

## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** is made as of the 30<sup>th</sup> day of September, 2024, by and among Forward Water Technologies Corporation ("**FWTC**"), 1000925180 Ontario Limited ("**Newco**") and Fraser Mackenzie Accelerator Corp. ("**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 private placement by FMAC of 15,887,580 FMAC Subscription Receipts;

"**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 872,204 broker warrants issued 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**" means the 7,943,922 common share purchase warrants issued in connection with the Concurrent Financing with 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 15,887,850 subscription receipts 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 [REDACTED].

Redacted for Privacy

## **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 two (2).

**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	[Redacted]
Philip Benson	[Redacted]

Redacted for Privacy

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**

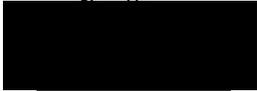
Per: \_\_\_\_\_

 Redacted for Privacy

Name: C. Howie Honeyman  
Title: Chief Executive Officer

**FORWARD WATER TECHNOLOGIES  
CORP.**

Per: \_\_\_\_\_

 Redacted for Privacy

Name: C. Howie Honeyman  
Title: Chief Executive Officer

**FRASER MACKENZIE ACCELERATOR  
CORP.**

Per: \_\_\_\_\_

Name: Philip Benson  
Title: Chief Executive Officer

**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:  \_\_\_\_\_

Redacted for Privacy

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.