (Ontario). Any waivers of the Code of Business Conduct and Ethics may only be granted by the Board.

ITEM 5. NOMINATION OF DIRECTORS

The Governance, Nomination and Compensation Committee of the Board of Directors is responsible for establishing and articulating qualifications, desired background, and selection criteria for members of the Board taking account of any applicable securities laws, rules or guidelines, or stock exchange requirements or guidelines. The Governance, Nomination and Compensation Committee makes recommendations to the full Board concerning all nominees for Board membership. When it is determined that a new director is desirable, the Governance, Nomination and Compensation Committee will engage in appropriate activities to ensure an effective process for selecting candidates for nomination, including developing criteria for the selection of a new director and identifying and recommending individuals qualified and suitable to become directors.

ITEM 6. COMPENSATION

A description of the Company's approach to compensation of its Executive Officers and Board members is set forth under the heading "Statement of Executive Compensation" above.

ITEM 7. OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Board of Directors has formed the Governance, Nomination and Compensation Committee. The mandate of the Governance, Nomination and Compensation Committee includes reviewing the compensation arrangements for the Company's senior executives, reviewing and approving the responsibilities of, and related performance criteria for, the senior executives as well as their long-term and short-term incentive compensation targets and assessing their performance against such criteria and targets. In addition, the committee is to develop and make recommendations to the Board of Directors with respect to corporate governance matters, including preparing and reviewing the Company's disclosure with respect to human resources and compensation matters before such disclosure is submitted to the Board of Directors for approval. The Governance, Nomination and Compensation Committee is also responsible for the review and periodic update of the Company's corporate governance mandates, policies and procedures which govern the conduct of the Company's directors, officers and other employees. Moreover, the Governance, Nomination and Compensation Committee is mandated to examine, on an annual basis, the size and composition of the Board of Directors and, if appropriate, make recommendations in that regard in order to ensure the composition of the Board of Directors facilitates effective decision making.

ITEM 8. ASSESSMENTS

The Governance, Nomination and Compensation Committee annually solicits input from the full Board of Directors to determine the effectiveness of the operation of the Board of Directors, board committees and individual Board members, including reviewing and monitoring compliance with governance and operating practices. The Governance, Nomination and Compensation Committee is mandated to assess at least annually the optimum size of the Board of Directors and makes recommendations to the Board of Directors on any changes. The Board of Directors has determined that the proposed number of directors of the Company is appropriate for the Board of Directors to function at this time and that following the election of directors at the Meeting the Board will remain properly constituted to reflect the investment of all of its shareholders.

SCHEDULE "C"

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER



Pro Forma Financial Statements
Forward Water Technologies Corp.
(Unaudited – Prepared by Management)

March 31, 2024

Description of the Transaction

Fraser Mackenzie Accelerator Corp (“FMAC”) is a “capital pool company” (“CPC”) which completed its initial public offering on February 22, 2023. The common shares of FMAC (“FMAC Shares”) are listed for trading on the TSX Venture Exchange (“TSXV”) under the stock symbol FMAC.P. FMAC has not commenced commercial operations and has no assets other than cash. It is intended that the Transaction (as defined below), when completed, will constitute the “Qualifying Transaction” of FMAC pursuant to Policy 2.4 – Capital Pool Companies (the “CPC Policy”) of the TSXV.

Forward Water Technologies Corp (“FWTC”) is a publicly traded Canadian company. Its common shares (the “FWTC Shares”) are listed for trading on the TSXV under the stock symbol FWTC. FWTC is dedicated to saving the earth’s water supply using its patented Forward Osmosis technology. FWTC was founded by Green Centre Canada, a leading technology innovation centre supported by the government of Canada. FWTC’s technology allows for the reduction of challenging waste streams simultaneously returning fresh water for re-use or surface release. FWTC’s mandate is to focus on the large-scale implementation of its technology in multiple sectors, including industrial wastewater, oil and gas, DLE, mining, agriculture and ultimately municipal water supply and re-use market sectors. In addition, FWTC has initiated early-stage R&D for the treatment of food and beverage process streams.

On July 22, 2024, FMAC and FWTC entered into a definitive agreement (the “Acquisition Agreement”), pursuant to which the parties have agreed to complete a Qualifying Transaction pursuant to and in compliance with the CPC Policy (the “Transaction”). FWTC, as the resulting issuer on completion of the Transaction (the “Resulting Issuer”) will continue FWTC’s business, in particular the commercialization of its proprietary forward osmosis technology.

FWTC has identified FMAC as a target company with which to complete a reverse takeover transaction and will acquire all of the issued and outstanding securities of FMAC in exchange for securities of FWTC by way of an amalgamation (the “Amalgamation”) between FMAC and 1000925180 Ontario Limited (a wholly-owned subsidiary of FWTC), such that upon completion of the Amalgamation, the amalgamated corporation shall be a wholly owned subsidiary of FWTC.

Terms of the Transaction

As a condition to the completion of the Transaction FWTC will prior to the Amalgamation consolidate the FWTC Shares on the basis of one post-consolidation FWTC Share for every ten pre-consolidation FWTC Shares (the “Consolidation”). Pursuant to the Transaction it is proposed that all issued and outstanding FMAC Shares will be exchanged for FWTC Shares at an exchange ratio of approximately 0.95 FWTC Shares for every one (1) FMAC Share on a post-Consolidation basis (the “Exchange Ratio”) with a total of approximately 19,542,450 post-Consolidation FWTC Shares being issued based on the 20,571,000 FMAC Shares that are currently issued and outstanding (which excludes any securities that will be issued in connection with the Concurrent Financing (as defined below) and the conversion of certain outstanding indebtedness). Each outstanding option and warrant to purchase an FMAC Share will be exchanged for or converted into comparable FWTC options or FWTC warrants based on the Exchange Ratio with each such FWTC option or FWTC warrant entitling the holder to purchase Resulting Issuer Shares (as defined below) at the applicable exercise prices, with the appropriate adjustments for the Exchange Ratio.

FORWARD WATER TECHNOLOGIES CORP.
Pro Forma Consolidated Financial Statements
March 31, 2024 (unaudited)

Terms of Concurrent Financing

In conjunction with the Transaction, FMAC proposes to raise a minimum of \$1,200,000 and a maximum of \$1,700,000 in gross proceeds from the sale of FMAC subscription receipts ("Subscription Receipts") at a price of \$0.107 per Subscription Receipt. Upon the satisfaction of certain escrow release conditions tied to Transaction, each Subscription Receipt will entitle the holder to receive, immediately prior to the closing of the Transaction and for no additional consideration, one unit (the "FMAC Units") with each Unit consisting of one FMAC Share and one-half of one FMAC common share purchase warrant, (each whole such warrant a "Concurrent Financing Warrant"). Each Concurrent Financing Warrant will entitle the holder to purchase one FMAC Share at an exercise price of \$0.15 at any time prior to the third anniversary of the closing of the Transaction.

In connection with the Transaction, on August 19, 2024, FWTC completed a financing of \$200,000 principal amount of convertible debentures convertible into FWTC units at a post-Consolidation conversion price of \$0.1126 per FWTC unit, each such unit being comprised of one FWTC Share and one warrant entitling the holder to purchase one FWTC Share at post-Consolidation exercise price of \$0.1579 at any time prior to the third anniversary of the issuance of such warrant.

As noted above, the Transaction is proposed to occur following the Consolidation, at which time: (a) the FMAC Shares (including, for greater certainty, the FMAC Shares issued upon conversion of the Subscription Receipts) will be exchanged based on the Exchange Ratio for common shares in the capital of the Resulting Issuer ("Resulting Issuer Shares") and each outstanding option and warrant to purchase an FMAC Share will be exchanged for or converted into comparable Resulting Issuer options or Resulting Issuer warrants based on the Exchange Ratio with each such Resulting Issuer option or Resulting Issuer warrant entitling the holder to purchase Resulting Issuer Shares at the applicable exercise prices, with the appropriate adjustments for the Exchange Ratio and (b) the Resulting Issuer Shares will be listed on the TSX Venture Exchange.

Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position has been prepared by management to reflect the Transaction discussed above.

The Transaction will be accounted for as a reverse acquisition ("RTO") as defined by the regulators and as determined under International Financial Reporting Standards ("IFRS"). Although FWTC will remain the legal parent and the continuing company, FMAC will be considered to be the accounting acquirer. Consequently, FMAC will be deemed to be the continuation of FWTC, and control of the assets and operations of FWTC will be deemed to have been acquired in consideration for the issuance of FWTC Shares to the former shareholders of FMAC.

The unaudited pro forma consolidated balance sheet as at March 31, 2024 has been prepared assuming that the Transaction was completed on March 31, 2024 and the unaudited pro forma interim consolidated statement of loss and comprehensive loss for the year ended March 31, 2024 has been prepared assuming that the Transaction was completed on April 1, 2023, with the information derived from the following:

- a) The unaudited interim consolidated financial statements of FMAC as at March 31, 2024 and for the three months then ended; and
- b) The audited annual financial statements of FWTC as at March 31, 2024 and for the twelve months then ended.

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c) The audited annual financial statements of FMAC as at December 31, 2023 and for the twelve months then ended.

The unaudited pro forma consolidated statement of financial position, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of FMAC and FTWC. The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the financial position or financial loss have the Transaction been in effect at the date indicated. The actual calculation and allocation of the purchase price will be based on the assets purchased and liabilities assumed at the effective date of the acquisition and other information at that date. Accordingly, the actual amounts for each of the assets and liabilities will vary from the pro forma amount and the variation may be material.

As noted above, the Transaction proposes FMAC raise a minimum of \$1,200,000 and a maximum of \$1,700,000. For conservatism, the financial statements have been prepared assuming a capital raise of the minimum of \$1,200,000.

Significant Accounting Policies

The accounting policies used in preparing the pro forma financial statements are set out in FWTC's audited financial statements for the year ended March 31, 2024. In preparing the pro forma financial statements, a review of publicly available information was undertaken to identify accounting policy differences between FMAC and FWTC. While management believes that significant accounting policies of FMAC and FWTC are consistent in all material respects, accounting policy differences may be identified upon completion of the Transaction.

These unaudited pro forma consolidated financial statements have been prepared using the principles of IFRS applicable to an RTO, which requires that the identifiable assets acquired and liabilities assumed be recorded at their fair values. A detailed valuation process to arrive at the required final estimates of the fair value of the assets acquired and liabilities assumed at the closing date of the Transaction has not yet been completed. Management is in the process of determining these final fair values. As a result, the pro forma adjustments set out herein are preliminary and subject to change as additional information becomes available and additional analysis is completed. The preliminary pro forma adjustments have been made solely for the purpose of providing this unaudited pro forma financial information. The fair value assumptions with respect to the assets acquired and liabilities assumed have been based on information presented in FWTC's public filings. A final determination of the fair value of the acquired assets and liabilities will be performed in conjunction with the preparation of FWTC's financial statements for the period that includes the completion of the Transaction. Changes in the fair value estimates of assets acquired and liabilities assumed upon completion of the final valuations would result in adjustments to the values reflected in these pro forma consolidated financial statements. Accordingly, the final estimate of purchase consideration and the fair value of acquired assets and liabilities may differ from the amounts reflected in these unaudited pro forma consolidated financial statements.

The Transaction meets the definition of a business combination in accordance with IFRS 3 Business Combinations. The identifiable assets and liabilities of FWTC are recognized at fair value at the acquisition date; and the excess of the fair value of the shares deemed to have been issued over the fair value of the identifiable assets and liabilities of FWTC is recognized as a goodwill.

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The capital structure recognized in the pro forma statement of financial position will be that of FMAC and the dollar amount of the issued share capital in the pro forma consolidated statement of financial position prior to the acquisition will be that of FWTC, including the value of shares issued prior to or as part of the transaction.

FORWARD WATER TECHNOLOGIES CORP.
Pro Forma Consolidated Financial Statements
March 31, 2024 (unaudited)

Consolidated Statement of Financial Position (in Canadian dollars)

	FMAC As at March 31, 2024	FWTC As at March 31, 2024	Consolidated	Pro Forma Adjustments	Notes	Pro Forma
Current Assets:						
Cash and cash equivalents	\$ 295,991	\$ 73,689	\$ 369,680	\$ 1,200,000 (250,000) 200,000 125,000 1,209,232 250,000 (250,000)	A A A D H I I	\$ 2,853,912
Amounts receivable		14,742	14,742			14,742
Prepaid expenses		130,519	130,519			130,519
Short-term investments	1,209,232	11,203	1,220,435	(1,209,232)	H	11,203
	\$ 1,505,223	\$ 230,153	\$ 1,735,376	\$ 1,275,000		\$ 3,010,376
Goodwill	\$ -	\$ -	\$ -	\$ 1,583,470	B	\$ 1,583,470
Property and equipment	-	1,355,257	1,355,257			1,355,257
	\$ 1,505,223	\$ 1,585,410	\$ 3,090,633	\$ 2,858,470		\$ 5,949,103
Current liabilities:						
Accounts payable and accrued liabilities	\$ 17,182	\$ 916,561	\$ 933,743	\$ (31,384) 250,000	F G	\$ 1,152,359
Current portion of bank loan payable		8,892	8,892			8,892
Deferred capital contributions		11,524	11,524			11,524
Convertible debentures	-	100,000	100,000	(100,000)	E	-
Loan payable	-	300,000	300,000	125,000 250,000 (250,000)	D I I	425,000
Current portion of license liability		121,743	121,743			121,743
	\$ 17,182	\$ 1,458,720	\$ 1,475,902	\$ 243,616		\$ 1,719,518
Non-current liabilities						
Bank loan payable	\$ -	\$ 31,108	\$ 31,108			\$ 31,108
License liability	-	340,178	340,178			340,178
	\$ 17,182	\$ 1,830,006	\$ 1,847,188	\$ 243,616		\$ 2,090,804
Shareholder's equity (deficiency):						
Share capital	\$ 1,488,456	\$ 9,961,367	\$ 11,449,823	\$ 777,398 163,663 1,328,017 (9,961,367) 100,000 31,384	A A B C E F	\$ 3,888,918
Warrants	-	155,897	155,897	172,602 36,337 9,240 (155,897)	A A B C	218,179
Contributed surplus	187,747	4,500,977	4,688,724	1,617 (4,500,977)	B C	189,364
Deficit	(188,162)	(14,862,837)	(15,050,999)	14,862,837 (250,000)	C G	(438,162)
	\$ 1,488,041	\$ (244,596)	\$ 1,243,445	\$ 2,614,854		\$ 3,858,299
	\$ 1,505,223	\$ 1,585,410	\$ 3,090,633	\$ 2,858,470		\$ 5,949,103

FORWARD WATER TECHNOLOGIES CORP.
Pro Forma Consolidated Financial Statements
March 31, 2024 (unaudited)

Pro Forma Assumptions and Adjustments

These unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions and adjustments:

A) Concurrent Financing

The allocation of the total proceeds of the Concurrent Financing between share capital and warrants was done based on the relative fair value of each of the components after applying the Exchange Ratio. The FMAC Shares and FMAC Concurrent Financing Warrants will be converted at the Exchange Ratio upon completion of the Transaction, and as a result their fair value has been determined based on the value of the Resulting Issuer Shares as that was determined to represent the most reliable measure of the share consideration. The fair value of the FMAC Concurrent Financing Warrants was determined using the Black-Scholes Model using the following assumptions:

Exercise price	\$0.1579
Share price at grant date	\$0.1126
Expected life of options	3.0 years
Expected annualized volatility	80%
Expected dividend rate	0%
Risk-free interest rate	3.49%

The relative fair value of the Resulting Issuer Shares was determined to be \$941,061 and the relative fair value of the warrants was determined to be \$208,939.

As part of the Concurrent Financing, FMAC will incur share issuance costs of \$346,000 made up of the following:

- a) Legal expenses and other professional fees of \$250,000.
- b) In connection with the concurrent financing, FMAC will issue finder warrants to certain finders equal to 8% of the aggregate number of Subscription Receipts sold to subscribers of Subscription Receipt introduced by such finder to FMAC. Each finder warrant will entitle the holder to receive one FMAC Unit at any time on or before the second anniversary of the date the Resulting Issuer Shares commence trading on the TSXV.

The relative fair value of the finder warrant was determined to be \$96,000.

In connection with the Transaction, FWTC completed a financing of \$200,000 principal amount of convertible debentures convertible into FWTC units at a post-Consolidation conversion price of \$0.1126 per FWTC unit, each such unit being comprised of one FWTC Share and one warrant entitling the holder to purchase one FWTC Share at post-Consolidation exercise price of \$0.1579 at any time prior to the third anniversary of the issuance of such warrant. Those convertible debentures will be converted into FWTC units immediately after the Transaction.

FORWARD WATER TECHNOLOGIES CORP.
Pro Forma Consolidated Financial Statements
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B) RTO

Purchase consideration	
Fair value of shares issued in resulting issuer	\$ 1,328,017
Estimated fair value of 9,240,000 warrants issued	9,240
Estimated fair value of 1,643,700 options issued	1,617
Fair value of consideration	1,338,874
Identifiable assets acquired	
Cash and cash equivalents	73,689
Accounts receivable and prepaids	145,261
Short-term investments	11,203
Property and equipment	1,355,257
Accounts payable and accrued liabilities	(916,561)
Loan and other liabilities	(913,445)
Net assets acquired	(244,596)
Goodwill	1,583,470
	\$ 1,338,874

The above amounts are estimates, which have been made by management of FWTC for the acquisition based on information available. There may be amendments to the amounts illustrated above as items subject to estimation are finalized and actual balances at the time of closing are applied.

- a) In the accounting for the reverse takeover, consideration is determined by reference to the fair value of the number of FMAC Shares the legal subsidiary, being FMAC, would have issued to the legal parent entity, being FWTC, to obtain the same percentage ownership interest in the Resulting Issuer. The consideration is measured at the fair value of 11,794,110 FMAC Shares that were deemed to be exchanged. The fair value of the FMAC Shares was determined based on the share price of concurrent financing which is considered to be the most reliable measure.
- b) The fair value of 924,000 FWTC post-consolidation warrants were valued at \$9,240 using the Black-Scholes model and the following assumptions:

Exercise price	\$0.75
Share price at date of Transaction	\$0.1126
Expected life of options	2.22 years
Expected annualized volatility	80%
Expected dividend rate	0%
Risk-free interest rate	3.49%
Total estimated value	\$9,240

FORWARD WATER TECHNOLOGIES CORP.
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- c) The fair value of 164,370 FWTC options were valued at \$1,617 using the Black-Scholes model and the following assumptions:

Exercise price	\$0.85 – \$1.75
Share price at date of Transaction	\$0.1126
Expected life of options	2.27 – 3.47 years
Expected annualized volatility	80%
Expected dividend rate	0%
Risk-free interest rate	3.49%
Total estimated value	\$1,617

- d) The fair value of consideration paid by FWTC exceeds the fair value of the net assets of FMAC by \$1,583,469 which will be recorded as goodwill.

- C) FWTC's share capital, warrants, contributed surplus, and deficit as at March 31, 2024 of \$9,961,367, \$155,897, \$4,500,977 and \$(14,862,837) respectively, were eliminated in the pro forma consolidation.
- D) On May 24, 2024, FWTC issued \$125,000 principal amount of debentures (not convertible) which will mature on December 31, 2024.
- E) Certain convertible debentures will be converted into Resulting Issuer Shares immediately after the Transaction.

On March 29, 2024, the Company entered into agreements with two corporations, related by way of common directors, to issue convertible debentures in an aggregate principal amount of \$100,000. The debentures bear interest of 20% per annum. An aggregated of \$100,000 of the principal amount of debentures plus any accrued but unpaid interest will be converted into converted into 689,656 Resulting Issuer Shares at a conversion price of \$0.145 per Resulting Issuer Share.

- F) Immediately after the Transaction, FWTC will settle certain outstanding interest accrued on secured debentures issued to its original shareholders. The \$300,000 principal amount of debt, in respect of which interest and penalties in an amount of approximately \$31,384 will be converted into 278,721 Resulting Issuer Shares at a conversion price of \$0.1126 per Resulting Issuer Share.
- G) RTO expenses, primarily legal, audit and filing costs, will be incurred for \$250,000.
- H) Immediately after the Transaction, FMAC will dispose its short-term investments for a total proceed of \$1,209,232.
- I) FMAC has obtained TSXV approval to loan up to \$250,000 to FWTC by way of the FMAC Loan. As of July 31, 2024, FMAC had advanced \$175,000 in the aggregate of this amount. In the event that the Amalgamation does not close by December 31, 2024, the FMAC Loan will mature on December 31, 2024. The FMAC Loan bears no interest until September 10, 2024, with an interest rate of 20% per annum thereafter. Since this is

FORWARD WATER TECHNOLOGIES CORP.
Pro Forma Consolidated Financial Statements
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a transfer of funds from FMAC to FWTC, the net impact to the consolidated financial position is nil.

Pro Forma Share Capital

Pro forma share capital as at March 31, 2024 has been determined as follows:

	Note	Number of shares	Amount
<u>FMAC</u>			
FMAC Shares issued and outstanding as at March 31, 2024		20,571,000	\$ 1,488,456
Exchange of FMAC shares for Resulting Issuer		19,542,450	1,488,456
<u>FWTC</u>			
Common shares of FWTC issued and outstanding as at March 31, 2024		11,794,110	9,961,367
Pro forma adjustments			
Private placement	A	10,654,205	981,977
Share issuance costs	A	-	(204,578)
Shares issued to acquire FWTC	B	-	1,328,017
Elimination of FWTC share capital	C	-	(9,961,367)
Conversion of convertible debenture	A	1,776,199	163,663
Conversion of convertible debenture	E & F	968,377	131,384
Ending balance as at March 31, 2024		44,735,341	\$ 3,888,918

SCHEDULE "D"
ACQUISITION AGREEMENT

ACQUISITION AGREEMENT

THIS AGREEMENT made effective as of the 22nd day of July, 2024.

AMONG:

FORWARD WATER TECHNOLOGIES CORPORATION,
a corporation incorporated under the laws of the Province of Ontario

("FWTC")

- and -

FRASER MACKENZIE ACCELERATOR CORP.,
a corporation incorporated under the laws of the Province of Ontario

("FMAC")

- and -

1000925180 ONTARIO LIMITED,
a corporation incorporated under the laws of the Province of Ontario

("Newco")

RECITALS

- A. Newco is a wholly-owned subsidiary of FWTC.
- B. FWTC has identified FMAC as a target company with which to complete a reverse-takeover transaction and wishes to acquire all of the issued and outstanding securities of FMAC in exchange for securities of FWTC by way of an amalgamation between FMAC and Newco, upon the terms and conditions herein set forth, such that upon completion of the Amalgamation (as defined herein), the amalgamated corporation shall be a wholly-owned subsidiary of FWTC.

AGREEMENT

THIS AGREEMENT WITNESSES that in consideration of the covenants, agreements and warranties herein set forth and provided for, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto respectively covenant and agree as set forth below.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith, the following terms will have the following meanings:

- (a) "**Agreement**" means this agreement, together with the schedules attached hereto, and includes any agreement amending this agreement or the schedules or any agreement or instrument which is supplemental or ancillary thereof, and the expressions "above", "below", "herein", "hereto", "hereof" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof, and include any agreement, schedule or instrument supplementary or ancillary hereto;
- (b) "**Amalco**" means the corporation resulting from the Amalgamation;
- (c) "**Amalgamation**" means the amalgamation of FMAC and Newco pursuant to the Amalgamation Agreement;
- (d) "**Amalgamation Agreement**" means the amalgamation agreement to be entered into between FMAC, FWTC and Newco in the form attached hereto as Schedule "A";
- (e) "**Bridge Financing**" means the issuance of convertible debentures of FWTC which debentures are convertible into FWTC units at a post-Consolidation conversion price of \$0.1126 per FWTC unit, each such unit being comprised of one FWTC Share and one warrant entitling the holder to purchase one FWTC Share at post-Consolidation exercise price of \$0.1579 at any time prior to the third anniversary of such warrant;
- (f) "**Business**" means the business and activities to be carried on by FWTC with respect to the advancement and distribution of its forward osmosis technology;
- (g) "**Closing**" means the closing of the Amalgamation;
- (h) "**Closing Date**" means the day that the Amalgamation closes, which shall not be prior to the date upon which all regulatory and other approvals have been obtained for the transactions described herein, including without limitation, the approval of the shareholders of FMAC and FWTC for the Amalgamation, the approval of the Exchange for the Amalgamation, and all conditions contained in this Agreement being met or waived, and which date shall not be later than the Outside Closing Date;
- (i) "**Concurrent Financing**" means the proposed private placement by FMAC of FMAC Subscription Receipts whereby FMAC will raise a minimum of \$1,400,000

and a maximum of \$1,900,000 in gross proceeds, with the minimum and maximum gross proceeds amounts under the Concurrent Financing being reduced, at the discretion of FMAC, to the extent that FWTC raises up to \$200,000 in the Bridge Financing prior to completion of the Amalgamation, in which case such minimum and maximum amounts would be proportionately reduced by the amount raised under the Bridge Financing. ;

- (j) "**Consolidation**" means the 1 new FWTC Share for 10 old FWTC Shares consolidation of FWTC to be completed prior to the Time of Closing;
- (k) "**Encumbrances**" means any charge, mortgage, lien, pledge, assignment, claim, embargo, security interest, other third person interest or encumbrance of any kind, whether contingent or absolute, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;
- (l) "**Exchange**" or "**TSXV**" means the TSX Venture Exchange;
- (m) "**FMAC**" means Fraser Mackenzie Accelerator Corp., a corporation incorporated under the laws of the Province of Ontario;
- (n) "**FMAC Assets**" means all of the right, title, estate and interest FMAC has in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the FMAC Financial Statements, the FMAC Documents and the FMAC Material Contracts;
- (o) "**FMAC Broker Warrants**" means the 1,437,100 broker warrants of FMAC entitling the holder thereof to purchase an aggregate of 1,437,100 FMAC Shares at an exercise price of \$0.10 per FMAC Share at any time on or before February 22, 2028;
- (p) "**FMAC Concurrent Financing Broker Warrants**" means the broker warrants to be issued to certain finders on closing of the Concurrent Financing, each entitling the holder thereof to purchase one FMAC Share and one-half of one FMAC Concurrent Financing Warrant at an exercise price of \$0.107 per FMAC Share at any time on or before the second anniversary of the date the Resulting Issuer Shares commence trading on the Exchange;
- (q) "**FMAC Concurrent Financing Warrant**" each whole such warrant entitling the holder to acquire one common share of FMAC at a price of \$0.15 for a period of 36 months after the issuance thereof;
- (r) "**FMAC Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records and any other documents or information of

whatsoever nature relating to FMAC, the FMAC Assets or its business and any and all rights in relation thereto;

- (s) "**FMAC Financial Statements**" means the unaudited interim consolidated financial statements of FMAC for the three months ended March 31, 2024 and the audited annual financial statements for the fiscal year ended December 31, 2023 and for the period from February 9, 2022 to December 31, 2022 which have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved;
- (t) "**FMAC Loan**" shall have the meaning ascribed thereto in Section 3.1(II);
- (u) "**FMAC Material Contracts**" means any contract, agreement, understanding, commitment, indenture, or other instrument, whether written or oral, to which FMAC is bound and which is material to FMAC, including those entered into in the ordinary course of business, which could materially affect the FMAC Assets, its business or financial condition of FMAC;
- (v) "**FMAC Options**" means the 2,057,100 options to purchase common shares of FMAC at prices of \$0.05 (500,000) and \$0.10 (1,557,100);
- (w) "**FMAC Shares**" means the common shares in the capital of FMAC;
- (x) "**FMAC Subscription Receipts**" means the subscription receipts to be issued pursuant to the Concurrent Financing with each subscription receipt entitling the holder to receive one FMAC Share and one-half of one FMAC Concurrent Financing Warrant, with such subscription receipts automatically converting into the underlying FMAC Shares and FMAC Concurrent Financing Warrants immediately prior to the completion of the Amalgamation;
- (y) "**FWTC**" means Forward Water Technologies Corporation, a corporation incorporated under the laws of the Province of Ontario;
- (z) "**FWTC Assets**" means all of FWTC's right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the FWTC Financial Statements, the FWTC Documents and the FWTC Material Contracts;
- (aa) "**FWTC Documents**" means all contracts, agreements, documents, permits, licenses, leases, appraisals, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, and any other documents or information of whatsoever nature relating to FWTC, the FWTC Assets, the Business and any and all rights in relation thereto;
- (bb) "**FWTC Financial Statements**" means the unaudited interim consolidated financial statements of FWTC for the three and nine months ended December 31,

2023 and the audited annual financial statements for the fiscal year ended March 31, 2023 and March 31, 2022 which have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved;

- (cc) "**FWTC Material Contracts**" means any contract, agreement, understanding, commitment, indenture, or other instrument, whether written or oral, to which FWTC is bound and which is material to the Business, including those entered into in the ordinary course of business, which could materially affect the FWTC Assets, Business or financial condition of FWTC;
- (dd) "**FWTC Option Plan**" means the stock option plan of FWTC;
- (ee) "**FWTC Shares**" means the common shares of FWTC;
- (ff) "**FWTI**" means Forward Water Technologies Inc.;
- (gg) "**Governmental Authority**" means any government in Canada, or any foreign government and any agency, or department, tribunal, board, commission, court or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, as well as any arbitrator, arbitration tribunal or other tribunal or other quasi-governmental or private body exercising any regulatory, expropriation or taxation authority under or for the account of any of the foregoing;
- (hh) "**Governmental Charges**" means all fees, levies and charges imposed by a Governmental Authority;
- (ii) "**Green Centre Debt Arrangement**" means FWTC's \$300,000 principal amount of debt, in respect of which interest and penalties in an amount of approximately \$31,384 will be converted into 2,168,987 FWTC Shares at a conversion price of \$0.0145 per FWTC Share (on a pre-Consolidation basis) contemporaneously with the closing of the Amalgamation;
- (jj) "**IFRS**" means International Financial Reporting Standards applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (kk) "**Intellectual Property Rights**" means all proprietary rights provided in law and at equity recognized under the law of any jurisdiction in the world, whether under common law, by statute or otherwise, to all: (i) trademarks, service marks, trade dresses, logos, designs and slogans whether in word, mark, stylized or design format, registered and unregistered, throughout the world and any associated goodwill; (ii) patents and patent applications (respectively issued or filed throughout the world), as well as any re-examinations, extensions, and reissues thereof and any divisionals, continuations, continuation-in-parts and any other applications or patents that claim priority from such patents and applications, (iii) copyrights, registered and unregistered, and all rights, claims and privileges

pertaining thereto, including moral rights and the benefit of any waivers of moral rights, software and documentation therefor, (iv) inventions (whether or not patentable), formulas, processes, invention disclosures, technology, technical data, preclinical and clinical data and results, or information; (v) all rights, claims and privileges pertaining thereto, all industrial designs, trade secrets, domain names, know-how, concepts, information; and (vi) other intellectual and industrial property and other proprietary rights information, patterns, plans, designs, research data, other proprietary know-how, processes, drawings, technology, inventions, formulae, specifications, performance data, quality control information, unpatented blue prints, flow sheets, equipment and parts lists, instructions, manuals, records and procedures, and all licenses, agreements and other contracts and commitments relating to any of the foregoing;

- (ll) "**Newco**" means 1000925180 Ontario Limited;
- (mm) "**Orders**" means all material applicable orders, decisions, binding directives, or the like rendered by any Governmental Authority;
- (nn) "**Outside Closing Date**" means September 30, 2024, or such other date as the parties may agree upon;
- (oo) "**Person**" includes any individual, corporation, company, partnership, trust, joint venture, any Governmental Authority or any incorporated or unincorporated entity or association of any nature and the executors, administrators, or other legal representatives of an individual in such capacity;
- (pp) "**Qualifying Transaction**" is defined in Policy 2.4 of the TSXV Corporate Finance Manual;
- (qq) "**Resulting Issuer**" means FWTC upon completion of the Amalgamation;
- (rr) "**Resulting Issuer Concurrent Financing Broker Warrants**" means the FMAC Concurrent Financing Broker Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 2.1 hereof;
- (ss) "**Resulting Issuer Concurrent Financing Warrants**" means the FMAC Concurrent Financing Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 2.1 hereof;
- (tt) "**Resulting Issuer Legacy Broker Warrants**" the FMAC Broker Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 2.1 hereof;
- (a) "**Resulting Issuer Legacy Options**" means the FMAC Options which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 2.1 hereof;

- (b) **"Resulting Issuer Securities"** means the Resulting Issuer Concurrent Financing Broker Warrants, the Resulting Issuer Concurrent Financing Warrants, the Resulting Issuer Legacy Options, the Resulting Issuer Legacy Broker Warrants and the Resulting Issuer Shares;
- (c) **"Resulting Issuer Shares"** means the common shares of the Resulting Issuer;
- (d) **"Share Exchange Ratio"** shall mean 0.95 post-Consolidation FWTC Shares for each FMAC Share;
- (e) **"Subsidiary"** means any corporation, partnership or trust of which more than 50% of the outstanding shares or interests of any class carrying voting rights are beneficially owned, directly or indirectly by a Person; and
- (f) **"Time of Closing"** means such time on the Closing Date as the parties hereto may agree.

1.2 Canadian Dollars

All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise indicated herein.

1.3 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders; and references to any statute shall extend to and include orders-in-council or regulations passed under and pursuant thereto, of any amendment or re-enactment of such statute, orders-in-council or regulations, or any statute, order-in-council or regulations substantially in replacement thereof.

1.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, including the letter of intent dated May 13, 2024, between FWTC and FMAC 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. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

1.5 Headings

Section headings are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

1.6 Meaning of "including"

The word "**including**", when following a general statement or term, is not to be construed as limiting the general statement or term to any specific item or matter set forth or to similar items or matters, but rather as permitting the general statement or term to refer also to all other items or matters that could reasonably fall within its broadest possible scope.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement have the meaning attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder will be made in a manner consistent with IFRS.

1.8 Interpretation Not Affected by Party Drafting

The parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable to the interpretation of this Agreement.

1.9 Knowledge

Where any representations or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a party, it refers to the actual knowledge of the senior officers of the party after due inquiry.

1.10 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule "A" – Form of Amalgamation Agreement.

ARTICLE 2 **AMALGAMATION, COROLLARY MATTERS**

2.1 Amalgamation

Subject to the terms and conditions herein, on the Closing Date, Newco and FMAC shall complete the Amalgamation pursuant to the terms of the Amalgamation Agreement. Without limiting the foregoing, on Closing of the Amalgamation, pursuant to the terms of the Amalgamation Agreement:

- (a) FWTC agrees to issue Resulting Issuer Shares to the holders of FMAC Shares in exchange for all of the issued and outstanding FMAC Shares. The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding FMAC Shares shall be determined by multiplying the number of FMAC Shares issued and outstanding at the Time of Closing by the Share Exchange

Ratio. No fractional Resulting Issuer Shares will be issued. To the extent any holders of FMAC Shares would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on Closing of the Amalgamation, the number of Resulting Issuer Shares to be issued to such shareholder shall be rounded to the nearest whole Resulting Issuer Share with fractions of one-half being rounded up;

- (b) The FMAC Concurrent Financing Warrants shall evidence Resulting Issuer Concurrent Financing Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Concurrent Financing Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Concurrent Financing Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Concurrent Financing Warrants for FMAC Concurrent Financing Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Warrant will be issued. To the extent any holder of FMAC Concurrent Financing Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Warrants to which the holder of FMAC Concurrent Financing Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Warrant with fractions of one-half being rounded up;
- (c) The FMAC Concurrent Financing Broker Warrants shall evidence Resulting Issuer Concurrent Financing Broker Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Concurrent Financing Broker Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Concurrent Financing Broker Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Concurrent Financing Broker Warrants for FMAC Concurrent Financing Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Broker Warrant will be issued. To the extent any holder of FMAC Concurrent Financing Broker Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Broker Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Broker Warrants to which the holder of FMAC Concurrent Financing Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Broker Warrant with fractions of one-half being rounded up;
- (d) The FMAC Broker Warrants shall evidence Resulting Issuer Legacy Broker Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Broker Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Broker Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Legacy Broker Warrants for FMAC Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Broker Warrants will be issued. To the extent any holder of FMAC Broker

Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Broker Warrants on the Effective Date, the number of Resulting Issuer Legacy Broker Warrants to which the holder of FMAC Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Broker Warrants with fractions of one-half being rounded up;

- (e) The FMAC Options shall evidence Resulting Issuer Legacy Options and the Resulting Issuer shall deliver notice to the holders of such FMAC Options of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Options which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Legacy Options for FMAC Options shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Options will be issued. To the extent any holder of FMAC Options would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Options on the Effective Date, the number of Resulting Issuer Legacy Options to which the holder of FMAC Options is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Option with fractions of one-half being rounded up.

2.2 Acknowledgement of Escrow and Resale Restrictions

The parties acknowledge and agree that in accordance with the policies of the Exchange and applicable laws, the Resulting Issuer Shares issued to certain holders of FMAC Shares will be subject to escrow and/or resale restrictions under the policies of the Exchange and applicable laws. Any Resulting Issuer Shares deposited into escrow shall be held in escrow and released in accordance with the policies of the Exchange. The terms of the escrow shall be negotiated by counsel for the parties and the Exchange and the parties agree to accept the terms imposed by the Exchange. The escrowed securities shall be held in escrow under an escrow agreement in the form prescribed by the Exchange.

ARTICLE 3

REPRESENTATIONS, WARRANTIES AND COVENANTS OF FMAC

3.1 Representations, Warranties and Covenants of FMAC

FMAC hereby represents, warrants and covenants to FWTC as follows, and FMAC confirms that FWTC is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** FMAC is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario) and is current and up-to-date with all filings required to be made by it in such jurisdiction.
- (b) **Status, Constatng Documents:** FMAC has all necessary corporate power to own its assets and to carry on its business as it is being conducted on the date of this Agreement. The articles, by-laws and other constating documents of FMAC as made available to FWTC are complete and accurate.

- (c) **Authority and Binding Obligation:** FMAC has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. FMAC and its board of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement.
- (d) **Enforceability.** This Agreement and the agreements contemplated herein have been or at the Closing Date will be, duly authorized, and with respect to this Agreement, executed and delivered by FMAC and constitutes a valid and binding obligation of FMAC enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of FMAC, other than the submission of the Amalgamation to the FMAC shareholders, is necessary to authorize this Agreement and the transactions contemplated hereby.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of FMAC consists of an unlimited number of common shares. As of the date of this Agreement, the issued capital of FMAC consists of 20,571,000 common shares all of which have been duly issued and are outstanding as fully paid and non-assessable shares.
- (f) **No Options or Warrants:** FMAC does not have any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating FMAC to sell or issue any additional shares or securities of any class of FMAC or any securities convertible into any shares of any class of FMAC, other than the FMAC Broker Warrants and the FMAC Options.
- (g) **Subsidiaries and Other Interests:** FMAC has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Other than loans to be made to FWTC, FMAC is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Corporate Records:** As of the date hereof, the corporate records and minute books of FMAC, are materially complete and accurate. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of FMAC are complete and accurate in all material respects.
- (i) **Title to FMAC Assets by FMAC:** FMAC is the owner of and has good and marketable title to all of the FMAC Assets, including, without limitation, all FMAC Assets reflected in the FMAC Financial Statements and all FMAC Assets acquired by FMAC after December 31, 2023.

- (j) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to FMAC or the FMAC Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of FMAC, there are no matters under discussion with, or pending by, any such authorities relating to orders, notices or similar requirements.
- (k) **No Guarantees:** FMAC 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 Persons.
- (l) **FMAC Material Contracts:** FMAC has provided or made available copies of all FMAC Material Contracts to FWTC. FMAC is not in default or breach of any FMAC Material Contract and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any FMAC Material Contract. Each FMAC Material Contract is in full force and effect, unamended by written or oral agreement, and FMAC is entitled to the full benefit and advantage of each FMAC Material Contract in accordance with its terms. FMAC has not received any notice of a default by FMAC or a dispute between FMAC and any other party in respect of any FMAC Material Contract.
- (m) **Partnerships or Joint Ventures:** FMAC is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not party to any agreement under which FMAC agrees to carry on any activity in such manner or by which FMAC agrees to share any revenue or profit with any other Persons.
- (n) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing, including the approval of the Exchange and the holders of FMAC Shares necessary to complete the Amalgamation, FMAC is under no obligation, contractual or otherwise, to request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Authority are required to be obtained by FMAC:
 - (i) in connection with the execution, delivery or performance by FMAC of this Agreement or the completion of the Amalgamation or the transactions contemplated herein and therein; or
 - (ii) to avoid the loss of any permit, licence, certification or other authorization on or as a result of Closing of the Amalgamation.
- (o) **Transaction Compliance with Constating Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by FMAC, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of FMAC under:

- (i) any term or provision of any of the articles, by-laws or other constating documents of FMAC;
 - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which FMAC is a party or by which it is bound; or
 - (iii) subject to obtaining the required consents as set forth herein, any term or provision of any of permit, FMAC Material Contracts or any order of any court, Governmental Authority or regulatory body made against FMAC or the FMAC Assets or any law or regulation of any jurisdiction in which its business is carried on which is applicable to FMAC or the FMAC Assets.
- (p) **Shareholders' Agreements:** To the best of the knowledge of FMAC, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the FMAC Shares, nor is FMAC aware of any agreement, which in any manner affects the voting control of any securities.
- (q) **Materially Accurate:** All information, records and data furnished to FWTC or its representatives and counsel by FMAC in connection with the negotiation of this Agreement and FWTC's due diligence review of FMAC, were and are accurate in all material respects.
- (r) **FMAC Financial Statements:**
- (i) The FMAC Financial Statements have been prepared in accordance with IFRS and are true, correct and complete in all material respects and present fairly the financial condition of FMAC, on a consolidated basis, as of their respective dates; and
 - (ii) There has been no material adverse change in the financial condition of FMAC since December 31, 2023.
- (s) **Liabilities of FMAC:** There are no material liabilities, contingent or otherwise, of FMAC of any kind whatsoever, including, without limitation, any bonds, debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against FMAC of any liabilities of any kind, other than:
- (i) liabilities disclosed or reflected in or provided for in the FMAC Financial Statements or this Agreement; and
 - (ii) liabilities incurred since December 31, 2023 which were incurred in the ordinary course, in connection with the completion of the Amalgamation or as disclosed to FWTC in writing.

- (t) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against FMAC or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of FMAC, the adjustment, compromise or composition of claims against FMAC or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for FMAC of any portion of the FMAC Assets. No such action or proceeding has been authorized or is being considered by or on behalf of FMAC and, to the knowledge of FMAC, no creditor or equity security holder of FMAC has threatened to commence or advise that it may commence, any such action or proceeding. FMAC has not made nor is it considering making an assignment for the benefit of its creditors, and it has not requested nor is it considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (u) **Broker's Fees:** Other than as disclosed to FWTC, FMAC has not incurred any obligation or liability, contingent or otherwise for broker's or finder's fees in respect of the transaction herein provided for.
- (v) **Reporting Issuer Status:**
- (i) FMAC is a reporting issuer in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Nova Scotia and no material change relating to FMAC has occurred with respect to which the requisite material change report has not been filed under applicable securities laws in such provinces and no such disclosure is currently on file with any securities commissions of such provinces on a confidential basis;
 - (ii) All press releases, material change reports, financial statements and other documents filed by, or on behalf of, FMAC with the securities commissions of Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Nova Scotia were, at the respective dates of such filings, true and correct in all material respects and collectively provide disclosure of all material facts relating to FMAC required to be disclosed in accordance with applicable securities laws in such provinces and each such document did not contain any misrepresentation as of the respective dates of such filings;
 - (iii) The outstanding FMAC Shares are listed for trading on the TSXV;
 - (iv) There are no current orders ceasing or suspending trading in the securities of FMAC nor prohibiting the sale of such securities has been issued to FMAC or its directors, officers or promoters and, to the best of the knowledge of FMAC, no investigations or proceedings for such purposes are pending or threatened; and
 - (v) FMAC is not in material default of any applicable securities legislation of the Provinces of Ontario, Manitoba, Saskatchewan, Alberta, British

Columbia or Nova Scotia or of its listing agreement with the TSXV or any policies of the TSXV.

- (w) **Public Documents:** As of their respective dates, all information and materials filed by FMAC with the Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and/or Nova Scotia Securities Commissions (or equivalent other provincial securities regulator) since the date hereof and which are available through the SEDAR+ website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements.
- (x) **CPC Status:** FMAC is a "CPC" (as such term is defined in Policy 2.4 of the TSXV) and the Amalgamation will constitute FMAC's Qualifying Transaction and FMAC has to date complied with all of the requirements contained in the Policy 2.4 of the TSXV.
- (y) **Absence of Certain Changes or Events:** Since December 31, 2023 and except for costs incurred and actions taken in connection with the transactions contemplated by this Agreement or as otherwise disclosed in writing to FWTC, FMAC has not:
 - (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course of the business, none of which is materially adverse to FMAC;
 - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
 - (A) current liabilities included in the FMAC Financial Statements,
 - (B) current liabilities incurred since December 31, 2023 in the ordinary course of the business,
 - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the FMAC Financial Statements; and
 - (D) as specifically contemplated by this Agreement;
 - (iii) created any material Encumbrance upon any of its properties or the FMAC Assets;
 - (iv) sold, assigned, transferred, leased or otherwise disposed of any of its material properties or the FMAC Assets;
 - (v) purchased, leased or otherwise acquired any material properties or assets;

- (vi) waived, cancelled or written-off any material rights, claims, accounts receivable, or amounts payable to FMAC;
 - (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the business or as contemplated by this Agreement or in connection with the Concurrent Financing;
 - (viii) made any material change with respect to any method of management, operation or accounting in respect of the business;
 - (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the business, the FMAC Assets or the condition of FMAC;
 - (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of FMAC, except increases made in the ordinary course of the business;
 - (xi) made a declaration of force majeure with respect to its business or the FMAC Assets; or
 - (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (z) **Dividends and Distributions:** FMAC has never declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (aa) **Tax Matters:**
- (i) FMAC has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by it in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of FMAC for the relevant period.
 - (ii) FMAC has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the FMAC Financial Statements for all Governmental Charges for the periods covered by the FMAC Financial Statements. FMAC has no liability for Governmental Charges other than those provided for in the FMAC Financial Statements and those arising in the ordinary course since the date of the FMAC Financial Statements and for which adequate provisions have been made on the books of FMAC.
 - (iii) All Governmental Charges, assessments, levies and source deductions, if any, which FMAC is required by law to withhold or to collect, including,

without limitation, employment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by FMAC or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the FMAC Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of FMAC.

- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by FMAC or the period for any assessment or reassessment of Governmental Charges.
 - (v) On or before the Closing Date, all returns of FMAC for capital, excise, sales or use tax required to be filed by FMAC before the Closing Date shall be fully prepared and filed before the Closing Date.
- (bb) **Litigation:** Except as specifically disclosed to FWTC, there are no judgments unsatisfied, consent decrees or injunctions or embargos to which FMAC is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of FMAC) pending or, to the knowledge of FMAC, threatened, by or against or affecting FMAC, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality. To the knowledge of FMAC, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. FMAC is not subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (cc) **US Shareholders.** FMAC acknowledges that it is aware that the Resulting Issuer Shares have not been and will not be registered under the *Securities Act of 1933* or the securities laws of any state and may not be offered or sold, directly or indirectly, in the United States without registration under the *Securities Act of 1933* and the applicable laws of all applicable states or an exemption from such registration requirements and FMAC further acknowledges that FWTC has no present intention of filing a registration statement under the *Securities Act of 1933* in respect of the Resulting Issuer Shares.
- (dd) **No Misrepresentation.** The covenants, representations and warranties of FMAC contained in Section 3.1 hereof and elsewhere in this Agreement, and in any certificate executed by FMAC or other material delivered by FMAC under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

- (ee) **Voting.** FMAC agrees to use its reasonable commercial efforts to cause all FMAC shareholders to vote in favour of the Amalgamation and not take any action contrary to or in opposition to the Amalgamation.
- (ff) **Articles.** FMAC agrees not to amend its articles or by-laws in any manner which may adversely affect the success of the Amalgamation.
- (gg) **Cooperation.** FMAC agrees, subject to the provisions hereof, to cooperate fully with FWTC and to use all reasonable commercial efforts to assist FWTC in its efforts to complete the Amalgamation, unless such cooperation and efforts would subject FMAC to liability or would be in breach of applicable statutory or regulatory requirements.
- (hh) **Inconsistent Transactions.** FMAC agrees, except as contemplated herein, not to enter into any transaction or material contract or take any action not in the ordinary course of business and not to engage in any business enterprise or activity different from that carried on as of the date hereof other than as required or desirable in connection with the Amalgamation.
- (ii) **Commercial Operations.** FMAC has no assets other than cash or cash equivalents, has not commenced any commercial operations and has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential Qualifying Transaction.
- (jj) **Employment.** FMAC is not bound by or a party to any employment contracts.
- (kk) **Shareholders Meeting.** FMAC shall convene a meeting of shareholders of FMAC as soon as possible to approve, among other things, the Amalgamation.
- (ll) **Loan.** FMAC will loan \$225,000 in the aggregate, including, for greater certainty, any amounts advanced by FMAC to FWTC or FWTI as of the date hereof) (collectively, the "**FMAC Loan**"), and the balance of the FMAC Loan not yet advanced shall be advanced promptly upon:
 - (i) FMAC being satisfied, in its sole and unfettered discretion, with its due diligence of FWTC;
 - (ii) the gross proceeds from the Concurrent Financing being placed in escrow with a subscription receipt agent;
 - (iii) GreenCentre Canada's execution of a forbearance and amendment agreement, a subordination and postponement agreement, and documentation pursuant to which GreenCentre Canada will defer FWTC's obligations to pay royalties to GreenCentre Canada for a period of 5 years; and
 - (iv) the execution of such additional loan and security documentation as FMAC may reasonably require;

provided that FMAC may choose, in its sole and unfettered discretion, to:

(x) advance all or a portion of the FMAC Loan without the above conditions having been fulfilled in full or in part, and without creating any obligation to advance any remaining balance of the FMAC Loan, and

(y) pay to Royal Bank of Canada such portion of the FMAC Loan as is necessary to satisfy FWTC's obligation, and for avoidance of doubt such amount so paid will comprise an amount owing to FMAC pursuant to the FMAC Loan.

The FMAC Loan will become repayable if this Agreement is terminated.

- (mm) **Indebtedness.** No current or former director, officer, shareholder, employee or independent contractor of FMAC or any person not dealing at arm's length within the meaning of the *Income Tax Act* (Canada) with any such person is indebted to FMAC.
- (nn) **Non-arm's Length Transactions.** Except as disclosed in the FMAC Financial Statements, FMAC has not engaged in any transaction with any non-arm's length person.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND COVENANTS OF FWTC

4.1 Representations, Warranties and Covenants of FWTC

FWTC hereby represents, warrants and covenants to FMAC as follows, and FWTC confirms that FMAC is relying upon the accuracy of each of such representations and warranties in connection with the completion of the transactions hereunder:

- (a) **Incorporation:** FWTC is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario) and is current and up-to-date with all filings required to be made by it in such jurisdiction. Newco is incorporated, existing and in good standing under the *Business Corporations Act* (Ontario) and is current and up-to-date with all filings required to be made by it in such jurisdiction.
- (b) **Status, Constatng Documents:** FWTC has all necessary corporate power to own its assets and to carry on its Business as it is being conducted on the date of this Agreement. The articles, by-laws and other constating documents of each of FWTC and Newco as made available to FMAC are complete and accurate.
- (c) **Authority and Binding Obligation:** Each of FWTC and Newco has good right, full corporate power and absolute authority to enter into this Agreement and to perform all of its obligations under this Agreement. Each of FWTC and Newco and their respective boards of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and

effectively, the entering into, and the execution, delivery and performance of this Agreement.

- (d) **Enforceability.** This Agreement and the agreements contemplated herein have been or at the Closing Date will be, duly authorized, and with respect to this Agreement, executed and delivered by FWTC and constitutes a valid and binding obligation of FWTC enforceable in accordance with its terms (subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally) and no other corporate proceeding on the part of FWTC.
- (e) **Authorized and Issued Capital:** As of the date hereof, the authorized capital of FWTC consists of an unlimited number of common shares without par value. The issued capital of FWTC consists of 117,941,095 pre-Consolidation FWTC Shares, all of which have been duly issued and are outstanding as fully paid and non-assessable shares. As of the date hereof, the authorized capital of Newco consists of an unlimited number of common shares. The issued capital of Newco consists of one common share which is legally and beneficially owned by FWTC and which has been duly issued and is outstanding as a fully paid and non-assessable share.
- (f) **No Options or Warrants:** Neither of FWTC nor Newco has any outstanding subscriptions, options, rights, warrants or other agreements or commitments obligating FWTC or Newco to sell or issue any additional shares or securities of any class of FWTC or Newco or any securities convertible into any shares of any class of FWTC or Newco, other than 1,643,700 options issued under the FWTC Option Plan entitling the holders to purchase 1,643,700 FWTC Shares, broker warrants entitling the holder to acquire 9,240,000 FWTC Shares, FWTC Shares to be issued in connection with the Green Centre Debt Arrangement, the \$50,000 convertible debenture advanced to FWTC by FirstLine Venture Partners Corporation and the \$50,000 convertible debenture advanced to FWTC by Sustainable Chemistry Alliance.
- (g) **Subsidiaries and Other Interests:** Other than Newco, FWTC has one Subsidiary, FWTI, which is wholly-owned by FWTC. FWTC does not otherwise own any securities issued by, or any equity or ownership interest in, any other Persons. Newco has no subsidiaries and does not own any securities issued by, or any equity or ownership interest in, any other Persons. Neither of FWTC nor Newco is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Persons.
- (h) **Corporate Records:** As of the date hereof, the corporate records and minute books of FWTC, FWTI and Newco, are materially complete and accurate. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of FWTC, FWTI and Newco are complete and accurate in all material respects.

- (i) **Title to FWTC Assets:** FWTC and FWTI are the owners of and have good and marketable title to all of the FWTC Assets, including, without limitation, all FWTC Assets reflected in the FWTC Financial Statements and all FWTC Assets acquired by FWTC after December 31, 2023.
- (j) **Freehold Interest:** Neither FWTC nor FWTO won any freehold interest in any property.
- (k) **No Orders:** There are no outstanding material orders, notices or similar requirements relating to FWTC, FWTI, Newco or the FWTC Assets issued by any federal, state, provincial or municipal authority including, without limitation, occupational health and safety authorities and to the knowledge of FWTC there are no matters under discussion with any such authorities relating to orders, notices or similar requirements.
- (l) **No Guarantees:** Other than in connection with the FMAC Loan, neither FWTC nor FWTI 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 Persons.
- (m) **FWTC Material Contracts:** FWTC has provided or made available copies of all FWTC Material Contracts to FMAC. Neither FWTC nor FWTO is in material default or breach of any FWTC Material Contract and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a material default under any FWTC Material Contract. Each FWTC Material Contract is in full force and effect, unamended by written or oral agreement, and FWTC and/or FWTI, as applicable, is entitled to the full benefit and advantage of each FWTC Material Contract in accordance with its terms. FWTC has not received any notice of a default by FWTC or a dispute between FWTC and any other party in respect of any FWTC Material Contract.
- (n) **Newco:** Other than this Agreement, the Amalgamation Agreement and the agreements to be entered into in accordance herewith, Newco is not party to any agreement or contract of any kind and has no assets or liabilities. Newco was incorporated for the sole purpose of executing this Agreement and completing the Amalgamation.
- (o) **Partnerships or Joint Ventures:** Neither FWTC nor FWTI is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and are not parties to any agreement under which FWTC or FWTI agrees to carry on any activity in such manner or by which FWTC or FWTI agrees to share any revenue or profit with any other Persons.
- (p) **Contractual and Regulatory Approvals:** Except those consents which will have been obtained on or before Closing, including the approval of the Exchange, and the holders of FWTC Shares necessary to complete the Amalgamation and the Consolidation, FWTC is not under any obligation, contractual or otherwise, to

request or obtain the consent of any Persons, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Authority are required to be obtained by FWTC in connection with the execution, delivery or performance by FWTC of this Agreement or the completion of the Amalgamation or the transactions contemplated herein and therein.

- (q) **Transaction Compliance with Constatng Documents, Agreements and Laws:** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by FWTC, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under, or cause the acceleration of any obligations of FWTC under:
- (i) any term or provision of any of the articles, by-laws or other constating documents of FWTC;
 - (ii) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which FWTC is a party or by which it is bound; or
 - (iii) subject to obtaining the regulatory consents from the Exchange, any term or provision of any of the FWTC Material Contracts or any order of any court, Governmental Authority or regulatory body or any law or regulation to which FWTC is subject.
- (r) **Shareholders' Agreements:** To the best of the knowledge of FWTC, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the FWTC Shares, nor is FWTC aware of any agreement, which in any manner affects the voting control of any securities.
- (s) **Materially Accurate:** All information, records and data furnished to FMAC, its representatives and counsel by FWTC in connection with the negotiation of this Agreement and FMAC's due diligence review of FWTC and the Business, were and are accurate in all material respects.
- (t) **FWTC Financial Statements:**
- (i) The FWTC Financial Statements have been prepared in accordance with IFRS, are true, correct and complete in all material respects and present fairly the financial condition of FWTC as of the respective dates thereof; and
 - (ii) Other than as disclosed to FMAC, there has been no material adverse change to the financial condition of FWTC since March 31, 2023.
- (u) **Liabilities of FWTC:** There are no material liabilities, contingent or otherwise, of FWTC of any kind whatsoever, including, without limitation, any bonds,

debentures, mortgages, promissory notes, loan agreements, inter-company debt, or liabilities for Governmental Charges and there is no basis for assertion against FWTC of any liabilities of any kind, other than:

- (i) liabilities disclosed or reflected in or provided for in the FWTC Financial Statements or this Agreement; and
 - (ii) liabilities incurred since March 31, 2023 which were incurred in the ordinary course, in connection with the completion of the Amalgamation, or as disclosed to FMAC in writing.
- (v) **Bankruptcy and Insolvency Matters:** No action or proceeding has been commenced or filed by or against FWTC or FWTI or which seek or may lead to receivership, bankruptcy, a consumer proposal or any other similar proceeding in respect of FWTC or FWTI, the adjustment, compromise or composition of claims against FWTC or FWTI or the appointment of a trustee, receiver, liquidator, custodian, or other similar officer for FWTC or FWTI of any portion of the FWTC Assets. No such action or proceeding has been authorized or is being considered by or on behalf of FWTC and, to the knowledge of FWTC, no creditor or equity security holder of FWTC or FWTI has threatened to commence or advise that it may commence, any such action or proceeding. FWTC has not made nor is it considering making an assignment for the benefit of its creditors, and it has not requested nor is it considering requesting a meeting of its creditors to seek a reduction, compromise, composition, or other accommodation with respect to its indebtedness.
- (w) **Broker's Fees:** FWTC has not incurred any obligation or liability, contingent or otherwise for broker's or finder's fees in respect of the transaction herein provided for.
- (x) **Absence of Certain Changes or Events:** Since March 31, 2023 and except for costs incurred and actions taken in connection with the Amalgamation or as otherwise disclosed in writing to FMAC, FWTC has not:
- (i) incurred any obligation or liability, fixed or contingent, except normal trade or business obligations incurred in the ordinary course the Business, none of which is materially adverse to FWTC;
 - (ii) paid or satisfied any obligation or liability, fixed or contingent, except:
 - (A) current liabilities included in the FWTC Financial Statements;
 - (B) current liabilities incurred since March 31, 2023 in the ordinary course the Business,
 - (C) re-scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in the FWTC Financial Statements; and

- (D) as specifically contemplated by this Agreement;
- (iii) created any material Encumbrance upon any of the FWTC Assets;
- (iv) sold, assigned, transferred, leased or otherwise disposed of any of the material FWTC Assets except in the ordinary course of its Business;
- (v) purchased, leased or otherwise acquired any material properties or assets;
- (vi) waived, cancelled or written-off any material rights, claims, accounts receivable or any amounts payable to FWTC;
- (vii) entered into any transaction, contract, agreement or commitment, except in the ordinary course of the Business or as contemplated by this Agreement or as disclosed to FMAC in writing, except for the creation of Newco as a wholly owned subsidiary;
- (viii) made any material change with respect to any method of management, operation or accounting in respect of the Business;
- (ix) suffered any damage, destruction or loss (whether or not covered by insurance) which has materially adversely affected or could materially adversely affect the Business, the FWTC Assets or the condition of FWTC or FWTI;
- (x) increased any form of compensation or other benefits payable or to become payable to any of the employees of FWTC or FWTI, except increases made in the ordinary course of the Business;
- (xi) made a declaration of force majeure with respect to its Business or the FWTC Assets; or
- (xii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (y) **Dividends and Distributions:** FWTC has never declared or paid any dividend or made any other distribution on any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing.
- (z) **Tax Matters:**
 - (i) FWTC has duly and on a timely basis prepared and filed all tax returns and other documents required to be filed by it in respect of all Governmental Charges and such returns and documents are complete and correct and clearly and fairly represents the information and tax status of FWTC for the relevant period.

- (ii) except as disclosed to FMAC, FWTC has paid all Governmental Charges which are due and payable by it on or before the date hereof. Adequate provision was made in the FWTC Financial Statements for all Governmental Charges for the periods covered by the FWTC Financial Statements. FWTC has no liability for Governmental Charges other than those provided for in the FWTC Financial Statements and those arising in the ordinary course since the date of the FWTC Financial Statements and for which adequate provisions have been made on the books of FWTC.
- (iii) All Governmental Charges, assessments, levies and source deductions, if any, which FWTC is required by law to withhold or to collect, including, without limitation, unemployment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to the best of its knowledge, duly withheld or collected, and paid over to the proper governmental authorities, or held by FWTC or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the FWTC Financial Statements to the date as of which they were prepared and since that date will be duly entered in the accounts of FWTC.
- (iv) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document or the payment of any Governmental Charges by FWTC or the period for any assessment or reassessment of Governmental Charges.
- (v) On or before the Closing Date, all returns of FWTC for capital, excise, sales or use tax required to be filed by FWTC before the Closing Date shall be fully prepared and filed before the Closing Date.
- (aa) **Litigation:** There are no judgments unsatisfied, consent decrees or injunctions or embargos to which FWTC or FWTI is subject to or bound, and there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of FWTC) pending or, to the knowledge of FWTC, threatened, by or against or affecting FWTC or FWTI, at law or in equity, or before or by any court or any federal, provincial, municipal, state or other governmental department, commission, board, bureau, agency or instrumentality. To the knowledge of FWTC, there are no grounds on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success. Neither FWTC nor FWTI is subject to any judgment, order, writ, injunction or decree of any court or government body which would prevent the discharge of the obligations arising pursuant to this Agreement or the consummation of the transactions herein contemplated.
- (bb) **Insurance.** FWTC and FWTI maintain insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses.

- (cc) **Legislation.** FWTC is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of FWTC.
- (dd) **Intellectual Property.**
- (i) FWTC and FWTI, as applicable, are the sole and exclusive owner of all right, title and interest in and to, or has a valid and enforceable right to use pursuant to a written license, all Intellectual Property Rights reasonably necessary to conduct their businesses as now conducted or proposed to be conducted as described in the Corporation's continuous disclosure documents, free and clear of all liens and encumbrances.
 - (ii) to the knowledge of FWTC, the business of FWTC and FWTI as now conducted or proposed to be conducted, does not infringe, conflict with or otherwise violate any Intellectual Property Rights of others, and neither FWTC nor FWTI has received, and has no reason to believe that it will receive, any notice of infringement or conflict with asserted Intellectual Property Rights of others, or any facts or circumstances which would render any Intellectual Property Rights invalid or inadequate to protect the interest of FWTC and FWTI therein.
 - (iii) To the knowledge of FWTC, there is no infringement by third parties of any Intellectual Property Rights owned by FWTC or FWTI.
 - (iv) there is no pending or, to the knowledge of FWTC, threatened action, suit, proceeding or claim relating to Intellectual Property Rights owned by FWTC or FWTI.
 - (v) neither FWTC nor FWTI is a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other person or entity.
 - (vi) All licenses for Intellectual Property Rights owned or used by FWTC and FWTI are valid, binding upon and enforceable by or against FWTC or FWTI, as applicable, and, to FWTC's knowledge, against the other parties thereto in accordance with their terms.
 - (vii) None of the technology employed by FWTC or FWTI has been obtained or is being used by FWTC or FWTI in violation of any contractual obligation binding on FWTC or FWTI or, to FWTC's knowledge, any of its officers, directors or employees or otherwise in violation of the rights of any third party.
 - (viii) All assignments from inventors to FWTC or FWTI have been obtained and filed with the appropriate patent offices for all of the patent applications of FWTC and FWTI.

- (ix) FWTC does not have knowledge of any claims of third parties to any ownership interest or unregistered lien with respect to the patents and patents applications of FWTC or FWTI or their licensors' patents and patent applications.
 - (x) FWTC does not know of any facts which would form a basis for a finding of unenforceability or invalidity of any of the patents, trademarks or service marks of FWTC or FWTI.
 - (xi) FWTC does not know of any material defects of form in the preparation or filing of the patent applications of FWTC or FWTI.
 - (xii) To the knowledge of FWTC, FWTC and FWTI have complied with the U.S. Patents and Trademark Office duties of candor and disclosure for each patent and patent application of FWTC and FWTI.
 - (xiii) FWTC does not know of any fact with respect to the patent applications of FWTC or FWTI presently on file that (A) would preclude the issuance of patents with respect to such applications, (B) would lead it to conclude that such patents, when issued, would not be valid and enforceable in accordance with applicable regulations or (C) would result in a third party having any rights in any patents issuing from such patent applications.
 - (xiv) FWTC and FWTI have taken all commercially reasonable steps to protect, maintain and safeguard each of their rights in all Intellectual Property Rights, including to its knowledge, the execution of appropriate nondisclosure and confidentiality agreements.
- (ee) **Environmental Matters**
- (i) FWTC and FWTI have operated the Business in compliance in all material respects with all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (the "**Environmental Laws**");
 - (ii) FWTC and FWTI hold and/or held all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the applicable dates for the operation of the Business now or previously carried on by FWTC or FWTI, and each Environmental Permit is or was, as applicable, valid, subsisting and in good standing in all material respects and neither FWTC nor FWI is in default or breach of any Environmental

Permit in any material respect and no proceeding is outstanding or, to the knowledge of FWTC, has been threatened or is pending to revoke or limit any Environmental Permit;

- (iii) Neither FWTC nor FWTI has used, except in compliance in all material respects with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (iv) Neither FWTC nor FWTI has received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and Neither FWTC nor FWTI has settled any allegation of material non-compliance short of prosecution;
- (v) There are no past unresolved or, to FWTC's knowledge, threatened or pending claims, complaints, notices or requests for information received by FWTC or FWTI with respect to any alleged violation of any Environmental Laws which would reasonably be expected to result in an adverse material change in respect of FWTC and to the knowledge of FWTC, no conditions exist at, on or under any property now or previously owned, operated, optioned or leased by FWTC or FWTI which, with the passage of time, or the giving of notice or both, would give rise to liability under Environmental Laws that, individually or in the aggregate, would reasonably be expected to result in an adverse material change in respect of FWTC;
- (vi) FWTC has not received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under Environmental Laws that would reasonably be expected to result in an adverse material change in respect of FWTC; and
- (vii) To FWTC's knowledge, there are no material environmental audits, evaluations, assessments, studies or tests relating to FWTC or FWTI.

(ff) **Employment Matters**

- (i) Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by FWTC or FWTI for the benefit of any current or former director, officer, employee or consultant of FWTC or FWTI (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are

applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Securities Laws;

- (ii) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of FWTC;
 - (iii) there is not currently any labour disruption which is adversely affecting or would reasonably be expected to adversely affect, in a material manner, the carrying on of the Business of FWTC;
 - (iv) FWTC is not bound by or a party to any collective bargaining agreement.
- (gg) **Duly Authorized:** The FWTC Shares to be issued in exchange for FMAC Shares in connection with the Amalgamation will be, at the Time of Closing, duly authorized, validly allotted and issued as fully paid, non-assessable shares in the share capital of FWTC and in compliance with applicable Canadian corporate and securities laws.
- (hh) **Business Restrictions.** Neither FWTC nor FWTI is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of FWTC or FWTI to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of FWTC or which would prohibit or restrict FWTC from entering into and completing the transactions contemplated herein.
- (ii) **Public Documents:** As of their respective dates, all information and materials filed by FWTC with the Alberta, British Columbia and/or Ontario Securities Commissions (or equivalent other provincial securities regulator) since the date hereof and which is available through the SEDAR+ website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements.
- (jj) **No Misrepresentation:** The covenants, representations and warranties of FWTC contained in Section 4.1 hereof and elsewhere in this Agreement, and in any Certificate executed by FWTC or other material delivered by FWTC under this Agreement, do not contain any untrue statement of a material fact or, considered in the context in which presented, omit to state a material fact necessary in order to make the statements and information contained herein or therein not misleading.

- (kk) **Voting.** FWTC agrees to use its reasonable commercial efforts to cause all FWTC shareholders to vote in favour of the Amalgamation and not take any action contrary to or in opposition to the Amalgamation.
- (ll) **Articles.** FWTC agrees not to amend its articles or by-laws in any manner which may adversely affect the success of the Amalgamation.
- (mm) **Cooperation.** FWTC agrees subject to the provisions hereof, to cooperate fully with FMAC and to use all reasonable commercial efforts to assist FMAC in its efforts to complete the Amalgamation, unless such cooperation and efforts would subject FWTC to liability or would be in breach of applicable statutory or regulatory requirements.
- (nn) **Inconsistent Transactions.** FWTC agrees, except as contemplated herein, not to enter into any transaction or material contract or take any action not in the ordinary course of Business and not to engage in any business enterprise or activity different from that carried on as of the date hereof other than as required or desirable in connection with the Amalgamation. Furthermore, unless and until this Agreement is terminated, not to initiate or propose any activities or solicitations in opposition to or in competition with the Amalgamation, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "take-over bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for securities of FWTC, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation, except as required by statutory obligations.
- (oo) **Issuance of Securities.** FWTC agrees to refrain from issuing any debt or equity or other securities unless pursuant to this Agreement.
- (pp) **Borrowing Money.** FWTC agrees not to borrow money or incur any indebtedness for money borrowed without the written consent of FMAC, not to be unreasonably withheld.
- (qq) **Loans.** FWTC agrees not to make loans, advances or other payments, excluding routine advances to directors or officers of FWTC for expenses incurred in the ordinary course.
- (rr) **Dividends.** FWTC agrees not to declare or pay any dividends or distribute any of FWTC's properties or assets to shareholders.
- (ss) **Capital Expenditures.** FWTC agrees not to make any capital expenditures other than in the ordinary course without the consent of FMAC.
- (tt) **Green Centre Debt.** FWTC agrees to complete the Green Centre Debt Arrangement on or prior to the Closing Date.
- (uu) **Shareholders Meeting.** FWTC shall convene a meeting of shareholders of FWTC as soon as possible to approve the following: (i) election of directors to serve on

FWTC's board of directors for the ensuing year or until Closing; (ii) fixing of the number of directors to serve on the board of the Resulting Issuer following Closing at seven; (iii) the election of seven directors to serve on the Resulting Issuer's board of directors following Closing until the close of the next annual meeting of shareholders of the Resulting Issuer or until their successors are elected or duly appointed, as follows (a) four of whom will be nominated by FMAC and (b) two of whom will be nominated by FWTC, and (c) one of whom will be an independent director mutually agreed upon by FWTC and FMAC, and in all cases subject to the approval of such nominees by the TSXV; (iv) the Consolidation; (v) the transactions contemplated herein.

- (vv) **Officer Appointments.** FWTC agrees to, at the discretion of FMAC, appoint Robert Eberschlag as the Corporate Secretary of the Resulting Issuer and Michael Lambert as the Executive Vice President, Business Development, Western Canada of the Resulting Issuer, such appointments to take effect upon Closing.

ARTICLE 5

COMPLETION OF ACQUISITION

5.1 Mutual Conditions

The obligation of each of FWTC, Newco and FMAC to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by FWTC, Newco or FMAC, as applicable:

- (a) **Approvals.** At the Time of Closing, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of FWTC, Newco and FMAC, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied, including without limitation, the conditional approval of the Exchange, approval of the holders of FWTC Shares and the approval of the holders of FMAC Shares;
- (b) **Listing of Securities.** The Resulting Issuer Shares issuable in connection with the Amalgamation, including but not limited to:
- (i) the Resulting Issuer Shares to be issued in exchange for FMAC Shares, and
 - (ii) the Resulting Issuer Shares issuable on exercise of the Resulting Issuer Concurrent Financing Warrants, the Resulting Issuer Concurrent Financing Broker Warrants, the Resulting Issuer Legacy Broker Warrants, and the Resulting Issuer Legacy Options,

shall have been conditionally approved for listing by the Exchange, subject to fulfilment of the Exchange's conditions, including the usual and ordinary listing requirements;

- (c) **No Prohibition at Law.** At the Time of Closing, no prohibition at law against the completion of the transactions contemplated by this Agreement shall be in existence;
- (d) **Closing.** The Closing shall occur on or before the Outside Closing Date, unless extended with the consent of the Parties in writing;
- (e) **Concurrent Financing.** FMAC shall have completed the Concurrent Financing on or prior to the Closing Date;
- (f) **Consolidation.** FWTC shall have completed the Consolidation on or prior to the Closing Date;
- (g) **Escrow.** Any Person who will be a post-Closing shareholder of the Resulting Issuer which is required by the Exchange to sign an escrow agreement in accordance with the policies of the Exchange shall have signed and delivered such agreement;
- (h) **Insurance.** The Resulting Issuer shall have updated directors and officers insurance in place, binding on or prior to the Closing Date; and
- (i) **Green Centre Debt.** FWTC shall have completed the Green Centre Debt Arrangement on or prior to the Closing Date.

If any such conditions shall not be fulfilled or waived in writing by FWTC, Newco or FMAC, as applicable, at or prior to the Outside Closing Date, either party may rescind this Agreement by written notice to the other parties and, in such event, FWTC, Newco and FMAC shall be released from all obligations hereunder without cost or expense to the other.

5.2 FWTC's Conditions

The obligation of FWTC to complete the transactions contemplated by this Agreement, is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by FWTC:

- (a) **FMAC's Representations, Warranties and Covenants.** At the Time of Closing, FMAC shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 3.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FMAC shall have been delivered to FWTC as of the Time of Closing;
- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of FMAC, the FMAC Assets, liabilities or capitalization, and a certificate to that effect signed by a duly authorized officer of FMAC shall have been delivered to FWTC as of the Time of Closing;

- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings shall have been taken by FMAC, its board of directors and shareholders to permit the closing of the Amalgamation and the transactions contemplated herein;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, FMAC shall make available to FWTC all material books, accounts, records and other financial and accounting data of FMAC for the financial years since incorporation, including all available unaudited financial statements, as well as auditor reviewed financial statements of FMAC for such interim period as may be required by the policies of the TSXV for purposes of the management information circulars prepared in connection with the parties' respective shareholder meetings, and which financial statements will be prepared in accordance with International Financial Reporting Standards, and shall include a balance sheet, a statement of cash flows and an income statement for the relevant periods (or the equivalent under IFRS), in order to enable such representatives to make an examination of the same and shall cause the accountants of FMAC to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;
- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, FMAC shall make available to FWTC all FMAC Documents, minute books and other corporate records and all documents of title and related records and other material data of FMAC in order to enable FWTC to make an examination of the same and without limiting the generality of the foregoing, including such technical and market information as FWTC considers appropriate;
- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to FMAC or any of its directors or officers, commenced or threatened by any officer or official of the Exchange, the Ontario, Manitoba, Saskatchewan, Alberta, British Columbia or Nova Scotia Securities Commission, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on FMAC, FWTC or the Resulting Issuer upon Closing;
- (g) **Closing Documents.** FMAC shall have executed and delivered to FWTC all documents as FWTC may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement including a legal opinion of FMAC's counsel in the form and substance acceptable to FWTC, acting reasonably, that opines as to corporate matters;
- (h) **Corporate Records.** At the Time of Closing, the corporate records and minute book of FMAC will be materially complete and accurate. At the Time of Closing, the share certificate books, registered of security holders, register of transfers and register of directors and any similar corporate records of FMAC will be complete and accurate in all material respects;

- (i) **FMAC Liabilities.** At the Time of Closing, evidence satisfactory to FWTC that FMAC's assets net of liabilities is at least \$1,250,000, excluding the impact of expenses associated with the Concurrent Financing (including, but not limited to, broker fees and commissions, broker expenses, broker legal expenses, finder fees, stock exchange fees and subscription receipt agent fees); and
- (j) **Resignation and Appointment of Officers and Directors.** FMAC shall have delivered resignations and releases of all current directors of FMAC (other than Philip Benson) to take effect on Closing.

If any such conditions shall not be fulfilled or waived in writing by FWTC at or prior to the Outside Closing Date, FWTC may rescind this Agreement by written notice to FMAC and, in such event, FWTC, Newco and FMAC shall be released from all obligations hereunder without cost or expense to the other.

5.3 FMAC's Conditions

The obligations of FMAC to complete the transactions contemplated herein, are subject to the fulfillment of the following conditions precedent, unless waived in writing by FMAC:

- (a) **FWTC's Representations, Warranties and Covenants.** At the Time of Closing, FWTC shall have executed, delivered and performed all covenants on its part to be performed hereunder and all representations and warranties contained in Section 4.1 shall be true and correct at the Time of Closing, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of FWTC shall have been delivered to FMAC as of the Time of Closing;
- (b) **No Material Change.** At the Time of Closing, there shall not have been any material adverse change in the condition (financial or otherwise), of FWTC, the FWTC Assets, liabilities, capitalization or Business from that described in this Agreement and a certificate to that effect signed by a duly authorized officer of FWTC shall have been delivered to FMAC as of the Closing Date, except for a decrease in FWTC's working capital position reasonably necessary to facilitate the transactions contemplated by this Agreement and to meet its customary obligations as a listed issuer on the applicable Securities Exchange, and as a "reporting issuer" in Ontario, Alberta and British Columbia;
- (c) **Corporate Proceedings.** At the Time of Closing, all necessary steps and corporate proceedings, as approved by FMAC, shall have been taken by FWTC and its board of directors and shareholders to permit the closing of the Amalgamation and the transactions contemplated herein, including without limitation, authorizing the issuance of the Resulting Issuer Securities;
- (d) **Inspection of Financial Books and Records.** Until and including the Time of Closing, FWTC shall make available to FMAC all material books, accounts, records and other financial and accounting data (including all available unaudited financial statements) of FWTC, for its three most recently completed financial years, and for Newco, since its incorporation, in order to enable such

representatives to make an examination of the same and shall cause the accountants of FWTC to give all such material information concerning the affairs of same to such representatives as such representatives may reasonably request;

- (e) **Inspection of Non-Financial Books and Records.** Until and including the Time of Closing, FWTC shall make available to FMAC all FWTC and Newco documents, minute books and other corporate records and all documents of title and related records and other material data of FWTC and Newco in order to enable FMAC to make an examination of the same;
- (f) **No Investigations.** At the Time of Closing, there shall be no inquiry or investigation (either formal or informal), in relation to FWTC, Newco or any of their directors or officers, commenced or threatened by any officer or official of the Exchange, the Alberta, British Columbia or Ontario Securities Commissions, or any similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on FWTC, Newco, FMAC or the Resulting Issuer upon Closing;
- (g) **Closing Documents.** FWTC and Newco shall have executed and delivered to FMAC all documents as FMAC may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement including a legal opinion of FWTC's counsel in the form and substance acceptable to FMAC, acting reasonably, that opines as to corporate matters;
- (h) **Shareholder Approval.** FWTC shall obtain the approval of its shareholders as required by law and the policies of the TSXV to approve the Consolidation, the Amalgamation, the election of directors to serve on the Resulting Issuer's board of directors following Closing and such other matters as FMAC may request;
- (i) **Dissent Rights.** Holders of no more than 10% of the outstanding FMAC Shares will have exercised dissent rights in respect of the Amalgamation; and
- (j) **FWTC Liabilities.** At the Time of Closing, evidence satisfactory to FMAC that FWTC's liabilities (excluding the \$250,000 loan advanced to FWTC by FMAC) do not exceed \$800,000 in the aggregate, net of receivables and cash calculated after giving effect to the conversion of the \$50,000 advanced by FirstLine Venture Partners Corporation and \$50,000 advanced by Sustainable Chemistry Alliance, and the interest and penalties owing under the Green Centre Debt Arrangement.

If any such conditions shall not be fulfilled or waived in writing by FMAC at or prior to the Outside Closing Date, FMAC may rescind this Agreement by written notice to FWTC and Newco and, in such event, FWTC, Newco and FMAC shall be released from all obligations hereunder without any cost or expense to the other.

5.4 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, the Amalgamation is completed pursuant to the terms of the Amalgamation Agreement.

ARTICLE 6 **INTERIM OPERATIONS**

6.1 FWTC Carrying on Business to Closing

- (a) Up to the Time of Closing, FWTC shall (1) carry on the Business in the normal and ordinary course consistent with past practice; (2) preserve the ongoing goodwill of FWTC and FWTI; and (3) ensure that key employees, if any, and key independent contractors continue their association with FWTC and FTWI and FWTC undertakes to notify FMAC of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on FWTC, the FWTC Assets or the Business.

- (b) Unless otherwise contemplated herein or approved by FMAC in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of this Agreement, FWTC shall not:
 - (i) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of FWTC or FWTI, except in connection with this Agreement;
 - (ii) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders;
 - (iii) change, amend or modify the charter documents or by-laws of FWTC or FWTI;
 - (iv) merge or amalgamate with or agree to merge or amalgamate with, or purchase substantially all of the assets of, or otherwise acquire any business;
 - (v) sell or lease or agree to sell or lease, any material properties or assets or approve or undertake any other material transaction or furnish or cause to be furnished any information concerning the business, properties or assets of any Persons (other than to FMAC) which is interested in any such transactions;
 - (vi) except as required by law, not to initiate, propose, assist or participate in any activities in opposition to or in competition with this Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could

be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or

- (vii) do anything that would cause, or would reasonably be expected to cause, any of the representations and warranties of FWTC contained in this Agreement to be false or misleading.

6.2 FMAC Carrying on Business to Closing

- (a) Up to the Time of Closing, FMAC shall carry on its business in the normal and ordinary course consistent with past practice, and FMAC undertakes to notify FWTC of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the FMAC Assets or the business of FMAC.
- (b) Unless otherwise contemplated herein or approved by FWTC in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of this Agreement, FMAC shall not:
 - (i) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of FMAC, except in connection with this Agreement;
 - (ii) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders;
 - (iii) change, amend or modify the charter documents or by-laws of FMAC;
 - (iv) merge or amalgamate with or agree to merge or amalgamate with, or purchase substantially all of the assets of, or otherwise acquire any business;
 - (v) sell or lease or agree to sell or lease, any material properties or assets or approve or undertake any other material transaction or furnish or cause to be furnished any information concerning the business, properties or assets of any Persons (other than to FWTC) which is interested in any such transactions;
 - (vi) except as required by law, not to initiate, propose, assist or participate in any activities in opposition to or in competition with this Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or
 - (vii) do anything that would cause, or would reasonably be expected to cause, any of the representations and warranties of FMAC contained in this Agreement to be false or misleading.

6.3 Cooperation

FWTC and FMAC shall use their reasonable commercial efforts to:

- (a) assist and cooperate in obtaining all necessary consents, assignments, waivers, amendments or terminations to any instruments or take such other measures as may be appropriate to fulfill their obligations and carry out the transactions contemplated hereunder.
- (b) furnish to the other party such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by the other party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other party of any significant development or material change relating to it promptly after becoming aware of any such development or change; and
- (c) promptly notify the other party in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the parties shall in good faith discuss with the other party such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to the other party pursuant to this section.

ARTICLE 7

TERMINATION AND WAIVER

7.1 Termination

- (a) The parties hereto may terminate this Agreement at any time prior to Closing (i) upon written agreement of all the parties or (ii) if any applicable regulatory authority has notified either party in writing that it will not permit the transactions contemplated hereunder to be completed.
- (b) Either party may terminate this Agreement if the Amalgamation is not closed by 5:00 p.m. (Toronto time) on the Outside Closing Date, or such later date as FWTC and FMAC may agree upon in writing.
- (c) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by FMAC in this Agreement is not, in the case of a representation and warranty, true and correct with the same force and effect as if given at and as of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects, and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of FMAC

within 20 days of FMAC receiving notice to that effect from FWTC, then FWTC, at the expiry of such period, by giving notice to FMAC, may terminate this Agreement and its obligations hereunder.

- (d) If, at any time prior to Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by FWTC in this Agreement is not, in the case of a representation and warranty, true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant, is not being complied with or fulfilled in all material respects, and if such representation and warranty or covenant is not made true and correct or complied with or fulfilled in all material respects by action of FWTC within 20 days of FWTC receiving notice to that effect from FMAC, then FMAC, at the expiry of such period, by giving notice to FWTC, may terminate this Agreement and its obligations hereunder.
- (e) If this Agreement is terminated, this Agreement will forthwith have no further force or effect and there will be no obligation on the part of FMAC, Newco or FWTC hereunder.
- (f) Nothing in this Section 7.1 will relieve any party from liability for any breach of this Agreement.

7.2 Amendment and Assignment

This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the parties hereto. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other parties hereto.

7.3 Waiver

Either of FWTC or FMAC may:

- (a) extend the time for the performance of any of the obligations or other acts of the other;
- (b) waive compliance with any of the other's agreement or the fulfilment of any conditions to its own obligations contained herein; or
- (c) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto;

provided, however, that any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party.

7.4 FWTC Break Fee

If this Agreement is terminated pursuant to either: (i) Section 7.1(b), to the extent that any acts or omissions by FWTC are the primary cause of the failure of the parties to close the Amalgamation by 5:00 p.m. (Toronto time) on the Outside Closing Date, or such later date as FWTC and FMAC may agree upon in writing or (ii) Section 7.1(d), then FWTC shall pay to FMAC a break fee in the amount of \$50,000.

The parties acknowledge that the payment of the break fee payable pursuant to this Section 7.4 will be made by wire transfer in immediately available funds to an account specified by FMAC concurrently with the termination of this Agreement. The obligations set forth in this Section 7.4 shall survive any termination of this Agreement.

FWTC hereby irrevocably waives any right it may have to raise as a defence that the break fee payable pursuant to this Section 7.4 is excessive or punitive. Upon receipt by FMAC of such break fee, each of FWTC and FMAC, respectively, will have no further claim against the other in respect of the failure to complete the Transaction, provided that nothing herein will preclude FWTC or FMAC from seeking injunctive relief to restrain any breach or threatened breach by the other, of any of such other party's obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

7.5 FMAC Break Fee

If this Agreement is terminated pursuant to either: (i) Section 7.1(b) to the extent that any acts or omissions by FMAC are the primary cause of the failure of the parties to close the Amalgamation by 5:00 p.m. (Toronto time) on the Outside Closing Date, or such later date as FWTC and FMAC may agree upon in writing or (ii) Section 7.1(c), then FMAC shall pay to FWTC a break fee in the amount of \$50,000.

The parties acknowledge that the payment of the break fee payable pursuant to this Section 7.5 will be made by wire transfer in immediately available funds to an account specified by FWTC concurrently with the termination of this Agreement. The obligations set forth in this Section 7.5 shall survive any termination of this Agreement.

FMAC hereby irrevocably waives any right it may have to raise as a defence that the break fee payable pursuant to this Section 7.5 is excessive or punitive. Upon receipt by FWTC of such break fee, each of FWTC and FMAC, respectively, will have no further claim against the other in respect of the failure to complete the Transaction, provided that nothing herein will preclude FWTC or FMAC from seeking injunctive relief to restrain any breach or threatened breach by the other, of any of such other party's obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

ARTICLE 8
GENERAL

8.1 Expenses

Each party shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to preparing the transaction documents or otherwise relating to the transactions contemplated herein.

8.2 Time of the Essence

Time shall be of the essence of this Agreement.

8.3 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.4 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

8.5 Counterparts and Delivery

This Agreement may be executed in several counterparts and delivered by a facsimile or other electronic copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile or other electronic copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

8.6 Notices

Any notice required or permitted to be given by a party hereto to the other shall be given in writing and addressed:

(a) if to FWTC at:

Forward Water Technologies Corporation
1086 Modeland Road
Sarnia, ON N7S 6L2

Attention: C. Howie Honeyman
Email: howie.honeyman@forwardwater.com

(b) if to FMAC at:

Fraser Mackenzie Accelerator Corporation
116 Eastbourne Avenue
Toronto, ON M5P 2G3

Attention: Don Bent
Email: dbent@frasermackenzie.com

Any such notice shall be delivered by hand, by prepared courier, mailed by prepaid registered post or sent by facsimile, electronic mail or other electronic transmission. Any notice delivered as aforesaid shall be deemed to have been received by the party hereto to which it is so delivered at the time on the date of its being so delivered. Any notice mailed as aforesaid shall be deemed to have been received by the party hereto to which it is so mailed on the fifth business day next following the time on the date of it being so mailed, or if sent by facsimile, electronic mail or other electronic means, on the date of sending if it is a business day and the facsimile or email transmission was sent, prior to 4:30 p.m. (Toronto time) and otherwise on the next business day. Any party may change its address for notice by giving notice to that effect.

8.7 Enurement

This Agreement shall enure to the benefit of the parties, their respective successors and permitted assigns.

8.8 Further Assurances

The parties hereto will from time to time, on and after the Closing Date, at the request and expense of the other parties hereto, execute and deliver all such other additional instruments, notices, releases, acquaintances and other documents and shall do all such other acts and things as may be reasonably necessary to carry out the terms and conditions of this Agreement in accordance with their true intent.

8.9 Confidentiality

Except with the prior written consent of the applicable party, each of the parties hereto and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law. All such information (including any copies) in written form and documents will be returned to the party originally delivering them and any electronic copies shall be deleted or destroyed in the event that the transactions provided for in this Agreement are not consummated for any reason. Until the termination of this Agreement, FMAC and FWTC shall negotiate exclusively with one another and shall not negotiate or have discussions with, any third parties concerning any transactions which are similar in nature to the Amalgamation or inconsistent with the completion of the Amalgamation between the parties as contemplated herein.

8.10 Public Announcement

- (a) No news release or public announcement with respect the subject matter of this Agreement shall be made by either party, without the prior approval of the other parties.
- (b) Notwithstanding the foregoing, the parties may disclose any information required to be disclosed to any federal, provincial, state or local government or governmental agency or regulatory body, branch, board, agency or necessary to comply with applicable law.

[Signature Page Follows]

IN WITNESS WHEREOF FWTC, Newco and FMAC have executed this Agreement as of the date and year first above written.

**FORWARD WATER
TECHNOLOGIES CORPORATION**

Per: /s/ "C. Howie Honeyman"

Name: C. Howie Honeyman
Title: Chief Executive Officer

**FRASER MACKENZIE
ACCELERATOR CORPORATION**

Per: /s/ "Philip Benson"

Name: Philip Benson
Title: Chief Executive Officer

1000925180 ONTARIO LIMITED

Per: /s/ "C. Howie Honeyman"

Name: C. Howie Honeyman
Title: Chief Executive Officer

SCHEDULE "A"
AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the ► day of ►, 2024 by and among Forward Water Technologies Corporation ("**FWTC**"), 1000925180 Ontario Limited ("**Newco**") and Fraser Mackenzie Accelerator Corporation ("**FMAC**").

WHEREAS Newco and FMAC are each incorporated under the OBCA (as hereinafter defined);

AND WHEREAS Newco is a wholly owned subsidiary of FWTC;

AND WHEREAS Newco and FMAC propose to amalgamate and continue as one corporation pursuant to the OBCA upon the terms and subject to the conditions hereinafter set out; and

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements hereinafter set out, the parties hereto covenant and agree as follows:

1. Definitions.

In this Agreement, including the recitals hereto, the following words and expressions shall have the respective meanings ascribed to them below:

"**Acquisition Agreement**" means the Acquisition Agreement dated July 22, 2024 between the parties hereto;

"**Agreement**" means this agreement as the same may be amended, modified or supplemented from time to time;

"**Amalco Shares**" means the common shares in the capital of the Amalgamated Corporation;

"**Amalgamated Corporation**" means the corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Newco and FMAC contemplated by this Agreement;

"**Business Day**" means a day which is not a Saturday, Sunday or a statutory holiday in the Province of Ontario or the City of Toronto;

"**CDS**" means The Canadian Depository for Securities Limited;

"**Certificate of Amalgamation**" means the articles of amalgamation endorsed with a certificate by the Director in respect of the Amalgamation;

"**Concurrent Financing**" means the proposed private placement of by FMAC of FMAC Subscription Receipts whereby FMAC will raise a minimum of \$1,400,000 and a maximum of \$1,900,000 in gross proceeds;

"**Consolidation**" means the 1 new FWTC Share for 10 old FWTC Shares consolidation of FWTC to be completed prior to the Time of Closing;

"**Director**" means the Director appointed under Section 278 of the OBCA;

"**DRS Advice**" means a Direct Registration System Advice from the Registrar and Transfer Agent;

"**Effective Date**" means the date of the Certificate of Amalgamation;

"**Effective Time**" or the "**Time of Closing**" means such time on the Effective Date as the parties agree;

"**Exchange**" means the TSX Venture Exchange;

"**FMAC Broker Warrants**" means the 1,437,100 broker warrants of FMAC entitling the holder thereof to purchase an aggregate of 1,437,100 FMAC Shares at an exercise price of \$0.10 per FMAC Share at any time on or before February 22, 2028;

"**FMAC Concurrent Financing Broker Warrants**" means the broker warrants to be issued to certain finders on closing of the Concurrent Financing, each entitling the holder thereof to purchase one FMAC Share and one-half of one FMAC Concurrent Financing Warrant at an exercise price of \$0.107 at any time on or before the second anniversary of the date the Resulting Issuer Shares commence trading on the Exchange;

"**FMAC Concurrent Financing Warrant**" each whole such warrant entitling the holder to acquire one common share of FMAC at a price of \$0.15 for a period of 36 months after the issuance thereof;

"**FMAC Options**" means the 2,057,100 options to purchase common shares of FMAC at prices of \$0.05 (500,000) and \$0.10 (1,557,100);

"**FMAC Shares**" means the common shares in the capital of FMAC;

"**FMAC Subscription Receipts**" means the subscription receipts to be issued pursuant to the Concurrent Financing with each subscription receipt entitling the holder to receive one FMAC Share and one-half of one FMAC Concurrent Financing Warrant, with such subscription receipts automatically converting into the underlying FMAC Shares and FMAC Concurrent Financing Warrants immediately prior to the completion of the Amalgamation;

"**FWTC Option Plan**" means the stock option plan of FWTC;

"**FWTC Shares**" means the common shares in the capital of FWTC;

"**Newco Shares**" means the common shares in the capital of Newco;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended;

"**Registrar and Transfer Agent**" means TSX Trust Company, and any other Person which may be appointed as registrar and transfer agent of FWTC as applicable, from time to time;

"Resulting Issuer" means FWTC as it exists upon completion of the Amalgamation;

"Resulting Issuer Concurrent Financing Broker Warrants" means the FMAC Concurrent Financing Broker Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 10 hereof;

"Resulting Issuer Concurrent Financing Warrants" means the FMAC Concurrent Financing Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 10 hereof;

"Resulting Issuer Legacy Broker Warrants" the FMAC Broker Warrants which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 10 hereof;

"Resulting Issuer Legacy Options" means the FMAC Options which are issued and outstanding at the Time of Closing as adjusted in accordance with Section 10 hereof;

"Resulting Issuer Shares" means the common shares of the Resulting Issuer including those issued upon the Amalgamation;

"Share Exchange Ratio" shall mean 0.95 FWTC Shares for each FMAC Share;

"U.S. Person" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

"U.S. Securities Act" means the United States *Securities Act of 1933*, as amended.

2. Amalgamation.

Newco and FMAC hereby agree to amalgamate and continue as one corporation under the provisions of the OBCA on the date first above written upon the terms and subject to the conditions hereinafter set out. The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

3. Name.

The name of the Amalgamated Corporation shall be "Forward Water Merger Corp.", or such other name as agreed to by the parties.

4. Registered Office.

The registered office of the Amalgamated Corporation shall be located at 1086 Modeland Road, Sarnia, Ontario, N7S 6L2.

5. Authorized Capital.

The authorized capital of the Amalgamated Corporation shall consist of an unlimited number of Amalco Shares. The rights, privileges, restrictions and conditions attaching to the Amalco Shares are set forth in Schedule 1 to this Agreement.

6. Restrictions on Shares.

There are no restrictions on the issue, transfer or ownership of Amalco Shares set out in the Certificate of Amalgamation.

7. Directors.

The board of directors of the Amalgamated Corporation shall consist of a minimum of one director and a maximum of ten directors. The number of directors of the Amalgamated Corporation and the number of directors to be elected at the annual meeting of the shareholders of the Amalgamated Corporation or by the signing of a resolution in lieu thereof, until changed in accordance with the OBCA, shall be one (1).

8. First Directors.

The name and address of each of the first directors of the Amalgamated Corporation shall be as follows:

Name	Address
C. Howie Honeyman	1086 Modeland Road, Sarnia, Ontario, N7S 6L2
Philip Benson	30 Budd's Mill Road, Minesing ON L9X 0H8

Each of the said first directors shall hold office until the first annual meeting of the shareholders of the Amalgamated Corporation, or until a successor is elected or appointed. The subsequent directors shall be elected in accordance with the provisions of the OBCA. The affairs and business of the Amalgamated Corporation shall be under the management of the board of directors of the Amalgamated Corporation from time to time, subject to the provisions of the OBCA.

9. Business.

There shall be no restrictions on the business which the Amalgamated Corporation is authorized to carry on or on the powers which the Amalgamated Corporation may exercise.

10. Entitlements on Amalgamation.

Upon the terms and subject to the conditions set forth herein, at the Effective Time:

- (a) FWTC shall issue Resulting Issuer Shares to holders of FMAC Shares in exchange for the delivery to FWTC of all of the issued and outstanding FMAC Shares. The aggregate number of Resulting Issuer Shares to be issued in exchange for the issued and outstanding FMAC Shares shall be determined by multiplying the number of FMAC Shares issued and outstanding on the Effective Date by the Share Exchange Ratio. No fractional Resulting Issuer Shares will be issued. To the extent any holder

of FMAC Shares would otherwise be entitled to receive a fractional number of Resulting Issuer Shares on the Effective Date, the number of Resulting Issuer Shares to be issued to such shareholder shall be rounded to the nearest whole Resulting Issuer Share with fractions of one-half being rounded up;

- (b) The FMAC Concurrent Financing Warrants shall evidence Resulting Issuer Concurrent Financing Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Concurrent Financing Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Concurrent Financing Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Concurrent Financing Warrants for FMAC Concurrent Financing Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Warrant will be issued. To the extent any holder of FMAC Concurrent Financing Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Warrants to which the holder of FMAC Concurrent Financing Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Warrant with fractions of one-half being rounded up;
- (c) The FMAC Concurrent Financing Broker Warrants shall evidence Resulting Issuer Concurrent Financing Broker Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Concurrent Financing Broker Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Concurrent Financing Broker Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Concurrent Financing Broker Warrants for FMAC Concurrent Financing Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Concurrent Financing Broker Warrant will be issued. To the extent any holder of FMAC Concurrent Financing Broker Warrants would otherwise be entitled to receive a fractional number of Resulting Issuer Concurrent Financing Broker Warrants on the Effective Date, the number of Resulting Issuer Concurrent Financing Broker Warrants to which the holder of FMAC Concurrent Financing Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Concurrent Financing Broker Warrant with fractions of one-half being rounded up;
- (d) The FMAC Broker Warrants shall evidence Resulting Issuer Legacy Broker Warrants and the Resulting Issuer shall deliver notice to the holders of such FMAC Broker Warrants of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Broker Warrants which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Legacy Broker Warrants for FMAC Broker Warrants shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Broker Warrants will be issued. To the extent any holder of FMAC Broker Warrants would otherwise be entitled to receive a fractional number of Resulting

Issuer Legacy Broker Warrants on the Effective Date, the number of Resulting Issuer Legacy Broker Warrants to which the holder of FMAC Broker Warrants is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Broker Warrants with fractions of one-half being rounded up;

- (e) The FMAC Options shall evidence Resulting Issuer Legacy Options and the Resulting Issuer shall deliver notice to the holders of such FMAC Options of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required in exchange for the FMAC Options which are outstanding on the Effective Date. The rate of exchange of Resulting Issuer Legacy Options for FMAC Options shall be equal to the Share Exchange Ratio. No fractional Resulting Issuer Legacy Options will be issued. To the extent any holder of FMAC Options would otherwise be entitled to receive a fractional number of Resulting Issuer Legacy Options on the Effective Date, the number of Resulting Issuer Legacy Options to which the holder of FMAC Options is entitled shall be rounded to the nearest whole Resulting Issuer Legacy Option with fractions of one-half being rounded up;
- (f) Each issued and outstanding Newco Share will be converted into one Amalco Share and each Newco Share will be cancelled without reimbursement of the capital in respect thereof.
- (g) As consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco will issue to the Resulting Issuer one Amalco Share for each Resulting Issuer Share issued to the previous holders of FMAC Shares.

FMAC Shares held by holders who have validly exercised their dissent rights, if applicable, in connection with the applicable shareholder resolution to approve the Amalgamation in accordance with the OBCA will not be exchanged pursuant to this Section 10. However, if any such dissenting holder fails to perfect or effectively withdraws its claim pursuant to the OBCA or forfeits its right to make a claim under the OBCA or if its rights as a shareholder of FMAC are otherwise reinstated, the FMAC Shares held by such holders shall thereupon be deemed to have been exchanged as of the time of the Amalgamation in accordance with this Section.

11. Certificates

At the Effective Time:

- (a) the registered holders of FMAC Shares shall cease to be holders FMAC Shares, and shall be deemed to be registered holders of Resulting Issuer Shares to which they are entitled in accordance with Section 10 hereof, all certificates evidencing FMAC Shares shall be null and void, and on or after the Effective Time of the Amalgamation, subject to the provisions of any escrow requirement, if applicable, the Resulting Issuer shall provide instructions to the Resulting Issuer Registrar and Transfer Agent to deliver such certificates or other evidence of ownership representing the number of Resulting Issuer Shares to which they are so entitled

and/or register the holders thereof in book-entry only format in CDS' name in accordance with the following:

- (i) holders of FMAC Shares immediately prior to the Amalgamation (other than holders of FMAC Shares that are U.S. Persons) will be issued physical certificates or DRS Advices representing Resulting Issuer Shares exchanged therefor; and
 - (ii) holders of FMAC Shares immediately prior to the Amalgamation that are U.S. Persons will be issued physical certificates representing the Resulting Issuer Shares exchanged therefor, each bearing the appropriate legend with respect to United States securities laws matters as agreed by the parties;
- (b) the registered holders of FMAC Concurrent Financing Warrants, FMAC Concurrent Financing Broker Warrants, FMAC Broker Warrants and FMAC Options, shall be deemed to be the registered holders of the Resulting Issuer Concurrent Financing Warrants, Resulting Issuer Concurrent Financing Broker Warrants, Resulting Issuer Legacy Broker Warrants and Resulting Issuer Legacy Options, respectively, to which they are entitled in accordance with Section 10 hereof, all certificates and/or agreements evidencing such securities shall, in accordance with their terms, evidence such securities of the Resulting Issuer and the Resulting Issuer shall deliver notice to the holders of such options of the foregoing or deliver amended certificates or agreements evidencing such securities of the Resulting Issuer as required; and
- (c) notwithstanding the foregoing, all certificates representing FMAC Shares held by persons who have validly exercised their dissent rights in connection at the shareholder meeting of FMAC held to approve the Amalgamation, if applicable, shall represent only the right to receive fair value of the FMAC Shares formerly represented by such certificates in accordance with the OBCA.

12. Effect of Amalgamation.

At the Effective Time:

- (a) FMAC and Newco will be amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement;
- (b) each of FMAC and Newco shall cease to exist as entities separate from the Amalgamated Corporation;
- (c) the property of each of FMAC and Newco will continue to be the property of the Amalgamated Corporation;
- (d) the Amalgamated Corporation will continue to be liable for the obligations of each of FMAC and Newco;

- (e) any existing cause of action, claim or liability to prosecution with respect to FMAC and Newco will be unaffected;
- (f) any civil, criminal or administrative action or proceeding pending by or against FMAC or Newco may be continued to be prosecuted by or against the Amalgamated Corporation;
- (g) any conviction against, or ruling, order or judgment in favour of or against, FMAC or Newco may be enforced by or against the Amalgamated Corporation; and
- (h) the articles of amalgamation will be deemed to be the articles of incorporation of the Amalgamated Corporation and the Certificate of Amalgamation will be deemed to be the certificate of incorporation of the Amalgamated Corporation.

13. Stated Capital.

The stated capital in respect of the Amalco Shares will be equal to the aggregate stated capital of the Newco Shares and the FMAC Shares immediately prior to the Amalgamation.

14. By-laws.

The by-laws of FMAC shall be the by-laws of the Amalgamated Corporation with such amendments thereto as may be necessary to give effect to this Agreement until repealed, amended, altered or added to.

15. Articles of Amalgamation.

Upon the shareholders of FMAC and the shareholder of Newco approving, by special resolution, the Amalgamation, this Agreement and any variations thereof, and provided that the conditions to the completion of the Amalgamation specified herein and in the Acquisition Agreement have then been satisfied or waived, Newco and FMAC shall jointly file, in duplicate, with the Director, articles of amalgamation in prescribed form providing for the Amalgamation and such other documents as may be required pursuant to the OBCA.

16. Amendment.

This Agreement may at any time and from time to time before or after the approval of the holders of FMAC Shares be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation, change the time for performance of any of the obligations or acts of the parties hereto or waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by shareholders of FMAC in exchange for their FMAC Shares without approval by the shareholders given in the same manner as required for the approval of the Amalgamation.

17. Termination.

Subject to the terms of the Acquisition Agreement, this Agreement may be terminated by a resolution passed by the directors of Newco, FWTC or FMAC at any time before the issue of the Certificate of Amalgamation, notwithstanding the approval of this Agreement by the shareholders of any or each of FWTC, Newco and FMAC. If this Agreement is terminated pursuant to this section, this Agreement shall forthwith become void and of no further force and effect.

18. Further Assurances.

Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

19. Time of Essence.

Time shall be of the essence of this Agreement.

20. Binding Effect.

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

21. Assignment.

No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties.

22. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

23. Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

24. Counterparts and Delivery

This Agreement may be executed in several counterparts and delivered by a facsimile or other electronic copy of an original execution page bearing the signature of each party hereto, each of which when so executed shall be deemed to be an original, and such counterparts or facsimile or other electronic copies thereof together shall comprise one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

1000925180 ONTARIO LIMITED

Per: _____

Name: C. Howie Honeyman
Title: Chief Executive Officer

**FORWARD WATER TECHNOLOGIES
CORP.**

Per: _____

Name: C. Howie Honeyman
Title: Chief Executive Officer

**FRASER MACKENZIE ACCELERATOR
CORP.**

Per: _____

Name: Philip Benson
Title: Chief Executive Officer

Schedule 1

The common shares (the "**Common Shares**") shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Voting

The holders of the Common Shares shall be entitled to receive notice of and to attend and shall be entitled to one vote at any meeting of the shareholders of the Corporation for each Common Share held.

2. Dividends

The holders of the Common Shares shall be entitled to receive dividends as and when the directors shall in their discretion declare dividends on the Common Shares and pay the same.

3. Dissolution

The holders of the Common Shares shall be entitled to receive the remaining property of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

SCHEDULE "E"

ACKNOWLEDGEMENT – PERSONAL INFORMATION

Dated: August 20, 2024

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the Filing Statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Form 3D1 - *Information Required in an Information Circular for a Qualifying Transaction* of the TSXV, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individualto:

- (a) the disclosure of Personal Information by the undersigned to the TSXV pursuant to this Information Circular; and
- (b) the collection, use and disclosure of Personal Information by the TSXV for purposes described in Appendix 6B of the TSXV or as otherwise identified by the TSXV, from time to time.

FORWARD WATER TECHNOLOGIES CORP.

**FRASER MACKENZIE ACCELERATOR
CORP.**

Per: (signed) "C. Howie Honeyman"
C. Howie Honeyman
Chief Executive Officer

Per: (signed) "Philip Benson"
Philip Benson
Chief Executive Officer

SCHEDULE "F"

CETIFICATE OF FMAC

August 20, 2024

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Fraser Mackenzie Accelerator Corp. assuming completion of the Qualifying Transaction.

(signed) "Philip Benson"

(signed) "Donald Bent"

Philip Benson
Chief Executive Officer

Donald Bent
Chief Financial Officer

On behalf of the Board of Directors of Fraser Mackenzie Accelerator Corp.

(signed) "Robert Eberschlag"

(signed) "David Iacobelli"

Robert Eberschlag
Director

David Iacobelli
Director

SCHEDULE "G"

CERTIFICATE OF FWTC

August 20, 2024

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Forward Water Technologies Corp. assuming completion of the Qualifying Transaction.

(signed) "C. Howie Honeyman"

C. Howie Honeyman
Chief Executive Officer

(signed) "Michael Willetts"

Michael Willetts
Chief Financial Officer

On behalf of the Board of Directors of Forward Water Technologies Corp.

(signed) "Wayne Maddever"

Wayne Maddever
Director

(signed) "John Koehle"

John Koehle
Director