NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF IRONHORSE OIL & GAS INC.

TO BE HELD ON DECEMBER 18, 2017

AND

NOTICE OF SPECIAL MEETING OF POND TECHNOLOGIES INC.

TO BE HELD ON DECEMBER 15, 2017

AND

JOINT MANAGEMENT INFORMATION CIRCULAR

with respect to, among other things, a proposed

AMALGAMATION

involving

POND TECHNOLOGIES INC., IRONHORSE OIL & GAS INC. AND 2597905 ONTARIO INC.

November 17, 2017

November 17, 2017

Dear Ironhorse Shareholder,

The directors of Ironhorse Oil & Gas Inc. ("**Ironhorse**") cordially invite you to attend the annual and special meeting (the "**Ironhorse Meeting**") of the shareholders of Ironhorse (the "**Ironhorse Shareholders**") to be held at the Calgary Petroleum Club, 319 5 Avenue S.W., Calgary, Alberta T2P 0L6 on December 18, 2017 at 10:00 a.m. (Calgary time) for the following purpose:

(i) to receive and consider the financial statements of Ironhorse for the year ended December 31, 2016, together with the auditors' report thereon;

(ii) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution to appoint the auditors of Ironhorse and to authorize the directors to fix their remuneration as such (the "**Ironhorse Auditor Resolution**");

(iii) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution to fix the number of directors to be elected at the Ironhorse Meeting at five (5) members (the "**Ironhorse Board Resolution**");

(iv) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution electing five (5) directors of Ironhorse (the "**Ironhorse Director Resolution**");

(v) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the stock option plan of Ironhorse, including the amendments thereto (the "**Ironhorse Stock Option Plan Resolution**", and together with the Ironhorse Auditor Resolution, the Ironhorse Board Resolution and the Ironhorse Director Resolution, the "**Ironhorse AGM Resolutions**");

(vi) to consider and, if thought appropriate, to pass, with or without variation, a special resolution authorizing and approving an amendment of the Articles of Ironhorse to provide that the authorized share capital of Ironhorse be altered by consolidating (the "**Ironhorse Consolidation**") all of Ironhorse's issued and outstanding common shares on the basis of one post-Ironhorse Consolidation common share for every 6.9 pre-Ironhorse Consolidation common shares (the "**Ironhorse Consolidation Resolution**");

(vii) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution authorizing and approving a reverse take-over and change of business of Ironhorse by way of a "three-cornered amalgamation" (the "**Transaction**") pursuant to which the shareholders of Pond Technologies Inc. ("**Pond**") will receive common shares of Ironhorse on the basis of one Ironhorse common share (on a post-Ironhorse Consolidation basis) for each common share of Pond (the "**Ironhorse RTO Resolution**"); and

(viii) to consider and, if thought appropriate, to pass, with or without variation, a special resolution authorizing and approving the amendment of the articles of Ironhorse to provide for the name change of Ironhorse to "Pond Technologies Holdings Inc." or such other name as is acceptable to the applicable regulatory authorities (the "**Ironhorse Change of Name Resolution**", and together with the Ironhorse RTO Resolution, the Ironhorse Consolidation Resolution and the Ironhorse AGM Resolutions, the "**Ironhorse Resolutions**").

The specific details of the matters proposed to be put before the Ironhorse Meeting are set forth in the accompanying management information circular (the "**Circular**") accompanying and forming part of this letter.

On October 4, 2017, Ironhorse entered into an amalgamation agreement (the "**Amalgamation Agreement**") with Pond and a wholly-owned subsidiary of Ironhorse, 2597905 Ontario Inc., providing for the acquisition by Pond of Ironhorse by way of the Transaction. The Amalgamation Agreement was subsequently amended on November 16, 2017 to reflect, among other things, certain changes to the terms of the financing being completed by Pond as a condition to the completion of the Transaction and the treatment of the Pond Agent Units and the Pond Agent Warrants (as defined in the Circular). After careful consideration, including a thorough review of those matters discussed under the heading "*Description of the Transaction – Background and Reasons for the Transaction*" in the accompanying Circular; the board of directors of Ironhorse (the "**Ironhorse Board**") unanimously determined that the Transaction is in the best interests of Ironhorse. **Accordingly, the Ironhorse Board unanimously approved the entering into of the Amalgamation Agreement and unanimously recommends that Ironhorse Shareholders vote in favour of the Ironhorse Resolution.**

The following are some of the principal reasons for the Ironhorse board of directors' recommendation to Ironhorse Shareholders that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions:

(i) the ongoing challenges affecting the oil and gas industry and related market and economic conditions;

(ii) the significant time and resources devoted to looking for strategic alternatives for Ironhorse;

(iii) the prospects and potential for growth presented by the Transaction and the potential for Ironhorse Shareholders to participate in such growth and the potential longer term benefits of the business to be carried on by the Resulting Issuer (as defined below);

(iv) the lack of alternatives within the oil and gas industry that would be accretive to Ironhorse or generate appropriate economic returns aligned with the required level of spending;

(v) the financial characteristics of the proposed business model, including the use of cash-on-hand and revenues from oil producing properties towards the execution of Pond's business plan in the growing industrial sector of carbon abatement and nutraceuticals; and

(vi) the transfer of non-producing assets and abandonment liabilities to Grizzly Resources Ltd. ("**GRL**") to limit the costs and liabilities of Ironhorse relating to such properties.

The Ironhorse Consolidation Resolution and the Ironhorse Change of Name Resolution each require the affirmative vote of not less than 66 2/3% of the aggregate votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting.

The Ironhorse AGM Resolutions require the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled vote at the Ironhorse Meeting. Pursuant to the policies of the TSX Venture Exchange, the Ironhorse RTO Resolution requires the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting, excluding votes in respect of common shares of Ironhorse held by Mr. Larry Parks, who, by virtue of his ownership interest in GRL, will receive in connection with the Transaction a "collateral benefit", as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Management of the combined company following completion of the Transaction (the "**Resulting Issuer**") will be led by a team consisting of Steven Martin as Chief Executive Officer and Chief Technology Officer, Thomas Masney as Chief Financial Officer, Emidio Di Pietro as Vice President, Engineering and Peter Howard as Vice President, Corporate Sustainability. A detailed description of the Transaction, as well as detailed information regarding Pond and certain pro forma and other information regarding the Resulting Issuer and certain risk factors relating to the Transaction and the Resulting Issuer and the business carried on by the Resulting Issuer, is set out in the accompanying Circular.

You are urged to review in detail the full reasons for the recommendation of the Ironhorse Board, which are set out in the accompanying Circular under the heading "*Description of the Transaction – Recommendation of the Ironhorse Board*". We hope you will be able to attend the Ironhorse Meeting. Whether or not you are able to attend, it is important that you be represented at the Ironhorse Meeting. We encourage you to complete the enclosed form of proxy and return it, by the time specified in the notice of the Ironhorse Meeting and the Circular, to Computershare Trust Company of Canada at the address specified on the form of proxy. Voting by proxy will not prevent you from voting in person if you attend the Ironhorse Meeting, but will ensure that your vote will be counted if you are unable to attend.

If you are a non-registered holder of Ironhorse common 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 Ironhorse common shares not being eligible to be voted at the Ironhorse Meeting.

Sincerely,

(signed) *"Larry J. Parks"*

Larry J. Parks
President and Chief Executive Officer

November 17, 2017

Dear Pond Shareholder,

The directors of Pond Technologies Inc. ("**Pond**") cordially invite you to attend the special meeting (the "**Pond Meeting**") of the shareholders of Pond (the "**Pond Shareholders**") to be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on December 15, 2017 at 10:00 a.m. (Toronto time).

At the Pond Meeting, you will be asked to consider and, if deemed appropriate, to pass, with or without variation a special resolution (the "**Pond Resolution**") approving the amalgamation (the "**Amalgamation**") of Pond and 2597905 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of Ironhorse Oil & Gas Inc. ("**Ironhorse**"), under the provisions of the *Business Corporations Act* (Ontario) to form a new amalgamated company ("**Amalco**"). The Amalgamation will be effected by way of a three-cornered amalgamation among Ironhorse, Newco and Pond pursuant to which, upon the Amalgamation of Pond and Newco, Pond Shareholders will receive one Ironhorse common share (on a post-consolidation basis) for each common share of Pond held.

The specific details of the matters proposed to be put before the Pond Meeting are set forth in the accompanying management information circular (the "**Circular**") accompanying and forming part of this Notice.

The directors of Pond believe that the Amalgamation, which forms part of the business combination with Ironhorse (the "**Transaction**"), will have the following benefits for the Pond Shareholders:

(i) former Pond Shareholders will hold common shares of Ironhorse, a public company listed on the TSX Venture Exchange, resulting in increased share trading liquidity and market capitalization that is attractive to a wider range of investors than that offered by Pond prior to the Transaction;

(ii) following completion of the Transaction, it is expected that the combined company will have a sufficient cash position to support its business plan to commercialize its technology; and

(iii) the oil producing assets that will remain in Ironhorse following completion of the Transaction are expected to provide ongoing revenues to support operating costs of Pond until such assets are sold, at which point the proceeds of sale will be used to support Pond's business plan to commercialize its technology.

Management of the combined company following completion of the Transaction (the "**Resulting Issuer**") will be led by a team consisting of Steven Martin as Chief Executive Officer and Chief Technology Officer, Thomas Masney as Chief Financial Officer, Emidio Di Pietro as Vice President, Engineering and Peter Howard as Vice President, Corporate Sustainability. A detailed description of the Transaction, as well as detailed information regarding Pond and certain pro forma and other information regarding the Resulting Issuer and certain risk factors relating to the Transaction and the Resulting Issuer and the business carried on by the Resulting Issuer, is set out in the accompanying Circular.

The full text of the Pond Resolution is set out as Schedule I to the Circular.

The Pond Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Pond Shareholders present in person or represented by proxy and entitled to vote at the Pond Meeting.

THE DIRECTORS OF POND HAVE UNANIMOUSLY DETERMINED THAT THE TRANSACTION IS IN THE BEST INTERESTS OF POND AND UNANIMOUSLY RECOMMEND THAT YOU VOTE IN

FAVOUR OF THE POND RESOLUTION AT THE POND MEETING FOR THE REASONS SET FORTH IN THE CIRCULAR.

We hope you will be able to attend the Pond Meeting. Whether or not you are able to attend, it is important that you be represented at the Pond Meeting. We encourage you to complete the enclosed form of proxy and return it, by the time specified in the notice of the Pond Meeting and the Circular, to Pond's Company Secretary at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Company Secretary). Voting by proxy will not prevent you from voting in person if you attend the Pond Meeting, but will ensure that your vote will be counted if you are unable to attend.

If you are a non-registered holder of Pond common 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 Pond common shares not being eligible to be voted at the Pond Meeting.

Sincerely,

(signed) *"Steve Martin"*

Steve Martin
Chief Executive Officer

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF IRONHORSE OIL & GAS INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Ironhorse Meeting**") of the shareholders (the "**Ironhorse Shareholders**") of Ironhorse Oil & Gas Inc. ("**Ironhorse**") will be held at the Calgary Petroleum Club, 319 5 Avenue S.W., Calgary, Alberta T2P 0L6 on December 18, 2017 at 10:00 a.m. (Calgary time) for the following purposes, as more particularly described in the enclosed joint management information circular (the "**Circular**"):

1. to receive and consider the financial statements of Ironhorse for the year ended December 31, 2016, together with the auditors' report thereon;

2. to consider and, if thought appropriate, to pass an ordinary resolution to appoint the auditors of Ironhorse and to authorize the directors to fix their remuneration as such;

3. to fix the number of directors to be elected at the Ironhorse Meeting at five (5) members;

4. to consider and, if thought appropriate, to pass an ordinary resolution electing five (5) directors of Ironhorse;

5. to consider and if thought appropriate, to pass with or without variation, an ordinary resolution, the full text of which is set forth in Schedule E to the Circular, approving the stock option plan of Ironhorse, including the amendments thereto;

6. to consider and if thought appropriate, to pass with or without variation, a special resolution, the full text of which is set forth in Schedule F to the Circular, authorizing and approving an amendment of the Articles of Ironhorse by consolidating (the "**Ironhorse Consolidation**") all of Ironhorse's issued and outstanding common shares on the basis of one post-Ironhorse Consolidation common share for every 6.9 pre-Ironhorse Consolidation common shares;

7. to consider and if thought appropriate, to pass with or without variation, an ordinary resolution, the full text of which is set forth in Schedule H to the Circular, authorizing and approving the reverse take-over and change of business of Ironhorse by way of a "three-cornered amalgamation" (the "**Transaction**") pursuant to which the shareholders of Pond Technologies Inc. ("**Pond**") will receive common shares of Ironhorse on the basis of 1 Ironhorse common share (on a post-Ironhorse Consolidation basis) for each common share of Pond;

8. to consider and if thought appropriate, to pass with or without variation, a special resolution, the full text of which is set forth in Schedule G to the Circular, authorizing and approving an amendment of the Articles of Ironhorse to provide for the name change of Ironhorse to "Pond Technologies Holdings Inc." or such other name as is acceptable to the applicable regulatory authorities; and

9. to transact such other business as may properly come before the Ironhorse Meeting or any adjournment or postponement thereof.

The Transaction will be completed pursuant to the amalgamation agreement dated as of October 4, 2017 among Ironhorse, 2597905 Ontario Inc. and Pond, as amended on November 16, 2017, a copy of which is appended as Schedule D to the Circular and is also available under Ironhorse's profile on SEDAR at www.sedar.com. A description of the Transaction and the other matters to be dealt with at the Ironhorse Meeting is included in the Circular.

Ironhorse Shareholders who are unable to attend the Ironhorse Meeting in person are requested to vote by proxy. A proxy will not be valid unless it is deposited with Ironhorse's transfer agent Computershare Trust Company of Canada ("Computershare"), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you

may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Calgary Time) on December 14, 2017, or, if the Ironhorse Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Ironhorse Meeting.

Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.

The Ironhorse Board of Directors has fixed the record date for the Ironhorse Meeting at the close of business on November 13, 2017 (the "**Ironhorse Record Date**"). Shareholders of record as at the Ironhorse Record Date are entitled to receive notice of the Ironhorse Meeting and to vote those shares included in the list of shareholders entitled to vote at the Ironhorse Meeting prepared as at the Ironhorse Record Date, unless any such shareholder transfers shares after the Ironhorse Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than ten (10) days before the Ironhorse Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Ironhorse Meeting, in which case such transferee shall be entitled to vote such shares at the Ironhorse Meeting.

DATED at Calgary, Alberta, this 17th day of November, 2017.

BY ORDER OF THE BOARD

(signed) *"Larry J. Parks"*

Larry J. Parks
President and Chief Executive Officer

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
OF POND TECHNOLOGIES INC.

NOTICE IS HEREBY GIVEN that a special meeting (the "**Pond Meeting**") of the shareholders (the "**Pond Shareholders**") of Pond Technologies Inc. ("**Pond**") will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on December 15, 2017 at 10:00 a.m. (Toronto time) for the following purposes, as more particularly described in the enclosed joint management information circular (the "**Circular**"):

1. to consider and if thought advisable, approve with or without variation, a special resolution (the "**Pond Resolution**"), the full text of which is set forth in Schedule I to the Circular, authorizing and approving the amalgamation (the "**Amalgamation**") of Pond with 2597905 Ontario Inc. ("**Newco**"), a wholly-owned subsidiary of Ironhorse Oil & Gas Inc. ("**Ironhorse**") under the provisions of the *Business Corporations Act* (Ontario) to form a new amalgamated company ("**Amalco**"). The Amalgamation will be effected by way of a three-cornered amalgamation among Ironhorse, Newco and Pond; and

2. to transact such other business as may properly come before the Pond Meeting or any adjournment or postponement thereof.

The Amalgamation, which forms part of a business combination with Ironhorse (the "**Transaction**"), will be completed pursuant to the amalgamation agreement dated as of October 4, 2017 among Ironhorse, Newco and Pond, as amended on November 16, 2017, a copy of which is appended as Schedule D to the Circular and is also available under Ironhorse's profile on SEDAR at www.sedar.com. A description of the Transaction and the other matters to be dealt with at the Pond Meeting is included in the Circular.

Only Pond Shareholders of record at the close of business on November 16, 2017 are entitled to receive notice of the Pond Meeting and any adjournment or postponement thereof.

Pond Shareholders who are unable to be present in person at the Pond Meeting are requested to complete, date, sign and return, in the envelope provided for that purpose, the enclosed form of proxy. In order to be voted, proxies must be received by Pond's Corporate Secretary at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Corporate Secretary) by no later than 10:00 a.m. (Toronto time) on December 13, 2017 or, in the case of any adjournment or postponement of the Pond Meeting, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the adjourned or postponed Pond Meeting.

Registered Pond Shareholders who validly dissent in respect of the proposed Pond Resolution will be entitled to be paid the fair value of their Pond common shares in accordance with section 185 of the *Business Corporations Act* (Ontario). The dissent rights are described in the Circular. Failure to strictly comply with the requirements set forth in section 185 of the *Business Corporations Act* (Ontario) may result in the loss of any dissent right.

DATED at Toronto, Ontario, this 17th day of November, 2017.

BY ORDER OF THE BOARD

(signed) *"Steve Martin"*

Steve Martin
Chief Executive Officer

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JOINT MANAGEMENT INFORMATION CIRCULAR

Information Contained in this Circular

This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of Ironhorse and Pond for use at the Ironhorse Meeting and the Pond Meeting, respectively, 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. For greater certainty, to the extent that any information provided on Ironhorse's or Pond's websites is inconsistent with this Circular, you should rely on the information provided in this Circular.

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

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

All summaries of and references to the Amalgamation Agreement in this Circular are qualified in their entirety by the complete text of the Amalgamation Agreement. The Amalgamation Agreement is attached as Schedule D hereto and is also available under Ironhorse's profile on SEDAR at www.sedar.com. You are urged to read carefully the full text of the Amalgamation Agreement.

Information in this Circular is given as at November 17, 2017 unless otherwise indicated.

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.

Neither Ironhorse Shareholders nor Pond Shareholders should 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*" in this Circular.

Cautionary Note Regarding Forward-Looking Information

This Circular, including under the sections entitled "*Summary*", "*Description of the Transaction*", "*General Information Concerning the Ironhorse Meeting*", "*General Information Concerning the Pond Meeting*" and certain

Schedules attached hereto, including Schedule A, "*Information Concerning Ironhorse*", Schedule B, "*Information Concerning Pond*", Schedule C, "*Information Concerning the Resulting Issuer*", Schedule J, "*Pond Financial Statements*", Schedule K, "*Pond Management's Discussion and Analysis*" and Schedule L, "*Ironhorse Pro Forma Financial Statements*", in addition to certain statements contained elsewhere in this Circular, documents incorporated by reference herein and accompanying Schedules, includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Circular that address activities, events or developments that Ironhorse or Pond expect or anticipate will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of Ironhorse's and Pond'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 includes, among others, information regarding: expectations regarding whether the Transaction will be completed, including whether conditions, including shareholder and regulatory approvals, to the Transaction will be satisfied, or the timing for completing the Transaction; expectations for the effects of the Transaction, the potential benefits and synergies of the Transaction; statements relating to the business and future activities of, and developments related, to Ironhorse and Pond after the date of this Circular and to the Resulting Issuer after effecting the Transaction; statements based on the audited financial statements of Ironhorse or Pond; expectations for other economic, business, environmental, regulatory and/or competitive factors related to Ironhorse, Pond and the Resulting Issuer; the Resulting Issuer's business outlook following completion of the Transaction; plans and objectives of management for future operations; forecast business results; anticipated financial performance; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of management of Ironhorse and Pond at the time it was made and involves 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 relating to the ability to complete the Transaction; the ability to obtain requisite shareholder and regulatory and stock exchange approvals, and the satisfaction of other conditions to the Transaction on the proposed terms and schedule; risks relating to governmental and environmental regulation; risks relating to timeline estimates and capital cost estimates; risks relating to financing activities; no unforeseen changes in the legislative and operating framework for the business of Ironhorse and Pond, as applicable; a stable competitive environment; no significant change occurring outside the ordinary course of business such as a natural disaster or other calamity; as well as those risk factors discussed in the Schedules attached hereto.

The forward-looking information in statements or disclosures in this Circular is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Ironhorse or Pond, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Ironhorse and Pond, as applicable, including information obtained from third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While Ironhorse and Pond do not know what impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the inability of Ironhorse and Pond, for any reason, to complete the Transaction, including the failure to obtain required shareholder approvals or the failure of Ironhorse or Pond to satisfy all of the conditions to closing as set out in the Amalgamation Agreement;

- the timing and unpredictability of regulatory actions;

- a change in general economic conditions;

- the loss of key management or scientific personnel;

- substantial capital requirements and liquidity;
- regulatory, legal or other setbacks with respect to its operations or business;
- conflicts of interest;
- uninsurable risks; and
- litigation and other factors beyond Ironhorse, Pond or the Resulting Issuer's control.

Risks involving the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Transaction are discussed under the heading "*Risk Factors*". Although Ironhorse and Pond 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 Ironhorse and Pond do not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

Ironhorse and Pond are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by securities laws. Because of the risks, uncertainties and assumptions contained herein, securityholders should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. Please refer to the notes to the financial statements appended to this Circular and incorporated by reference herein, as applicable, for additional details regarding such judgments, estimates and assumptions.

Ironhorse and Pond caution that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of Ironhorse or Pond, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information contained herein are disclosed in Ironhorse's publicly filed disclosure documents, including those disclosed under "*Risk Factors*" in this Circular.

Currency Presentation

Each of Ironhorse and Pond reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to "**$**" in this Circular refer to Canadian dollars.

GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Circular, including the schedules hereto. These defined words and terms are not always used herein and may not conform to the defined terms used in the schedules and exhibits to this Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended.

"**Agents**" means Hampton Securities Limited and Industrial Alliance Securities Inc.

"**Alternative Proposal**" means any inquiry or the making of any proposal from any person or group of persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take Over Bids and Issuer Bids*) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) an acquisition or purchase of 20% or more of the voting securities of Ironhorse or Pond, as applicable; (b) any acquisition of a substantial amount of assets of Ironhorse or Pond, as applicable, taken as a whole; (c) an amalgamation, arrangement, merger, business combination, or consolidation involving Ironhorse or Pond, as applicable; (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving Ironhorse or Pond, as applicable; or (e) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by the Amalgamation Agreement or the Transaction, provided, however, that the transactions set forth in Section 4.1(f) of the Amalgamation Agreement shall not constitute an "Alternative Proposal".

"**Amalco**" means the company resulting from the amalgamation of Pond and Newco pursuant to the Amalgamation.

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

"**Amalgamation**" means the amalgamation of Newco and Pond pursuant to Section 174 of the OBCA on the terms and subject to the conditions of the Amalgamation Agreement, subject to any amendment in accordance therewith.

"**Amalgamation Agreement**" means the amalgamation agreement dated as of October 4, 2017 among Pond, Ironhorse and Newco relating to the Transaction, as amended on November 16, 2017, a copy of which was filed on SEDAR and is available at www.sedar.com and is attached hereto as Schedule D.

"**Articles of Amalgamation**" means the articles of amalgamation of Newco and Pond in respect of the Amalgamation that are required by the OBCA to be filed with the Director in order to effect the Amalgamation.

"**Articles of Amendment**" means the articles of amendment of Ironhorse to be filed with the Registrar after the Ironhorse Consolidation Resolution and the Ironhorse Change of Name Resolution have been passed, giving effect to the Ironhorse Consolidation and the Ironhorse Change of Name.

"**Beneficial Ironhorse Shareholder**" has the meaning ascribed thereto under the heading "*General Information Concerning the Ironhorse Meeting and Voting – Beneficial Ironhorse Shareholders*".

"**Beneficial Pond Shareholder**" has the meaning ascribed thereto under the heading "*General Information Concerning the Pond Meeting and Voting – Beneficial Pond Shareholders*".

"**Beneficial Shareholder**" means a Beneficial Ironhorse Shareholder or Beneficial Pond Shareholder, as applicable.

"**Broadridge**" means Broadridge Financial Solutions, Inc.

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the City of Calgary, Alberta and the City of Toronto, Ontario are open for business.

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation in accordance with Section 178(4) of the OBCA.

"**Change of Business**" has the meaning ascribed to it in Policy 5.2 of the TSXV Corporate Finance Manual.

"**Circular**" means the Ironhorse Notice of Meeting and the Pond Notice of Meeting, together with this joint management information circular, including all schedules hereto, as amended, supplemented or otherwise modified from time to time.

"**Claim**" means any claim, demand, complaint, action, proceeding, investigation, suit, cause of action, assessment or reassessment, charge, judgment, order, writ, injunction, decree, debt, liability, expense, cost, damage or loss, contingent or otherwise, judicial, administrative or otherwise (including legal fees on a solicitor and his or her own client basis and other professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding).

"**Completion Deadline**" means the latest date by which the Transaction is to be completed, which date shall be January 31, 2018 or such later date as Ironhorse, Newco and Pond may mutually agree.

"**Computershare**" means Computershare Trust Company of Canada, the registrar and transfer agent for the Ironhorse Shares.

"**Control Person**" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**Crystal Wealth Loan Agreement**" has the meaning ascribed thereto in Schedule B, "*Information Concerning Pond – Material Contracts – Crystal Wealth Loan Agreement*".

"**Director**" means the director appointed under Section 278 of the OBCA.

"**Dissent Rights**" means the rights of dissent of Pond Shareholders in respect of the Pond Resolution under Section 185 of the OBCA.

"**Dissenting Shareholder**" has the meaning ascribed thereto under the heading "*Dissenting Pond Shareholders' Rights*".

"**Effective Date**" means the date shown on the Certificate of Amalgamation.

"**Effective Time**" means the earliest moment on the Effective Date or such other time on the Effective Date as the Parties may agree in writing.

"**Escrow Agent**" means Garfinkle Biderman LLP in its capacity as subscription receipt agent and escrow agent pursuant to the terms of the Subscription Receipt Agreement.

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

"**Escrow Release Conditions**" means: (a) all conditions to the completion of the Transaction have been satisfied or waived to the satisfaction of the Agents, acting reasonably, and on substantially the same terms as set forth in the Amalgamation Agreement, other than the filing of certain documents with government authorities required to give effect to the Amalgamation; and (b) Pond and Ironhorse having delivered an escrow release notice to the Escrow Agent confirming that all of the conditions to the completion of the Transaction have been satisfied or waived.

"**Escrow Deadline**" has the meaning ascribed thereto under the heading "*The Financing*".

"**Exchange Agreements**" means the agreements to be entered into by Pond and each of the holders of Pond Options, Pond Warrants and Pond Agent Warrants, in form satisfactory to Ironhorse, acting reasonably, pursuant to which holders of Pond Options, Pond Warrants and Pond Agent Warrants, as applicable, agree to: (a) be bound by the steps outlined in the Amalgamation Agreement with respect to the exchange of Pond Options, Pond Warrants and Pond Agent Warrants for equivalent securities of Ironhorse; and (b) surrender effectively immediately before the Effective

Date all Pond Options, Pond Warrants and Pond Agent Warrants for cancellation in exchange for equivalent securities of Ironhorse;

"**Exchange Ratio**" means one Ironhorse Share (on a post-Ironhorse Consolidation basis) for each Pond Share.

"**Financing**" means the private placement of Pond as further described under the heading "*The Financing*".

"**Former Pond Shareholders**" means the holders of Pond Shares immediately prior to the Effective Time.

"**Governmental Entity**" means any applicable:

(a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;

(b) subdivision, agent, commission, board or authority of any of the foregoing;

(c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or

(d) stock exchange, including the TSXV.

"**GRL**" means Grizzly Resources Ltd.

"**IFRS**" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time.

"**Ironhorse**" means Ironhorse Oil & Gas Inc., a corporation existing under the ABCA.

"**Ironhorse Auditor Resolution**" means the ordinary resolution of the Ironhorse Shareholders to appoint the auditors of Ironhorse and to authorize the directors to fix their remuneration as such.

"**Ironhorse AGM Resolutions**" means, collectively, the Ironhorse Auditor Resolution, the Ironhorse Board Resolution, the Ironhorse Director Resolution and the Ironhorse Stock Option Plan Resolution.

"**Ironhorse Board**" means the board of directors of Ironhorse.

"**Ironhorse Board Resolution**" means an ordinary resolution of the Ironhorse Shareholders setting the size of the Ironhorse Board at five.

"**Ironhorse Change of Name**" means the change of name of Ironhorse to "Pond Technologies Holdings Inc.".

"**Ironhorse Change of Name Resolution**" means the special resolution of the Ironhorse Shareholders authorizing the name change of Ironhorse to "Pond Technologies Holdings Inc.", substantially in the form set out in Schedule G to this Circular.

"**Ironhorse Consideration Shares**" means the 11,731,244 aggregate post-Ironhorse Consolidation Ironhorse Shares to be issued to Pond Shareholders in connection with the Transaction (without giving effect to the Financing).

"**Ironhorse Consolidation**" means the consolidation of the outstanding Ironhorse Shares on the basis of 6.9 pre-Ironhorse Consolidation Ironhorse Shares for each one post-Ironhorse Consolidation Ironhorse Share.

"**Ironhorse Consolidation Resolution**" means the special resolution of the Ironhorse Shareholders authorizing the Ironhorse Consolidation, substantially in the form set out in Schedule F in this Circular.

"**Ironhorse Director Resolution**" means the ordinary resolution of the Ironhorse Shareholders electing certain individuals as directors of the Ironhorse Board.

"**Ironhorse Meeting**" means the annual and special meeting of the Ironhorse Shareholders, and any adjournments or postponements thereof, to be held to approve, among other things, the Ironhorse Resolutions.

“**Ironhorse Meeting Materials**” means, collectively, the Ironhorse Notice of Meeting, the Ironhorse Proxy and the Circular.

“**Ironhorse Notice of Meeting**” means the notice of the Ironhorse Meeting sent to Ironhorse Shareholders together with this Circular.

“**Ironhorse Stock Option Plan**” means the current stock option plan of Ironhorse, approved by Ironhorse Shareholders on September 20, 2016.

“**Ironhorse Stock Option Plan Resolution**” means an ordinary resolution of the Ironhorse Shareholders approving the Ironhorse Stock Option Plan, including the amendments thereto, substantially in the form set out in Schedule E in this Circular.

“**Ironhorse Proxy**” means the form of proxy sent to Ironhorse Shareholders for use in connection with the Ironhorse Meeting.

“**Ironhorse Record Date**” means November 13, 2017.

“**Ironhorse Resolutions**” means collectively, the Ironhorse Consolidation Resolution, the Ironhorse Change of Name Resolution, the Ironhorse AGM Resolutions and the Ironhorse RTO Resolution.

“**Ironhorse RTO Resolution**” means the resolution of the Ironhorse Shareholders authorizing and approving the Amalgamation and the Amalgamation Agreement, substantially in the form set out in Schedule H to this Circular.

“**Ironhorse Shareholders**” means, at any time, the holders of Ironhorse Shares.

“**Ironhorse Shares**” means the authorized common shares in the capital of Ironhorse, prior to giving effect to the Ironhorse Consolidation.

“**Ironhorse Support Agreements**” means the agreements between Pond and each of the Ironhorse Support Shareholders pursuant to which the Ironhorse Support Shareholders have agreed to vote the Ironhorse Shares beneficially owned or controlled by the Ironhorse Support Shareholders in favour of the Ironhorse Resolutions and to otherwise support the Ironhorse Change of Name, the Ironhorse Consolidation, the Amalgamation, the Amalgamation Agreement and the Transaction, as provided therein.

“**Ironhorse Support Shareholders**” means those Ironhorse directors and officers that have entered into Ironhorse Support Agreements.

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other person) having jurisdiction over the aforesaid person or persons or its or their business, undertaking, property or securities.

“**Material Adverse Change**” means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on Ironhorse or Pond, as applicable, on a consolidated basis.

“**Material Adverse Effect**” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of Ironhorse or Pond on a consolidated basis, except any change, effect, event, occurrence or state of facts resulting from or relating to:

(a) the announcement of the execution of the Amalgamation Agreement or any transactions contemplated therein, or communication by the applicable Party of its plans or intentions with respect to the other Party and/or any of its subsidiaries;

(b) changes in the United States and Canadian economies in general or the United States and Canadian capital or currency markets in general;

(c) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism;

(d) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;

(e) any change in IFRS;

(f) any natural disaster;

(g) any change relating to foreign currency exchange rates; or

(h) changes affecting the Party's industry generally,

provided that, in the case of any changes referred to in clauses (b) to (h) above, such changes do not have a materially disproportionate effect on the applicable Party relative to comparable companies.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Newco**" means 2597905 Ontario Inc., a wholly-owned subsidiary of Ironhorse, incorporated for the purposes of effecting the Transaction.

"**Newco Share**s" means the authorized common shares in the capital of Newco.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

"**Notice of Dissent**" has the meaning ascribed thereto under the heading "*Dissenting Pond Shareholders' Rights*".

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

"**Offer to Pay**" has the meaning ascribed thereto under the heading "*Dissenting Pond Shareholders' Rights*".

"**Party**" means, as the context requires, either Pond, Ironhorse or Newco, and "**Parties**" means two or more of them, as applicable.

"**Payment Demand**" has the meaning ascribed thereto under the heading "*Dissenting Pond Shareholders' Rights*".

"**Pond**" means Pond Technologies Inc, a corporation continued under the OBCA.

"**Pond Agent Units**" means the unit purchase warrants of Pond held by the Agents, each Pond Agent Unit being exercisable for one unit consisting of one Pond Share and one Pond Warrant.

"**Pond Agent Warrants**" means the common share purchase warrants of Pond issuable to the Agents under the Financing, each Pond Agent Warrant being exercisable for one Pond Share.

"**Pond Board**" means the board of directors of Pond.

"**Pond Meeting**" means the special meeting of the Pond Shareholders, and any adjournment or postponement thereof, to be held to approve the Pond Resolution.

"**Pond Meeting Materials**" means, collectively, the Pond Notice of Meeting, the Pond Proxy and the Circular.

"**Pond Notice of Meeting**" means the notice of the Pond Meeting sent to Pond Shareholders together with this Circular.

"**Pond Stock Option Plan**" means the current stock option plan of Pond for officers, directors, employees and consultants of Pond.

"**Pond Options**" means the outstanding options under the Pond Stock Option Plan, each Pond Option being exercisable for one Pond Share.

"**Pond Proxy**" means the form of proxy sent to Pond Shareholders for use in connection with the Pond Meeting.

"**Pond Resolution**" means the special resolution of the holders of Pond Shares approving the Amalgamation and the Amalgamation Agreement, substantially in the form set out in Schedule I of this Circular.

"**Pond Record Date**" means November 16, 2017.

"**Pond Shareholders**" means, at any time, the holders of Pond Shares.

"**Pond Shares**" means the authorized common shares in the capital of Pond.

"**Pond Support Agreements**" means the agreements between Ironhorse and each of the Pond Support Shareholders pursuant to which the Pond Support Shareholders have agreed to vote the Pond Shares beneficially owned or controlled by the Pond Support Shareholders in favour of the Pond Resolution and to otherwise support the Transaction, as provided therein.

"**Pond Support Shareholders**" means those Pond directors and officers that have entered into Pond Support Agreements.

"**Pond Warrants**" means the outstanding Pond Share purchase warrants, each Pond Warrant being exercisable for one Pond Share.

"**Registered Ironhorse Shareholder**" means a registered holder of Ironhorse Shares.

"**Registered Pond Shareholder**" means a registered holder of Pond Shares.

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA.

"**Resulting Issuer**" means Ironhorse after completion of the Transaction.

"**Resulting Issuer Agent Warrant**" means the share purchase warrants of the Resulting Issuer held by the Agents, each Resulting Issuer Agent Warrant being exercisable for one Resulting Issuer Share.

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer as the same is constituted from time to time.

"**Resulting Issuer Options**" means the outstanding options under the Resulting Issuer Stock Option Plan, each Resulting Issuer Option being exercisable for one Resulting Issuer Share.

"**Resulting Issuer Shareholders**" means, at any time, the holders of Resulting Issuer Shares.

"**Resulting Issuer Shares**" means authorized common shares in the capital of the Resulting Issuer.

"**Resulting Issuer Stock Option Plan**" means the Ironhorse Stock Option Plan, including the amendments thereto, which shall be adopted by the Resulting Issuer following completion of the Transaction.

"**Resulting Issuer Warrants**" means the outstanding Resulting Issuer Share purchase warrants, each Resulting Issuer Warrant being exercisable for one Resulting Issuer Share.

"**Reverse Take-Over**" has the meaning ascribed to it in Policy 5.2 of the TSXV Corporate Finance Manual.

"**SEC**" means the United States Securities and Exchange Commission.

"**Sinopec**" means Sinopec Daylight Energy Ltd.

"**Sinopec Litigation**" means Ironhorse's existing litigation with Sinopec, as further described in Schedule A, "*Information Concerning Ironhorse – Legal Proceedings*".

"**Subscription Receipt Agreement**" means the subscription receipt agreement to be entered into between Pond and Garfinkle Biderman LLP in connection with the Financing.

"**Subscription Receipt**s" has the meaning ascribed thereto under the heading "*The Financing*".

"**Tax**" and "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Transaction**" means the Amalgamation and all related transactions incidental thereto as contemplated by the Amalgamation Agreement, which are collectively intended to constitute a Reverse Takeover and Change of Business of Ironhorse in accordance with TSXV policies.

"**TSXV**" means the TSX Venture Exchange.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

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

SUMMARY

The following is a summary of information relating to Ironhorse, Pond and the Resulting Issuer (assuming completion of the matters contemplated in this Circular) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Ironhorse Shareholders and Pond Shareholders are encouraged to read this Circular carefully and in its entirety. In this Circular, 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.

The Meetings

Time, Date and Place of Meetings

The Pond Meeting will be will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on December 15, 2017 at 10:00 a.m. (Toronto time).

The Ironhorse Meeting will be held at the Calgary Petroleum Club, 319 5 Avenue S.W., Calgary, Alberta T2P 0L6 on December 18, 2017 at 10:00 a.m. (Calgary time).

The Record Date

The Pond Record Date for determining the Pond Shareholders eligible to vote at the Pond Meeting is November 16, 2017.

The Ironhorse Record Date for determining the Ironhorse Shareholders eligible to vote at the Ironhorse Meeting is November 13, 2017.

Purpose of the Meetings

This Circular is furnished in connection with the solicitation of proxies by management of Pond and Ironhorse for use at the Pond Meeting and the Ironhorse Meeting, respectively.

At the Pond Meeting, the Pond Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Pond Resolution, the full text of which is set forth at Schedule I to this Circular. See *"Particulars of Matters to be Acted Upon at the Pond Meeting*".

At the Ironhorse Meeting, the Ironhorse Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Ironhorse Resolutions. The full text of the Ironhorse Stock Option Plan Resolution, the Ironhorse Consolidation Resolution, the Ironhorse Change of Name Resolution and the Ironhorse RTO Resolution comprising the Ironhorse Resolutions are set forth at Schedules E through H to this Circular. See *"Particulars of Matters to be Acted Upon at the Ironhorse Meeting*".

The Transaction

The Amalgamation Agreement

Pond, Ironhorse and Newco have entered into the Amalgamation Agreement whereby Pond will amalgamate with Newco to form Amalco and Ironhorse will issue the 11,731,244 Ironhorse Consideration Shares to the Former Pond Shareholders, on the basis of one (1) Ironhorse Consideration Share for each one (1) Pond Share (without giving effect to the Financing). See "*Particulars of Matters to be Acted Upon at the Ironhorse Meeting*" and "*Particulars of Matters to be Acted Upon at the Pond Meeting*". Pursuant to the terms of the Transaction, Ironhorse will acquire all issued and outstanding Pond Shares to effect the combination of the business and assets of Ironhorse with those of Pond. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of Ironhorse. Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Amalgamation Agreement. See "*Description of the Transaction – Amalgamation Agreement*".

It is anticipated that immediately following the closing of the Transaction (without giving effect to the Financing, and assuming there are no changes resulting from the conversion of the existing convertible securities of Pond or to the outstanding Ironhorse Shares other than pursuant to the Ironhorse Consolidation), an aggregate of approximately 15,772,668 Resulting Issuer Shares will be issued and outstanding, of which it is anticipated that 11,731,244 Resulting Issuer Shares will be held by former Pond Shareholders (representing approximately 74% of the Resulting Issuer Shares), and approximately 4,041,423 Resulting Issuer Shares will be held by existing Ironhorse Shareholders (representing approximately 26% of the Resulting Issuer Shares).

The Financing

In connection with the Transaction, Pond has engaged the Agents to complete the Financing on a best-efforts agency basis. The Financing will be a private placement of a minimum of 2,708,333 Subscription Receipts and a maximum of 4,166,666 Subscription Receipts at price of $2.40 per Subscription Receipt for aggregate gross proceeds of a minimum of $6,500,000 and a maximum of $10,000,000 (subject to the exercise, if any, of an over-allotment option granted to the Agents to issue and sell up to an additional 15% of the aggregate number of Subscription Receipts sold under the Financing which, if exercised, would result in the issuance of a maximum of 4,791,666 Subscription Receipts for aggregate gross proceeds of $11,500,000). Subject to the satisfaction of the Escrow Release Conditions, each Subscription Receipt is automatically exchangeable, without additional payment or further action on the part of the holder thereof, into one Pond Share, which shall be subsequently exchanged for one Resulting Issuer Share upon the completion of the Transaction. The Agents will be entitled to certain cash and compensation unit commissions under the Financing. See "*Description of the Transaction – The Financing*".

Name Change

In connection with the completion of the Transaction, Ironhorse intends to change its name to "Pond Technologies Holdings Inc." and Amalco will be named "Pond Technologies Inc."

Shareholder Approval

The Pond Resolution must be approved by at least 66⅔% of the aggregate votes cast by the Pond Shareholders.

Pursuant to the policies of the TSXV, the Ironhorse RTO Resolution requires the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting, excluding votes in respect of common shares of Ironhorse held by Mr. Larry Parks, who, by virtue of his ownership interest in GRL, will receive in connection with the Transaction a "collateral benefit", as such term is defined in MI 61-101.

The Ironhorse Consolidation Resolution and the Ironhorse Change of Name Resolution must be approved by at least 66⅔% of the aggregate votes cast by the Ironhorse Shareholders.

Recommendation of the Ironhorse Board

The Ironhorse Board has unanimously approved the Amalgamation Agreement and unanimously recommends that the Ironhorse Shareholders vote IN FAVOUR of the Ironhorse Resolutions at the Ironhorse Meeting. In recommending that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions, the Ironhorse Board considered, among other things, the expected benefits of the Transaction as well as the following factors:

(i) information provided by Pond with respect to the financial condition, assets, operations, technology and plans of Pond;

(ii) the financial advice provided by Ernst & Young LLP regarding their valuation of Pond as at March 31, 2017;

(iii) the anticipated size and market liquidity of the Resulting Issuer following the Transaction; and

(iv) the expected cash position of the Resulting Issuer following completion of the Financing and the Transaction.

The Ironhorse Board also considered a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading "*Risk Factors*". The Ironhorse Board believes that, overall, the anticipated benefits of the Transaction to Ironhorse outweigh these risks and negative factors.

In evaluating and approving the Amalgamation Agreement and in arriving at its conclusion to recommend that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions, the Ironhorse Board considered a number of factors. In view of the wide variety of factors considered by the Ironhorse Board, and the complexity of these matters, the Ironhorse Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Ironhorse Board may have assigned different weights to various factors.

See "*Description of the Transaction – Recommendation of the Ironhorse Board*".

Recommendation of the Pond Board

The Pond Board has unanimously approved the Amalgamation Agreement and unanimously recommends that the Pond Shareholders vote IN FAVOUR of the Pond Resolution at the Pond Meeting. In recommending that the Pond Shareholders vote in favour of the Pond Resolutions, the Pond Board considered, among other things, the expected benefits of the Transaction as well as the following factors:

(i) information provided by Ironhorse with respect to its assets, operations and financial condition;

(ii) the anticipated size and market liquidity of the Resulting Issuer following the Transaction;

(iii) the expected cash position of the Resulting Issuer following completion of the Financing and the Transaction; and

(iv) the value of the outstanding Resulting Issuer Shares on a fully diluted basis.

The Pond Board also considered a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading "*Risk Factors*". The Pond Board believes that, overall, the anticipated benefits of the Transaction to Pond outweigh these risks and negative factors.

In evaluating and approving the Amalgamation Agreement and in arriving at its conclusion to recommend that the Pond Shareholders vote in favour of the Pond Resolutions, the Pond Board considered a number of factors. In view of the wide variety of factors considered by the Pond Board, and the complexity of these matters, the Pond Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Pond Board may have assigned different weights to various factors.

See "*Description of the Transaction – Recommendation of the Pond Board*".

Interests of Certain Persons in the Transaction

It is a condition of the Transaction that, concurrent with the closing of the Transaction, and pursuant to one or more agreements: (i) Ironhorse shall transfer its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhorse Balsam property to GRL for nominal consideration; and (ii) GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL.

It is also a condition of the Transaction that Ironhorse shall have entered into an amended management agreement with GRL, providing for a $7,500 per month management fee in relation to the management of the Pembina property, in a form acceptable to the Parties, acting reasonably.

In addition, concurrent with closing of the Transaction, Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond, and GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the Parties, acting reasonably.

Ironhorse's President and Chief Executive Officer, Larry J. Parks, is a Control Person of GRL. Gerry C. Quinn, a director of Ironhorse, is also a director of GRL and is the President of The Erin Mills Investment Corporation, an insider of GRL.

Right of Dissent

Registered Pond Shareholders are entitled to dissent from the Pond Resolution in the manner provided in section 185 of the OBCA. A registered Pond Shareholder who wishes to exercise Dissent Rights must send a Notice of Dissent to Pond, such that it is received by Pond not later than 10:00 a.m. (Toronto time) on the Business Day immediately preceding the day of the Pond Meeting (or any postponement or adjournment thereof), at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Corporate Secretary). The notice and dissent procedure requirements must be strictly observed. Pond Shareholders should carefully read the section in this Circular entitled "*Dissenting Pond Shareholder' Rights*" if they wish to exercise Dissent Rights.

Persons who are beneficial owners of Pond Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered Pond Shareholders are entitled to dissent. Accordingly, a beneficial owner of Pond Shares desiring to exercise the right to dissent must make arrangements for the Pond Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Pond Resolution is required to be received by or, alternatively, make arrangements for the registered holder of such Pond Shares to dissent on behalf of the holder.

A complete copy of Sections 185 of the OBCA is attached to this Circular as Schedule M. It is recommended that any Pond Shareholder who wishes to exercise Dissent Rights seek legal advice, as failure to comply strictly with the provisions of the OBCA may prejudice its Dissent Rights.

See "*Dissenting Pond Shareholders' Rights*".

Arm's Length Transaction

It is the collective view of Ironhorse and Pond that the proposed Transaction is an Arm's Length Transaction.

Listing of Ironhorse Shares and Pond Shares, Market Price of Ironhorse Shares

The Ironhorse Shares are currently listed on the TSXV under the trading symbol "IOG". The Ironhorse Shares were halted from trading on August 14, 2017 pending the receipt and review by the TSXV of acceptable documentation regarding the Transaction, including the review of this Circular. The closing price of the Ironhorse Shares on August 11, 2017, being the last day the Ironhorse Shares were traded on the TSXV and the last trading day immediately preceding the announcement of the Transaction, was $0.10.

The Pond Shares are not currently listed on any exchange.

Following completion of the Transaction, the Resulting Issuer Shares are anticipated to be listed on the TSXV under the trading symbol "POND".

Estimated Funds Available to the Resulting Issuer

The following table sets out information respecting the Resulting Issuer's sources of funds available upon completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to Pond as of the date hereof. The intended uses of such funds and/or the Resulting Issuer's development capital needs may vary based upon a number of factors. See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes – Funds Available*" attached at Schedule C to this Circular.

Sources(4)	**Assuming Completion of the Minimum Financing Amount of $6.5 million ($)**	**Assuming Completion of the Maximum Financing Amount of $10 million ($)**
Estimated working capital of the Resulting Issuer as at October 31, 2017(1)	316,654	316,654
Net proceeds of the Financing(2)	5,885,000	9,105,000
Estimated net revenue of the Pembina asset for the next 12 months(3)	750,000	750,000
Estimated funds available to the Resulting Issuer upon completion of the Transaction	**6,951,654**	**10,171,654**

Notes:

(1) Based on estimated working capital deficiency of Pond of approximately $2,536,394 as of October 31, 2017 and estimated working capital of Ironhorse of $2,853,003 as of October 31, 2017.

(2) Pursuant to the Financing, the Agents shall receive, in addition to that number of Resulting Issuer Warrants that equals 8% of the Subscription Receipts sold under the Financing, a cash commission equal to 8% of the gross proceeds raised under the Financing, a work fee in the amount of $35,000 (plus HST) and reimbursement of out-out-pocket expenses, not to exceed $60,000 plus applicable taxes and disbursements unless first approved by Pond. See "*Description of the Transaction – The Financing*" in the Circular.

(3) The Resulting Issuer's net revenue figure assumes the Pembina asset will not be sold in 2018 and with average net revenue per month of approximately $62,500, based on 2018 current estimated production, commodity pricing, royalties rates and operating expenses. It is the intention of the Resulting Issuer to sell the Pembina asset as soon as it is able to do so after completion of the Transaction. Pond values the Pembina asset at approximately $5,000,000, and, if sold, the net proceeds of such sale would represent a source of funds to Pond, which would be used primarily to increase its capitalization and commercializing efforts in its nutraceutical business for the next 12 months, enabling the Resulting Issuer to build two additional 40,000 L to 60,000 L bioreactors. See "*Risks Relating to the Business to be Carried on by the Resulting Issuer - Retention of Pembina oil and gas asset*" in the Circular.

(4) Pond has and continues to receive government grant funding. However, this table does not reflect anticipated government grants to the Resulting Issuer as they are dependent upon the Resulting Issuer incurring certain eligible expenses or dependent upon renewal of government contracts. For example, the National Research Council of Canada (the "**NRC**") currently provides Pond with $18,000 per month ($216,000 per year) in respect of Pond employees seconded to NRC under the ACC Scale-up Demonstration Project Collaborative Research Agreement dated October 14, 2015 between Pond, St. Marys Cement Inc. and the NRC, and other project related expenses, with such funding, together with other potential funds, subject to renewal in April 2018. In addition, the OCE has awarded Pond $833,333 in government grants in respect of Pond's XPRIZE competition with Markham District and the NRC, of which $394,973 remains available to be claimed by Pond, subject to Pond incurring the requisite eligible expenses.

Pond anticipates claiming approximately $120,000 under the remaining Ontario Centres of Excellence ("**OCE**") award for eligible expenses anticipated to have been incurred by December 31, 2017, with the balance of the remaining OCE award claimed in Q1 2018. See "*Schedule "A" – Information Concerning Pond – General Development of the Business – General Development and Product*s and *"Schedule "A" - Information Concerning Pond – Material Contracts*".

Principal Purpose

The following table sets out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds on completion of the Transaction. See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes – Principal Purposes of Funds*" attached at Schedule C to this Circular.

Use of Funds	**Assuming Completion of the Minimum Financing Amount of $6.5 million ($)**	**Assuming Completion of the Maximum Financing Amount of $10 million ($)**
Estimated Transaction Costs	500,000	500,000
Crystal Wealth debt and interest repayment(1)	1,621,891	1,621,891
Payment to GRL(2)	457,183	457,183
Research and development and general and administrative expenses for the next 12 months(3)	2,500,000	2,500,000
Capitalizing and commercializing nutraceutical business for the next 12 months(4)	1,672,580	4,692,580
Capitalizing pollution abatement business for the next 12 months(5)	100,000	200,000
Working capital	100,000	200,000
Total	**6,951,654**	**10,171,654**

Notes:

(1) Pursuant to the terms of the Crystal Wealth Loan Agreement, $581,399 of interest accrued to November 30, 2017, together with an extension fee of $10,000, is due on December 21, 2017 and $1,000,000 of the principal amount owing to Crystal Wealth, together with an additional $30,492 of interest accrued for the month of December 2017, is payable by December 31, 2017. See "*Material Contracts – Crystal Wealth Loan Agreement*" in the Circular.

(2) At closing of the Transaction, Ironhorse shall transfer its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhorse Balsam property to GRL for nominal consideration and GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL. See "*Description of the Transaction – Covenants*" in the Circular.

(3) These estimated expenses include: salaries and benefits of $1,900,000; rents and utilities of $100,000; expensed materials and equipment of $200,000; travel expense of $100,000; legal, tax, audit and professional fees of $200,000; and TSXV fees of $100,000. These expenses do not reflect anticipated cash recoveries from government project grants.

(4) Until such time as the Pembina asset is sold or is otherwise leveraged for financing, the capitalizing and commercializing of the Resulting Issuer's nutraceutical business and the capitalization of its pollution abatement business will be limited. In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted to build one 40,000 L to 60,000 L photobioreactor (assuming $6,500,000 raised under the Financing) and up to three 40,000 L to 60,000 L photobioreactors (assuming $10,500,000 raised under the Financing), which are budgeted to be included in the Markham District project contemplated in a memorandum of understanding dated June 16, 2017 between Pond and Markham District. See "*Material Contracts – Markham District MOU*" in the Circular.

(5) Until such time as the Pembina asset is sold or is otherwise leveraged for third party financing, the capitalizing of its pollution abatement business will be limited. In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted a range of $100,000 to $200,000 (subject to amounts raised under the Financing) towards improving its internal equipment associated with its pollution abatement technology.

There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required.

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer. The information should be read in conjunction with the Resulting Issuer's pro forma consolidated statement of financial position, operations and comprehensive loss and related notes and other financial information included as Schedule L to this Circular. See "*Ironhorse Pro Forma Financial Statements*" at Schedule L to this Circular.

(000's)	Ironhorse (unaudited) as at June 30, 2017	Pond (unaudited) as at June 30, 2017	Pro Forma Adjustments	Resulting Issuer Pro Forma as at June 30, 2017
Current Assets	$3,462	$379	$5,088	$8,929
Total Assets	$11,830	$3,369	$2,027	$17,226
Current Liabilities	$686	$5,932	($4,412)	$2,206
Total Liabilities	$686	$6,284	($912)	$6,058
Shareholders' Equity	$11,144	($2,915)	$2,939	$11,168

Officers and Directors

In connection with the Transaction, the officers and directors of Ironhorse are expected to change such that, upon completion of the Transaction, the directors and officers of the Resulting Issuer will be as follows:

Steven Martin – Director, Chief Executive Officer and Chief Technology Officer

Geraldine Kenney-Wallace – Director

Bill Asselstine – Director

Rob McLeese – Director

Gerry Quinn – Director

Thomas Masney – Chief Financial Officer and Corporate Secretary

Peter Howard – Vice President, Corporate Sustainability

Emidio Di Pietro – Vice President, Engineering

See "*Information Concerning the Resulting Issuer – Directors, Officers and Promoters of the Resulting Issuer*" at Schedule C to this Circular.

Sponsorship

Ironhorse has applied for and received an exemption from the TSXV in respect of the sponsorship requirements under TSXV Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Conflicts of Interest

The proposed directors and officers of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors of the Resulting Issuer, any director in a conflict will be required to disclose his or her interest and abstain from voting on such matter.

To the best of Ironhorse, Pond and the Resulting Issuer's knowledge, other than as disclosed herein, there are no known existing or potential conflicts of interest among the Resulting Issuer and the proposed directors and officers as a result of their outside business interests except that certain of the proposed directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies. Conflicts, if any, will be subject to the procedures and remedies prescribed by the ABCA, OBCA, the TSXV and corporate and securities laws, regulations and policies, as applicable. See "*Information Concerning the Resulting Issuer – Conflicts of Interest*" included as Schedule C to this Circular.

Interests of Experts

To the knowledge of Pond and Ironhorse, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Circular or prepared or certified a report or valuation described or included in this Circular has a direct or indirect interest in the property of Ironhorse, Pond or the Resulting Issuer or in an associate or affiliate of Ironhorse, Pond or the Resulting Issuer. See "*Interest of Experts*".

TSXV Approval

The TSXV has conditionally accepted the Transaction subject to Ironhorse fulfilling all of the requirements of the TSXV.

Risk Factors

There are certain risk factors associated with the Transaction which should be carefully considered by Ironhorse Shareholders and Pond Shareholders, including the fact that the Transaction may not be completed if, among other things, the Pond Resolution or the Ironhorse Resolutions are not approved at the Pond Meeting or the Ironhorse Meeting, respectively, or if any other conditions precedent to the completion of the Amalgamation are not satisfied or waived as applicable. See "*Risk Factors – Risks Relating to the Transaction*".

If the Amalgamation is completed as contemplated, Pond will become a wholly owned subsidiary of the Resulting Issuer, and the Resulting Issuer will continue the business of Pond going forward. There are numerous risks associated with such business and such risk factors are more particularly described in "*Risk Factors – Risks Relating to the Business to be Carried on by the Resulting Issuer*".

DESCRIPTION OF THE TRANSACTION

Pond, Ironhorse and Newco have entered into the Amalgamation Agreement whereby Pond will amalgamate with Newco to form Amalco and Ironhorse will issue an aggregate of 11,731,244 Ironhorse Consideration Shares to the Former Pond Shareholders, on the basis of one Ironhorse Consideration Share for each one Pond Share (excluding Ironhorse Consideration Shares issuable upon the exchange of Subscription Receipts issued pursuant to the Financing). Pursuant to the terms of the Transaction, Ironhorse will acquire all issued and outstanding Pond Shares to effect the combination of the business and assets of Ironhorse with those of Pond. Upon completion of the Transaction, Amalco will be a wholly-owned subsidiary of Ironhorse. Completion of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Amalgamation Agreement.

The Amalgamation will become effective at the Effective Time. It is currently anticipated that the effective date for the Amalgamation will be on or about December 19, 2017.

As at the date of this Circular, there are 27,885,824 Ironhorse Shares issued and outstanding and 11,731,244 Pond Shares, Pond Warrants to acquire 1,437,340 Pond Shares, Pond Agent Units to acquire 82,000 Pond Shares and 82,000 Pond Warrants and Pond Options to acquire 1,090,000 Pond Shares issued and outstanding.

Upon completion of the Ironhorse Consolidation, but prior to completion of the Transaction, Ironhorse will have 4,041,423 Ironhorse Shares issued and outstanding.

Upon completion of the Transaction (after giving effect to the Ironhorse Consolidation and assuming minimum aggregate gross proceeds of $6,500,000 received under the Financing), on an undiluted basis Former Pond Shareholders will own approximately 14,439,577 Resulting Issuer Shares, which represents ownership of approximately 78.1% of the Resulting Issuer (67.7% on a fully diluted basis). As a result of the Transaction, 2,903,007 Resulting Issuer Shares will be reserved for issuance to former holders of Pond Options, Pond Warrants, Pond Agent Warrants and Pond Agent Units.

Upon completion of the Transaction (after giving effect to the Ironhorse Consolidation and assuming maximum aggregate gross proceeds of $10,000,000 received under the Financing), on an undiluted basis Former Pond Shareholders will own approximately 15,897,910 Resulting Issuer Shares, which represents ownership of approximately 79.7% of the Resulting Issuer (69.5% on a fully diluted basis). As a result of the Transaction, 3,019,673 Resulting Issuer Shares will be reserved for issuance to former holders of Pond Options, Pond Warrants, Pond Agent Warrants and Pond Agent Units.

The following are the principal elements of the Transaction.

Amalgamation

Ironhorse will acquire all of the issued and outstanding Pond Shares by way of an amalgamation of Pond and Newco under the provisions of the OBCA pursuant to the terms of the Amalgamation Agreement. A copy of the Amalgamation Agreement is attached as Schedule D and has also been filed on SEDAR under Ironhorse's profile. The following are the principal steps to the Transaction:

(a) as soon as reasonably practicable following the execution and delivery of the Amalgamation Agreement: (i) Ironhorse shall call and hold the Ironhorse Meeting for the purpose of approving the Ironhorse Resolutions; (ii) Pond shall call and hold the Pond Meeting for the purpose of approving the Pond Resolution; and (iii) Ironhorse and Pond shall jointly prepare and mail the Circular to the Ironhorse Shareholders and the Pond Shareholders;

(b) following approval of the Pond Resolution by the Pond Shareholders and the approval of the Ironhorse Resolutions by the Ironhorse Shareholders, and prior to the filing of the Articles of Amalco in accordance with the Amalgamation Agreement, Ironhorse shall complete and file Articles of Amendment, in the prescribed form, giving effect to the Ironhorse Consolidation and the Ironhorse Change of Name upon and subject to the terms of the Amalgamation Agreement;

(c) following approval of the Pond Resolution by the Pond Shareholders and the Ironhorse Resolutions by the Ironhorse Shareholders, in accordance with the requirements of the OBCA and ABCA, as applicable, Newco and Pond shall jointly complete and file the Articles of Amalgamation, in duplicate, substantially in the form agreed to by the Parties, acting reasonably, with the Director, together with such other documents as may be required under the OBCA, giving effect to the Amalgamation;

(d) at the Effective Time, Newco and Pond shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of Section 174 of the OBCA;

(e) at the Effective Time:

  (i) all of the Pond Shares outstanding immediately prior to the Effective Time (except for Pond Shares held by Dissenting Shareholders) shall be cancelled, and holders of Pond Shares outstanding immediately prior to the Effective Time, other than Ironhorse and Newco, shall receive, subject to clause (h) below, in exchange for their Pond Shares so cancelled, that number of Ironhorse Shares equal to the product of:

    (A) the number of Pond Shares so cancelled; and

    (B) the Exchange Ratio,

  (ii) neither Pond nor Newco shall receive any repayment of capital in respect of any Pond Shares held by them that are cancelled pursuant to the Amalgamation;

  (iii) all of the common shares of Newco outstanding immediately prior to the Effective Time shall be cancelled and replaced with an equal number of common shares of Amalco issued by Amalco; and

  (iv) as consideration for the issuance of Ironhorse Shares pursuant to the Amalgamation, Amalco shall issue to Ironhorse one common share of Amalco for each Ironhorse Share issued;

(f) Pond Shares which are held by a Dissenting Shareholder shall not be exchanged for Ironhorse Shares. However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim for Dissent Rights under the OBCA or forfeits its right to make a claim under the OBCA, or if its rights as a shareholder of Pond are otherwise reinstated, such Pond Shares shall be deemed to have been exchanged as of the Effective Date for Ironhorse Shares as prescribed in (e) above;

(g) as a result of the foregoing:

  (i) in accordance with Section 179 of the OBCA, among other things, the property, rights, privileges and franchises of each of Pond and Newco will continue to be the property, rights, privileges and franchises of Amalco, and Amalco will continue to be liable for the obligations of each of Pond and Newco; and

  (ii) Amalco will be a wholly-owned subsidiary of Ironhorse;

(h) no fractional Ironhorse Shares will be issued under the Amalgamation. Where the aggregate number of Ironhorse Shares to be issued to any former Pond Shareholders under the Amalgamation would result in a fraction of an Ironhorse Share being issuable, the number of Ironhorse Shares to be issued to such holder shall be rounded down to the next whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction of an Ironhorse Share;

(i) the by-laws of Amalco shall be the by-laws of Newco and may be viewed at the registered office of Amalco at 250 Shields Court, Unit 8 Markham, Ontario L3R 9W7;

(j) the Ironhorse Shares to be delivered pursuant to the Amalgamation shall have been deposited with the depositary together with an irrevocable direction authorizing and directing the depositary to deliver Ironhorse Shares pursuant to the Amalgamation, to the Pond Shareholders who are entitled to receive such consideration in accordance with clause (e)(i) above and upon completion of the Amalgamation.

Outstanding Pond Options, Pond Warrants and Pond Agent Warrants

At the Effective Time:

(a) each Pond Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one Ironhorse Share purchase warrant, having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Pond Warrant for which it was exchanged;

(b) each Pond Agent Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange thereof one Ironhorse Share purchase warrant of Ironhorse having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Pond Agent Warrant for which it was exchanged; and

(c) each Pond Option which is outstanding prior to the Effective Time shall be cancelled and in its place its holder shall receive in exchange therefor one Ironhorse Share purchase option, having the same terms and conditions as the cancelled Pond Option, including the term to expiry, vesting conditions and manner of exercising.

Amalgamation Agreement

In addition to the foregoing, the following is a general description of certain other material terms and conditions of the Amalgamation Agreement. The full text of the Amalgamation Agreement is filed under Ironhorse's profile on SEDAR at www.sedar.com and is attached hereto at Schedule D. Ironhorse Shareholders and Pond Shareholders are encouraged to read the Amalgamation Agreement in its entirety.

Except for the Amalgamation Agreement's status as a contractual document that establishes and governs the legal relationship among the parties thereto with respect to the Transaction, its text is not intended to be, and should not be interpreted as, a source of factual, business or operational information about Pond, Ironhorse or Newco. The Amalgamation Agreement contains representations, warranties and covenants that are qualified and limited, including by information disclosed to Pond or Ironhorse in connection with the execution of the Amalgamation Agreement and certain information disclosed in public filings with Canadian securities regulatory authorities. Representations and warranties may be used as a tool to allocate risks between the respective parties to the Amalgamation Agreement, including where the parties do not have complete knowledge of all facts, instead of establishing such matters as facts. Furthermore, the representations and warranties may be subject to standards of materiality that differ from what may be viewed as material to Pond Shareholders or Ironhorse Shareholders. These representations may or may not have been accurate as of any specific date and do not purport to be accurate as of the date of this Circular. Shareholders may not directly enforce or rely upon the terms and conditions of the Amalgamation Agreement but should consider all information disclosed by Pond and Ironhorse, including, in the case of Ironhorse, in its public filings with Canadian securities regulatory authorities.

Mutual Conditions in Favour of Pond and Ironhorse

Completion of the Amalgamation and the transactions contemplated by the Amalgamation Agreement is subject to fulfillment of, among others, the following conditions at or before the Effective Time or such other time as specified below:

- all approvals to the Transaction having been obtained, including approval of the Pond Shareholders and the Ironhorse Shareholders, each in accordance with the provisions of the OBCA or ABCA, as applicable, and the requirements of any applicable regulatory authority, including the requirements of the TSXV, and acceptance of the notice for filing of, and approval of the Transaction by the TSXV, subject only to compliance with the usual requirements of the TSXV, as applicable;

- each of the Pond Board and the Ironhorse Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Ironhorse, Newco and Pond, to permit the consummation of the Transaction and all other matters contemplated in the Amalgamation Agreement;

- on or before December 13, 2017, subscriptions for Subscription Receipts shall have been received under the Financing for minimum aggregate gross proceeds of $6,500,000 and maximum aggregate gross proceeds of $10,000,000 (subject to the exercise, if any, of an over-allotment option granted to the Agents to issue and sell up to an additional 15% of the aggregate number of Subscription Receipts sold under the Financing which, if exercised, would result in the issuance of a maximum number of up to 4,791,666 Subscription Receipts for aggregate gross proceeds of up to $11,500,000) on terms and conditions acceptable to each of the Parties, acting reasonably, and shall have been completed;

- the TSXV shall have conditionally approved the listing on the TSXV of the Ironhorse Shares to be issued pursuant to the Transaction and the Financing, on terms and conditions acceptable to each of the Parties, acting reasonably;

- Newco shall not have engaged in any business enterprise or other activity or had any assets or liabilities;

- the Exchange Agreements shall have been completed by the holders of Pond Options, Pond Warrants and Pond Agent Warrants, as applicable, on terms and conditions acceptable to the Parties, acting reasonably;

- Ironhorse shall have entered into an amended management agreement with GRL, providing for a $7,500 per month management fee in relation to management of the Ironhorse Pembina property, in a form acceptable to the Parties, acting reasonably;

- concurrent with the closing of the Transaction, and pursuant to one or more agreements, in a form acceptable to the Parties, acting reasonably: (i) Ironhorse shall transfer its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhorse Balsam property to GRL for nominal consideration; and (ii) GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL; and

- the distribution of the Ironhorse Shares pursuant to the Transaction shall be exempt from prospectus and registration requirements under applicable securities Laws of Canada and, except with respect to persons deemed to be "control persons" of Ironhorse under such securities Laws, such Ironhorse Shares shall not be subject to any resale restrictions in Canada under such securities Laws.

Ironhorse Conditions

The obligation of Ironhorse to complete the Transaction is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- the representations and warranties in the Amalgamation Agreement made by Pond that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of the Amalgamation Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Pond that are not so qualified shall be true and correct in all material respects as of the date of the Amalgamation Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);

- the Pond Shares held by Dissenting Shareholders is less than 5% of the issued and outstanding Pond Shares;

- from the date of the Amalgamation Agreement to the Effective Date, a Material Adverse Change shall not have occurred in respect of Pond;

- Pond shall have complied in all material respects with its covenants in the Amalgamation Agreement;

- Pond shall not be in default of the performance of any term or obligation to be performed by it under the Crystal Wealth Loan Agreement; and

- the Pond Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Pond and Ironhorse to permit the consummation of the Transaction and the transactions to be completed by Pond pursuant to the terms of the Amalgamation Agreement.

Pond Conditions

The obligation of Pond to complete the Transaction is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- the Ironhorse Board shall have procured duly executed resignations and mutual releases, effective at the Effective Time, from each director and executive officer of Ironhorse who will no longer be serving in such capacity or capacities following completion of the Transaction;

- Ironhorse shall have issued equivalent securities of Ironhorse, in forms acceptable to Pond, acting reasonably, in respect of the Pond Options, Pond Warrants and Pond Agent Warrants that are the subject of the Exchange Agreements;

- the representations and warranties in the Amalgamation Agreement made by Ironhorse that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of the Amalgamation Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Ironhorse that are not so qualified shall be true and correct in all material respects as of the date of the Amalgamation Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);

- from the date of the Amalgamation Agreement to the Effective Date, a Material Adverse Change shall not have occurred in respect of Ironhorse;
- Pond shall have complied in all material respects with its covenants in the Amalgamation Agreement; and
- the Ironhorse Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Ironhorse to permit the consummation of the Transaction and the transactions to be completed by Ironhorse pursuant to the terms of the Amalgamation Agreement.

Covenants

Pursuant to the Amalgamation Agreement, Pond and Ironhorse agreed not to take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification) inconsistent with the provisions of the Amalgamation Agreement, or that would reasonably be expected to materially impede the completion of the Transaction or would render, or that could reasonably be expected to render, any representation or warranty made by either party in the Amalgamation Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made, or that would or could have a Material Adverse Effect on that party.

Each of Pond and Ironhorse has agreed to promptly notify the other of any Material Adverse Change or Material Adverse Effect in respect of its business or conduct of its business, of any material Governmental Entity or third person notices, complaints, investigations or hearings, of any breach by it of a covenant or agreement contained in the Amalgamation Agreement or any event occurring subsequent to the date of the Amalgamation Agreement that would render any representation or warranty of Pond or Ironhorse, as applicable, contained in the Amalgamation Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

Pond and Ironhorse agreed to customary restrictions on the operations of their business prior to the Effective Date.

Pond and Ironhorse agreed to call the Pond Meeting and the Ironhorse Meeting to seek the approval of the Pond Shareholders and the Ironhorse Shareholders of the Pond Resolution or Ironhorse Resolutions, respectively.

Pond and Ironhorse agreed to use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the transactions contemplated by the Amalgamation Agreement, including obtaining certain requisite consents and approvals.

Ironhorse has covenanted and agreed that, concurrent with the closing of the Transaction, (i) Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond; and (ii) GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the Parties, acting reasonably.

On February 23, 2016, Ironhorse and GRL jointly filed a Statement of Claim in the Court of Queen's Bench of Alberta against Sinopec, the operator of pipelines and facilities associated with the Pembina L2L Pool production. Ironhorse and GRL are seeking damages against Sinopec for misrepresentation and breach of contract. On April 15, 2016 Sinopec filed a Statement of Defense in response to the Statement of Claim, as well as a Counterclaim. On May 24, 2016, Ironhorse and GRL filed a Statement of Defense to the Sinopec Counterclaim. While the outcome of these claims is uncertain, and there can be no assurance that such claims will be resolved in Ironhorse's favor, Ironhorse does not believe that the outcome of adverse decisions in any proceedings related to these claims, or any amount which it may be required to pay, would have a material adverse impact on its financial position. See Schedule A, "*Information Concerning Ironhorse – Legal Proceedings*" for more information on the Sinopec Litigation.

Ironhorse has also agreed that, concurrent with the closing of the Transaction, and pursuant to one or more agreements acceptable to the Parties, acting reasonably: (i) Ironhorse shall transfer its interest in the Kotcho property, the Dawson property and the Balsam property to GRL for nominal consideration; and (ii) GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL.

Ironhorse has also agreed that prior to the completion of the Amalgamation, the Ironhorse Board shall procure duly executed resignations and releases in favour of Ironhorse, in form and substance satisfactory to Pond, acting reasonably, from each director and officer of Ironhorse who will no longer be serving in such capacity or capacities following completion of the Transaction such that, upon the Effective Date, the directors and officers of Ironhorse will be those listed below under the heading "Officers and Directors". As of the Effective Date, Ironhorse shall change its name to "Pond Technologies Holdings Inc.".

No Alternative Transaction and Break Fee

Pond and Ironhorse agreed that each will not and will not permit any of their respective directors, officers, employees or agents, to directly or indirectly, solicit, discuss, encourage or accept an Alternative Proposal, subject to their fiduciary duties at law.

Subject to certain conditions set out in the Amalgamation Agreement, prior to the approval of the Ironhorse Resolutions, the Ironhorse Board may, in certain circumstances, engage with and consider a person who has delivered or issued a bona fide Alternative Proposal which was not solicited or encouraged after the date of the Amalgamation Agreement and that the Ironhorse Board determines in good faith, would, if consummated in accordance with its terms, result in a transaction more favourable to the Ironhorse Shareholders from a financial point of view, than the terms of the Transaction (any such Alternative Proposal, an "**Ironhorse Superior Proposal**").

Subject to certain conditions set out in the Amalgamation Agreement, prior to the approval of the Pond Resolutions, the Pond Board may, in certain circumstances, engage with and consider a person who has delivered or issued a bona fide Alternative Proposal which was not solicited or encouraged after the date of the Amalgamation Agreement and that the Pond Board determines in good faith, would, if consummated in accordance with its terms, result in a transaction more favourable to the Pond Shareholders from a financial point of view, than the terms of the Transaction (any such Alternative Proposal, an "**Pond Superior Proposal**").

Notwithstanding the foregoing, Ironhorse and Pond may respond to an Alternative Proposal that is not an Ironhorse Superior Proposal or a Pond Superior Proposal, as applicable, provided that such proposal has not been solicited or initiated by Ironhorse or Pond, respectively.

In addition, the parties have agreed that if the Amalgamation Agreement is terminated by Ironhorse after receipt of an Ironhorse Superior Proposal, whether accepted by Ironhorse or not, as a condition to the right of Ironhorse to terminate this Agreement, Ironhorse shall pay to Pond a cash payment equal to $250,000 (the "**Ironhorse Break Fee**"), all in immediately available Canadian funds within two (2) Business Days of such termination. If the Amalgamation Agreement is terminated by Pond after receipt of a Pond Superior Proposal, whether accepted by Pond or not, as a condition to the right of Pond to terminate this Agreement, Pond shall pay to Ironhorse a cash payment equal to $250,000 (the "**Pond Break Fee**"), all in immediately available Canadian funds within two (2) Business Days of such termination.

Ironhorse agrees that it will not enter into any agreement (other than a confidentiality agreement) regarding an Ironhorse Superior Proposal (an "**Ironhorse Proposed Agreement**") or release the person making the Ironhorse

Superior Proposal from any standstill agreements without providing Pond with an opportunity of not less than three (3) Business Days to amend the Amalgamation Agreement to provide at least as favourable terms as those to be included in the Ironhorse Proposed Agreement. In particular, Ironhorse covenants to provide Pond with all material terms and conditions of any Ironhorse Proposed Agreement at least three (3) Business Days prior to the proposed date of execution of such Ironhorse Proposed Agreement by Ironhorse. The Ironhorse Board will review any offer by Pond to amend the terms of the Amalgamation Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether Pond's offer, upon acceptance by Ironhorse, would result in the Ironhorse Proposed Agreement not being an Ironhorse Superior Proposal. If the Ironhorse Board so determines, it will enter into an amended Amalgamation Agreement with Pond reflecting Pond's amended proposal. In the event Ironhorse agrees to amend the Amalgamation Agreement as provided above within such three (3) Business Day period, Ironhorse covenants to not enter into the Ironhorse Proposed Agreement or release the party making the Ironhorse Superior Proposal from any standstill agreements. If upon expiry of the three (3) Business Day period, Pond has either not provided an offer to amend the Amalgamation Agreement or such offer would not render the Ironhorse Proposed Agreement not an Ironhorse Superior Proposal, Ironhorse may proceed with the Ironhorse Proposed Agreement and terminate the Amalgamation Agreement subject to the provisions of the Amalgamation Agreement providing for the Ironhorse Break Fee.

Pond agrees that it will not enter into any agreement (other than a confidentiality agreement) regarding a Pond Superior Proposal (a "**Pond Proposed Agreement**") or release the person making the Pond Superior Proposal from any standstill agreements without providing Ironhorse with an opportunity of not less than three (3) Business Days to amend the Amalgamation Agreement to provide at least as favourable terms as those to be included in the Pond Proposed Agreement. In particular, Pond covenants to provide Ironhorse with all material terms and conditions of any Pond Proposed Agreement at least three (3) Business Days prior to the proposed date of execution of such Pond Proposed Agreement by Pond. The Pond Board will review any offer by Ironhorse to amend the terms of the Amalgamation Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether Ironhorse's offer, upon acceptance by Pond, would result in the Pond Proposed Agreement not being a Pond Superior Proposal. If the Pond Board so determines, it will enter into an amended Amalgamation Agreement with Ironhorse reflecting Ironhorse's amended proposal. In the event Pond agrees to amend the Amalgamation Agreement as provided above within such three (3) Business Day period, Pond covenants to not enter into the Pond Proposed Agreement or release the party making the Pond Superior Proposal from any standstill agreements. If upon expiry of the three (3) Business Day period, Ironhorse has either not provided an offer to amend the Amalgamation Agreement or such offer would not render the Pond Proposed Agreement not a Pond Superior Proposal, Pond may proceed with the Pond Proposed Agreement and terminate the Amalgamation Agreement subject to the provisions of the Amalgamation Agreement providing for the Pond Break Fee.

Termination of the Amalgamation Agreement

The Amalgamation Agreement may be terminated at any time prior to the Effective Time:

- by mutual agreement by Ironhorse, Pond and Newco;
- upon notice by either one to the other, and subject to cure provisions, if any condition for the benefit of the terminating party is not satisfied or waived;
- by either Pond or Ironhorse if there is an intentional breach of the covenants of the other party by that party or any of its directors, officers, employees, agents, consultants or other representatives, in each case on or before the Effective Date;
- by Pond or Ironhorse if the Transaction has not been completed by the Completion Deadline;
- if Ironhorse accepts an Ironhorse Superior Proposal prior to the approval of the Ironhorse Resolutions; and
- if Pond accepts a Pond Superior Proposal prior to the approval of the Pond Resolution.

Effect of the Transaction

As a result of the Transaction:

- the issued and outstanding Ironhorse Shares will be consolidated on the basis of one post-Ironhorse Consolidation Ironhorse Share for every 6.9 pre-Ironhorse Consolidation Ironhorse Shares;

- the name of the Resulting Issuer will be changed to "Pond Technologies Holdings Inc.";

- Newco and Pond will be amalgamated and in accordance with section 179 of the OBCA, among other things, the property, rights and interests of each of Pond and Newco will continue to be the property, rights and interests of Amalco, and Amalco will continue to be liable for the obligations of each of Pond and Newco;

- all of the Pond Shares outstanding immediately prior to the Effective Time (except for Pond Shares held by Dissenting Shareholders) shall be cancelled and holders of Pond Shares outstanding immediately prior to the Effective Time, other than Ironhorse and Newco, shall receive, in exchange for their Pond Shares so cancelled, that number of Ironhorse Shares equal to the number of Pond Shares so cancelled;

- each Pond Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one Ironhorse Share purchase warrant, having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Pond Warrant for which it was exchanged;

- each Pond Agent Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one Ironhorse Share purchase warrant of Ironhorse having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Pond Agent Warrant for which it was exchanged;

- each Pond Option which is outstanding prior to the Effective Time shall be cancelled and in its place its holder shall receive in exchange therefor one Ironhorse Share purchase option, having the same terms and conditions as the cancelled Pond Options, including the term to expiry, vesting conditions and manner of exercising; and

- Amalco will be a wholly-owned subsidiary of Ironhorse.

It is anticipated that immediately following the closing of the Transaction (without giving effect to the Financing, and assuming there are no changes resulting from the conversion of the existing convertible securities of Pond or to the outstanding Ironhorse Shares other than pursuant to the Ironhorse Consolidation), an aggregate of approximately 15,772,668 Resulting Issuer Shares will be issued and outstanding, of which it is anticipated that 11,731,244 Resulting Issuer Shares will be held by former Pond Shareholders (representing approximately 74% of the Resulting Issuer Shares), and approximately 4,041,423 Resulting Issuer Shares will be held by existing Ironhorse Shareholders (representing approximately 26% of the Resulting Issuer Shares). Without giving effect to the Financing, it is further anticipated that no post-Ironhorse Consolidation Ironhorse Shares will be reserved for issuance pursuant to outstanding convertible securities upon the closing of the Transaction, other than up to 1,601,340 Resulting Issuer Shares issuable upon exercise of outstanding Resulting Issuer Warrants and Pond Agent Units, and up to 1,085,000 Resulting Issuer Shares issuable upon exercise of outstanding Resulting Issuer Options (such number of Resulting Issuer Options being 5,000 lower than the current number of outstanding Pond Options as a result of the September 8, 2017 resignation of a Pond employee who holds 5,000 Pond Options, which will expire if not exercised within 90 days of such resignation). The Transaction values the Ironhorse Shares at $2.00 per Ironhorse Share (on a post-Ironhorse Consolidation basis) for aggregate consideration issuable to Pond Shareholders of approximately $23.5 million (excluding any Pond Shares issued pursuant to the Financing).

Upon the completion of the Transaction, Ironhorse will instruct Computershare to issue and deliver the post-Ironhorse Consolidation Ironhorse Shares to the pre-Ironhorse Consolidation Ironhorse Shareholders. No further action will be required by pre-Ironhorse Consolidation Ironhorse Shareholders in order to receive the post-Ironhorse Consolidation Ironhorse Shares. On the effective date of the Ironhorse Consolidation, any certificates representing the pre-Ironhorse Consolidation Ironhorse Shares will be considered null and void.

Officers and Directors

In connection with the closing of the Transaction, the officers and directors of Ironhorse are expected to change such that, upon completion of the Transaction, the directors and officers of the Resulting Issuer will be as follows:

Name	Position
Steven Martin	Director, Chief Executive Officer and Chief Technology Officer
Geraldine Kenney-Wallace	Director
Bill Asselstine	Director
Rob McLeese	Director
Gerry Quinn	Director
Thomas Masney	Chief Financial Officer and Corporate Secretary
Peter Howard	Vice President, Corporate Sustainability
Emidio Di Pietro	Vice President, Engineering

The Financing

In connection with the Transaction, Pond has engaged the Agents to complete the Financing on a best-efforts agency basis. The Financing will be a private placement of a minimum of 2,708,333 subscription receipts ("**Subscription Receipts**") and a maximum of 4,166,666 Subscription Receipts at a price of $2.40 per Subscription Receipt for aggregate gross proceeds of a minimum of $6,500,000 and a maximum of $10,000,000 (subject to the exercise, if any, of an over-allotment option granted to the Agents to issue and sell up to an additional 15% of the aggregate number of Subscription Receipts sold under the Financing which, if exercised, would result in the issuance of a maximum of up to 4,791,666 Subscription Receipts for aggregate gross proceeds of up to $11,500,000).

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt is automatically exchangeable, without additional payment or further action on the part of the holder thereof, into one Pond Share, which shall be subsequently exchanged for one Resulting Issuer Share upon the completion of the Transaction.

The gross proceeds from the issue and sale of the Subscription Receipts (the "**Escrowed Funds**") will be held by the Escrow Agent and invested in short-term obligations or other investments guaranteed by the Government of Canada (and other approved investments) pending the satisfaction of the Escrow Release Conditions. Provided that the Escrow Release Conditions are satisfied on or before January 31, 2018 (the "**Escrow Deadline**"), the Escrowed Funds will be released to: (a) the Agents, in an amount equal to 8% of the aggregate gross proceeds under the Financing (excluding up to $5,000,000 of proceeds raised, if any, from Stelco and/or its affiliates) as a commission payable to the Agents, a work fee payable to the Agents in the amount of $35,000 plus HST, and any expenses incurred by the Agents and not already paid by Pond, together with any pro rata interest earned thereon; and (b) Pond or Ironhorse, as directed by Pond, less the foregoing deductions, and the Pond Shares issued to holders of Subscription Receipts will then be exchanged for Resulting Issuer Shares pursuant to the Amalgamation Agreement.

If: (i) the Escrow Release Conditions are not satisfied on or before 5:00 p.m. (Toronto time) on January 31, 2018; (ii) the Amalgamation Agreement is terminated at any earlier time; or (iii) either Ironhorse or Pond has advised the Agents or announced to the public that it does not intend to proceed with the Transaction, then the Subscription Receipts shall be cancelled and the Escrowed Funds, plus accrued interest, if any, shall be returned to the subscribers.

In addition to the Agents' commission and work fee referenced above, Pond will issue to the Agents, at closing of the Financing, Pond Agent Warrants, equal to 8% of an aggregate number of Subscription Receipts sold pursuant to the Financing, each of which shall be exchanged for Resulting Issuer Agent Warrants upon the completion of the Transaction. Each Resulting Issuer Agent Warrant will entitle the holder thereof to purchase one Resulting Issuer Share upon the terms and conditions set out in the certificate representing the Resulting Issuer Agent Warrant at a purchase price of $2.40 at any time prior to the date that is 24 months from the closing date of the Financing, which is anticipated to occur on or about December 19, 2017.

Name Change

In connection with the completion of the Transaction, Ironhorse will change its name to "Pond Technologies Holdings Inc." and Amalco's name will be "Pond Technologies Inc.".

Principal Legal Matters – Canadian Securities Law Considerations

The distribution of the Ironhorse Consideration Shares pursuant to the Amalgamation Agreement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian securities Laws. The Ironhorse Consideration Shares may be resold in each of the provinces of Canada provided the trade is not a "control distribution" as defined in National Instrument 45-102 — *Resale of Securities* of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid in respect of that sale and, if the selling security holder is an insider or officer of Ironhorse, the insider or officer has no reasonable grounds to believe that Ironhorse is in default of securities laws.

Background and Reasons for the Transaction

Background to the Transaction

The terms of the Transaction are the result of arm's length negotiations between Ironhorse and Pond and their respective advisors.

In April 2015, a Special Committee comprised of independent members of the Ironhorse Board was formed for the purpose of helping Ironhorse assess its strategic objectives and alternatives to maximize shareholder value, including, but not limited to, analyzing and exploring a potential sale of Ironhorse. In connection with the evaluation of alternatives, Ironhorse considered a number of potential transactions, including an unsolicited offer by 1927297 Alberta Ltd. for the Ironhorse Shares in November 2015, which was ultimately unsuccessful. It was not until October 2016 when Pond approached Ironhorse regarding a potential reverse take-over and change of business transaction that the Ironhorse Board determined that there was a viable transaction worth pursuing. Given the challenges in the junior oil and gas industry and, in particular, the lack of alternatives within that industry that would be accretive to Ironhorse, the Ironhorse Board and management believed that a re-allocation of Ironhorse's working capital within the framework of a research and development company focused on the growing industrial sector of carbon abatement would be in the best interests of Ironhorse, rather than as an oil and gas exploration and development company where its working capital would be spent on a limited number of assets or such spending would not be aligned with the expected economic returns.

Having received strong indications from Pond that it was interested in pursuing a transaction, Ironhorse entered into a confidentiality agreement with Pond on November 8, 2016, following which Pond began conducting due diligence in respect of Ironhorse and management of Ironhorse, with the oversight of the Ironhorse Board, commenced discussions with Pond regarding a possible transaction between Ironhorse and Pond.

On May 31, 2017, Ironhorse engaged Ernst & Young LLP as its financial advisor to assist with the valuation of Pond as at March 31, 2017. Ernst & Young LLP was not involved in setting the Exchange Ratio with respect to Ironhorse.

Between November 8, 2016 and August 13, 2017, Pond and Ironhorse conducted due diligence and negotiated a proposal involving a reverse take-over and change of business by Ironhorse, together with a concurrent financing by Pond, the net proceeds of which were intended to fund the Resulting Issuer's program to commercialize its technology following completion of the proposed transaction and for general corporate purposes. On August 14, 2017, Ironhorse and Pond entered into a non-binding letter of intent pursuant to which Ironhorse and Pond proposed to complete a business combination by way of take-over bid. Continued discussions between Ironhorse and Pond following the execution of the non-binding letter of intent ultimately led to the negotiation of the terms of the Amalgamation Agreement, the Ironhorse Support Agreements and the Pond Support Agreements.

On October 3, 2017, following after approximately nine weeks of further negotiations between management of Ironhorse, Pond and their respective financial and legal advisors with respect to transaction structure, deal protection measures, adequacy of financial arrangements, continued due diligence and other matters with respect to the proposed transaction and discussions with the TSXV regarding the reverse take-over and change of business of Ironhorse in connection with the proposed transaction, the Ironhorse Board met and considered the specific transaction terms that had been negotiated. After receiving a detailed review of the material terms and factors relating to the proposed transaction, the timing of the transaction in the context of the market and economic conditions and the prospects and potential for growth presented by the proposed transaction, the Ironhorse Board unanimously approved the Amalgamation Agreement and other matters ancillary to the Transaction. The Amalgamation Agreement, the Ironhorse Support Agreements and the Pond Support Agreements were executed by the parties on October 4, 2017. The Amalgamation Agreement was subsequently amended on November 16, 2017 to reflect, among other things, the reduction in the maximum aggregate gross proceeds of the Financing from $15,000,000 to $10,000,000 and the treatment of the Pond Agent Units and the Pond Agent Warrants.

Reasons for the Transaction

The Ironhorse Board and the Pond Board believe that the Transaction will have the following benefits for the Ironhorse Shareholders and the Pond Shareholders, respectively:

(i) the Resulting Issuer will have a board that has a quality management team with complementary skills to ensure systematic progress;

(ii) the oil producing assets that will remain in Ironhorse following completion of the Transaction are expected to provide ongoing revenues to support operating costs of Pond until such properties are sold, at which point the proceeds of sale will be used to support Pond's business plan to commercialize its technology;

(iii) former Pond Shareholders will hold common shares of the Resulting Issuer, a public company listed on the TSXV, resulting in increased share trading liquidity and market capitalization that is attractive to a wider range of investors than that offered by Pond prior to the Transaction;

(iv) following completion of the Transaction, it is expected that the combined company will have a sufficient cash position to support its business plan to commercialize its technology;

(v) on August 14, 2017, being the date on which Ironhorse and Pond entered into the letter of intent in respect of the Transaction, the Ironhorse Shares had a market value of $2,788,582 (based on 27,885,824 Ironhorse Shares then outstanding and a closing price of $0.10) and as of November 17, 2017, the Transaction attributes a value to the Ironhorse Shares of $8,082,848 (or $0.29 per Ironhorse Share), representing a valuation increase of $5,294,266. See "*Description of the Transaction – Effect of the Transaction*"; and

(vi) the transfer of non-producing assets to GRL will limit the costs and liabilities of Ironhorse relating to such properties.

Conditional Listing Approval

The TSXV has conditionally accepted the Transaction subject to Ironhorse fulfilling all of the requirements of the TSXV.

Recommendation of the Ironhorse Board

The Ironhorse Board has unanimously approved the Amalgamation Agreement and unanimously recommends that the Ironhorse Shareholders vote IN FAVOUR of the Ironhorse Resolutions at the Ironhorse Meeting. In recommending that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions, the Ironhorse Board considered, among other things, the expected benefits of the Transaction as well as the following factors:

(i) information provided by Pond with respect to the financial condition, assets, operations, technology and plans of Pond;

(ii) the financial advice provided by Ernst & Young LLP regarding their valuation of Pond as at March 31, 2017;

(iii) the anticipated size and market liquidity of the Resulting Issuer following the Transaction; and

(iv) the expected cash position of the Resulting Issuer following completion of the Financing and the Transaction.

The Ironhorse Board also considered a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading "*Risk Factors*". The Ironhorse Board believes that, overall, the anticipated benefits of the Transaction to Ironhorse outweigh these risks and negative factors.

In evaluating and approving the Amalgamation Agreement and in arriving at its conclusion to recommend that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions, the Ironhorse Board considered a number of factors. In view of the wide variety of factors considered by the Ironhorse Board, and the complexity of these matters, the Ironhorse Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Ironhorse Board may have assigned different weights to various factors.

The following are some of the principal reasons for the Ironhorse Board's recommendation to Ironhorse Shareholders that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions:

(i) the ongoing challenges affecting the oil and gas industry and related market and economic conditions;

(ii) the significant time and resources devoted to looking for strategic alternatives for Ironhorse;

(iii) the prospects and potential for growth presented by the Transaction and the potential for Ironhorse Shareholders to participate in such growth and the potential longer term benefits of the business to be carried on by the Resulting Issuer;

(iv) the lack of alternatives within the oil and gas industry that would be accretive to Ironhorse or generate appropriate economic returns aligned with the required level of spending;

(v) the financial characteristics of the proposed business model, including the use of cash-on-hand and revenues from oil producing properties towards the execution of Pond's business plan in the growing industrial sector of carbon abatement and nutraceuticals; and

(vi) the transfer of non-producing assets and abandonment liabilities to GRL to limit the costs and liabilities of Ironhorse relating to such properties.

The foregoing discussion of the information and factors reviewed by the Ironhorse Board is not, and is not intended to be, exhaustive. The Ironhorse Board's recommendation was made after consideration of the above noted factors in light of the Ironhorse Board's collective knowledge of the business, financial condition and prospects of Ironhorse, as well as the oil and gas industry and developments in the carbon abatement industry.

Recommendation of the Pond Board

The Pond Board has unanimously approved the Amalgamation Agreement and unanimously recommends that the Pond Shareholders vote IN FAVOUR of the Pond Resolution at the Pond Meeting. In recommending that the Pond Shareholders vote in favour of the Pond Resolutions, the Pond Board considered, among other things, the expected benefits of the Transaction as well as the following factors:

(i) information provided by Ironhorse with respect to its assets, operations and financial condition;

(ii) the anticipated size and market liquidity of the Resulting Issuer following the Transaction;

(iii) the expected cash position of the Resulting Issuer following completion of the Financing and the Transaction; and

(iv) the value of the outstanding Resulting Issuer Shares on a fully diluted basis.

The Pond Board also considered a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading "*Risk Factors*". The Pond Board believes that, overall, the anticipated benefits of the Transaction to Pond outweigh these risks and negative factors.

In evaluating and approving the Amalgamation Agreement and in arriving at its conclusion to recommend that the Pond Shareholders vote in favour of the Pond Resolutions, the Pond Board considered a number of factors. In view of the wide variety of factors considered by the Pond Board, and the complexity of these matters, the Pond Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Pond Board may have assigned different weights to various factors.

The foregoing summary of the information and factors considered by the Pond Board is not intended to be exhaustive, but includes the material information and factors considered by the Pond Board in their consideration of the Transaction. In view of the variety of factors and the amount of information considered in connection with the Pond Board's evaluation of the Transaction, the Pond Board did not find it practicable to and did not quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. In addition, individual members of the Pond Board may have assigned different weights to different factors in reaching their own conclusion as to the fairness of the Transaction.

RISK FACTORS

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

Risks Relating to the Transaction

There can be no certainty that the Transaction will be completed

Completion of the Transaction is subject to a number of conditions, certain of which may be outside the control of both Ironhorse and Pond, including, without limitation, Pond securing the minimum funds to be raised under the Financing and Ironhorse and Pond obtaining the requisite approvals of the Ironhorse Shareholders and the Pond Shareholders. There can be no assurance, nor can Ironhorse or Pond provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied or that the Transaction 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 Ironhorse Shares. In addition, there is no guarantee that Ironhorse will be able to satisfy the requirements of the TSXV such that it will issue a final exchange bulletin with respect to the Transaction.

If the Transaction is not completed, the market price of the Ironhorse Shares may decline to the extent that the current market price reflects a market assumption that the Transaction will be completed and Ironhorse's businesses may suffer. In addition, Ironhorse and Pond will each remain liable for significant consulting, accounting and legal costs relating to the Transaction and will not realize anticipated benefits of the Transaction. If the Transaction is not completed and the Ironhorse 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 Amalgamation Agreement.

There is currently no market through which the Pond Shares may be sold and there is no assurance that the Pond Shares will be admitted to a listing or qualified for distribution in Canada or any other jurisdiction in the event that the Transaction is not completed.

Possible failure to realize anticipated benefits of the Transaction

The Transaction will involve the integration of companies that previously operated independently and in different industries. The success of the Resulting Issuer will depend in large part on successfully consolidating functions and integrating operations, projects, procedures and personnel in a timely and efficient manner, as well as Ironhorse's ability to realize the anticipated growth opportunities from the business and operations of Pond. The Transaction and/or the integration of the businesses can result in unanticipated operational problems and interruptions, expenses and liabilities, the diversion of management attention and the loss of key employees. There can be no assurance that the Transaction and business integration will be successful or that the combination will not adversely affect the business, financial condition or operating results of the Resulting Issuer. In addition, the Resulting Issuer may incur costs related to the Transaction and related to integrating the two companies. There can be no assurance that the Resulting Issuer will not incur additional material costs in subsequent quarters to reflect additional costs associated with the Transaction or that the benefits expected from the Transaction will be realized.

Possible termination of the Amalgamation Agreement

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

Certain costs related to the Transaction, such as legal and accounting fees, as well as the "break fee" that is payable in certain circumstances, must be paid by Ironhorse and Pond even if the Transaction is not completed. See "*Description of the Transaction – Amalgamation Agreement – No Alternative Transaction and Break Fee*".

Certain Ironhorse directors have interests in the Transaction that are different from those of Ironhorse Shareholders and Pond Shareholders

In considering the recommendation of the Ironhorse Board to vote in favour of the Ironhorse Resolutions, Ironhorse Shareholders and Pond Shareholders should be aware that certain members of the Ironhorse Board have agreements or arrangements that provide them with interests in the Transaction that differ from, or are in addition to, those of Ironhorse Shareholders and Pond Shareholders generally. See "*General Information Concerning the Ironhorse Meeting and Voting – Interests of Certain Persons in the Matters to be Acted Upon*".

The Transaction will have a dilutive effect on the ownership interest of Ironhorse Shareholders

The issuance of Ironhorse Consideration Shares to Pond Shareholders (including Ironhorse Consideration Shares that will be issued to participants in the Financing) pursuant to the Transaction if it is completed will have a dilutive effect on the ownership interest of the current Ironhorse Shareholders.

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

Following the completion of the Transaction, the Resulting Issuer may issue equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing 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.

While the Transaction is pending, Ironhorse and Pond are restricted from taking certain actions

The Amalgamation Agreement restricts Ironhorse and Pond from taking specified actions until the Transaction 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 Ironhorse and Pond from pursuing attractive business opportunities that may arise prior to the completion of the Transaction. See "*Description of the Transaction – Amalgamation Agreement*".

The pending Transaction may divert the attention of Ironhorse's and Pond's management

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

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

Retention of Pembina oil and gas asset

Concurrently with the closing of the Transaction, Ironhorse's interests in the Kotcho, Dawson and Balsam oil and gas properties will be transferred to GRL; however, its interest in the Pembina property will continue to be held by the Resulting Issuer and managed by GRL. While it is the intention of the Resulting Issuer to sell its interest in the Pembina property, there is no guarantee that it will be able to do so at a price and on terms acceptable to the Resulting Issuer, or at all. Recent market events and conditions, including global excess crude oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries ("**OPEC**") and non-OPEC member countries' decisions on production growth, slowing growth emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the oil and natural gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in the case of Alberta, the provincial level and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. In addition, the inability to get the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and natural gas industry in western Canada has led to additional uncertainty and reduced confidence in the oil and natural gas industry in western Canada. Lower commodity prices may also affect the volume and value of Ironhorse's reserves especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce Ironhorse's expectations of revenue from its oil and gas interests.

Further, the Resulting Issuer's continued involvement in the exploration for and development of oil and natural gas properties through its interest in the Pembina property may result in the Resulting Issuer becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although the Resulting Issuer will maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, such risks are not, in all circumstances, insurable or, in certain circumstances, the Resulting Issuer may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to the Resulting Issuer. The occurrence of a significant event that the Resulting Issuer is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Resulting Issuer.

Accordingly, until such time as the Resulting Issuer is able to dispose of its interest in the Pembina property, such interest, and the Resulting Issuer's expectations of future revenue derived therefrom, will be subject to all of the risks associated with holding oil and gas interests, including, but not limited to, risks relating to depletion of reserves, financing and capital requirements associated with exploration and exploitation efforts, changes in legislation relating to taxes, environmental protection and royalty rates, regulatory approvals and reliance on partners. See the risk factors set forth in Ironhorse's management's discussion and analysis of the financial results of Ironhorse for the years ended December 31, 2016 and 2015 and the three and six month periods ended June 30, 2017 and 2016 incorporated by reference herein for further details regarding such risks.

Uncertainty concerning revenues

Founded in 2008, Pond has yet to generate significant revenues from the licensing of its technology or sale of microalgal biomass products. Investments in research and development in the field of microalgal biomass production are necessary to develop the technology required to generate future revenues. While the Resulting Issuer is confident in its technology, it cannot know with complete certainty if or when any of the Resulting Issuer's technologies will be commercialized. It is not certain whether commercial applications of its photobioreactor technology can be produced or delivered at a reasonable cost and be successfully marketed, nor is it known whether investments in any such technology will be recovered through future licensing agreements or royalties. Even if the Resulting Issuer were to use all means at its disposal to ensure the commercialization of its technologies, revenues would depend on one or more factors such as the Resulting Issuer's or its collaborative partners' capability to promote this technology, on the performance of its collaborative partners, on the competition, on the acceptance of the technology by the industrial community, and on the impact of environmental legislation and regulation for the reduction of greenhouse gas emissions.

Currently, Pond's revenues are generated from the sale of technology and consulting services. Pond is and has been the recipient of government grants and funding from its relationships with collaborative partners. Pond also earns interest income on its invested surplus funds. There can be no assurance that the Resulting Issuer will continue to receive any government grants or that any of the Resulting Issuer's current collaborative agreements will continue to support the Resulting Issuer's technology research and development on current levels or at all and the Resulting Issuer might develop new relationships and enter into new agreements with additional collaborative partners or clients.

History of Net Losses

Pond has incurred losses in recent periods, including a net loss of $2,737,468 in the period ending December 31, 2016. The Resulting Issuer may not be able to achieve or maintain profitability and may continue to incur losses in the future. In addition, it is expected that the Resulting Issuer will continue to increase operating expenses as it continues to grow its business. If the Resulting Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Resulting Issuer will not be profitable.

Dependence on Collaborative Partners

The Resulting Issuer's strategy is to enter into various arrangements with collaborators, for the continued development and commercialization of its photobioreactor technology. To date, Pond has entered into different types of collaborations for research and development and technology scale-up. The Resulting Issuer also expects to enter into further collaborations for the potential further development and commercialization of its technology with other firms, pursuant to which the Resulting Issuer may receive additional funding, including milestone payments. There can be no assurance, however, that the Resulting Issuer will be able to establish such additional collaborations on favourable terms, if at all, or that current or future collaborative arrangements will be successful. Should any collaborative partner fail to develop or commercialize successfully any technology to which the Resulting Issuer has rights, or any of the partners' technology to which the Resulting Issuer has rights, the Resulting Issuer's business may be adversely affected. Additionally, failure of a collaborative partner to continue funding any particular program could delay or halt the development or commercialization of the Resulting Issuer's technology. In addition, there can be no assurance that the collaborative partners will not pursue alternative technologies or develop alternative carbon capture products either on their own or in collaboration with others, including the Resulting Issuer's competitors.

Algae Production

The production of the Resulting Issuer's algae products involves complex aquaculture systems with inherent risks including disease and contamination. These risks are unpredictable and also include such elements as the control and balance of necessary nutrients and other factors. The efficient and effective cultivation of microalgae requires consistent light, warm temperatures and proper chemical balance in a nutrient-controlled environment. If the chemical composition of a photobioreactor changes from its required balance, unusually high levels of contamination due to the growth of unwanted organisms or other biological problems may occur and would result in a loss of harvestable output. These often arise without warning and sometimes there are few or no clear indicators as to appropriate remediation or corrective measures. The Resulting Issuer believes that its technology, systems and processes, once fully commercialized, will generally permit year-round harvest of its microalgal products in a cost-effective manner. However, certain factors may arise beyond the Resulting Issuer's control, therefore, the Resulting Issuer cannot, and does not attempt to, provide any form of assurance with regard to its systems, processes or cost-effectiveness.

Greenhouse Gas Abatement

The ability of the Resulting Issuer to achieve effective greenhouse gas ("**GHG**") abatement depends upon effect growth of algae products in the algae production system attached to the emission point. The production of algae involves complex aquaculture systems with inherent risks including disease and contamination, and should the algae growth system fail to grow algae, or should the algae fail to consume the GHGs introduced to the system, then the abatement will fail. As with all algae growth, the risks to growth are unpredictable, and also include such elements as the control and balance of necessary nutrients and other factors. These risks to algae growth often arise without warning and sometimes there are few or no clear indicators as to appropriate remediation or corrective measures. In addition, while the Resulting Issuer has conducted pilot testing with smaller systems, there will be significant scale-up of the system, which can create engineering and process challenges. The Resulting Issuer has taken what it believes to be reasonable steps to mitigate risks associated with its processes and believes that its technology, systems and processes, once fully commercialized, will generally permit year-round abatement of GHGs in a cost-effective manner. However, certain factors may arise beyond the Resulting Issuer's control, therefore, the Resulting Issuer cannot, and does not attempt to, provide any form of assurance with regard to its systems, processes, or cost-effectiveness.

Unfavourable Publicity

The Resulting Issuer will be highly dependent upon consumer perception of the safety and quality of its greenhouse gas abatement technology and algae products and the ingredients they contain, as well as that of similar systems and products developed and distributed by other companies. Consumer perception of greenhouse gas abatement systems and algae products and the ingredients they contain can be significantly influenced by scientific research or findings, national media attention and other publicity. A product may be received favorably, resulting in high sales associated with that product that may not be sustainable as consumer preferences change. Future scientific research or publicity could be unfavorable to the Resulting Issuer's industry or any of its particular products or the ingredients they contain and may not be consistent with earlier favorable research or publicity. A future research report or publicity that is perceived by consumers as less favorable or that questions earlier research or publicity could have a material adverse effect on the Resulting Issuer's ability to generate revenues. Adverse publicity in the form of published scientific research or otherwise, whether or not accurate, that associates consumption of the Resulting Issuer's products or the ingredients they contain or any other similar products distributed by other companies with illness or other adverse effects, that questions the benefits of the Resulting Issuer's or similar products, or that claims that such products are ineffective could have a material adverse effect on the Resulting Issuer's reputation, the demand for its products, its ability to generate revenues and the market price of its securities.

Ability to manage growth effectively

The Resulting Issuer's future financial performance and its ability to commercialize its products and to compete effectively will depend, in part, on the Resulting Issuer's ability to manage any future growth effectively. To that end, the Resulting Issuer must be able to continue to improve its operational and financial systems and managerial controls and procedures, and will need to continue to expand, train and manage its technology and workforce. The Resulting Issuer must also maintain close coordination among technology, compliance, accounting, finance, marketing and sales organizations. The Resulting Issuer makes no assurance that it will manage growth effectively and if it fails to do so, the Resulting Issuer's business could be materially harmed.

To support growth, the Resulting Issuer may have to increase its investment in technology, facilities, personnel and financial and management systems and controls. The Resulting Issuer may also have to expand its procedures for monitoring and assuring compliance with applicable regulations, and may need to integrate, train and manage a growing employee base. The expansion of existing businesses, any expansion into new businesses and the resulting growth of the Resulting Issuer's employee base will increase its need for internal audit and monitoring processes that are more extensive and broader in scope than those historically required. The Resulting Issuer may not be successful in identifying or implementing all of the processes that are necessary. Further, unless the Resulting Issuer's growth results in an increase in revenues that is proportionate to the increase in its costs associated with this growth, the Resulting Issuer's operating margins and profitability will be adversely affected.

Unproven Market

Much of the Resulting Issuer's strategy is based on the belief that the application of its proprietary photobioreactors and control systems to use carbon dioxide in the production of bio-products for the markets it is addressing may result in the creation of commercially viable products or technical applications. Notwithstanding the Resulting Issuer's estimated market potential for the sale or licensing of its technology or products, no assurance can be given that these beliefs will prove to be correct owing to, in particular, competition from existing or new carbon capture and algae technology and the yet to be established commercial viability of the Resulting Issuer's technology or products.

Market Acceptance

The photobioreactor technology development process of the Resulting Issuer could take additional years to perfect and commercialize, and by the time this occurs, because of the competitive and dynamic nature of the carbon capture and nutraceutical industries, there is a risk that at such time, any such technology:

- will not be economical to market or marketable at prices that will allow the Resulting Issuer to achieve profitability;

- will not be successfully marketed by the Resulting Issuer or its collaborative partners so as to achieve market acceptance;
- will not be preferable to existing or newly developed carbon capture technology marketed by third parties.

The degree of market acceptance of technology developed by the Resulting Issuer or its collaborative partners, if any, will depend on a number of factors, including the establishment and demonstration in the carbon capture and environmental community of the efficacy of the Resulting Issuer's photobioreactor technology and its potential advantage over alternative carbon capture and algae-based technology. There is no assurance that third parties in the carbon capture or nutraceutical community in general will accept and utilize any technology that may be developed by the Resulting Issuer. In addition, by the time the Resulting Issuer's products, if any, are ready to be commercialized, what the Resulting Issuer believes to be the market for these products may have changed. The Resulting Issuer's or its collaborative partners' failure to successfully introduce and market the Resulting Issuer's photobioreactor technology that is under development would have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Volatility of Share Price

Market prices for securities in general tend to fluctuate. Factors such as the announcement of scientific or technological innovations, new products or patents, the obtaining of exclusive rights by the Resulting Issuer or other companies, a change in regulations, publications, quarterly financial results, public concerns the realization of any of the risks described herein and many other factors could have considerable repercussions on the price of the Resulting Issuer Shares. In addition, the market price for the securities of the Resulting Issuer may experience significant price and trading fluctuations. These fluctuations may result in volatility in the market prices of securities that are unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Resulting Issuer Shares.

Future Sales of Resulting Issuer Shares

The market price of the Resulting Issuer Shares could decline as a result of issuances by the Resulting Issuer or sales by its existing shareholders of Resulting Issuer Shares in the market or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Resulting Issuer to sell securities at a time and price that it deems appropriate.

Reliance on Technology

The market for the Resulting Issuer's products and services is characterized by rapid technological advances, changes in customer requirements, changes in protocols and evolving industry standards. If the Resulting Issuer is unable to develop enhancements to, and new features for, its existing products or acceptable new products that keep pace with rapid technological developments, its products and services may become obsolete, less marketable and less competitive and the Resulting Issuer's business will be harmed.

The Resulting Issuer's operations will depend on continuous improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities. There can be no assurance that the Resulting Issuer will be successful in its efforts in this regard or that it will have the resources available to meet this demand. While the Resulting Issuer expects that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized.

Acquisition of Intellectual Property

Commercial success will depend in part on obtaining and maintaining patent, confidential know-how/trade secret and trade-mark protection of the Resulting Issuer's technologies in Canada, the United States and other jurisdictions, as well as successfully enforcing this intellectual property and defending this intellectual property against third-party challenges. The Resulting Issuer may not be able to acquire additional intellectual property rights or, if acquired, it may not achieve material revenue from such intellectual property. The Resulting Issuer will be able to protect its acquired proprietary rights from unauthorized use by third parties only to the extent that its intellectual property is covered by valid and enforceable patents or is effectively maintained as confidential know-how/trade secrets. Furthermore, the Resulting Issuer may not be able to enter into strategic relationships with third parties to license or otherwise monetize its intellectual property and, even if it consummates such strategic relationships, it may not achieve material revenue or profit from such relationships. The Resulting Issuer faces considerable competition from other companies in acquiring intellectual property.

Confidential Know-How/Trade Secret Protection

The Resulting Issuer will rely, in part, on confidential know-how/trade secret protection to protect confidential and proprietary information and processes. However, confidential know-how/trade secrets are difficult to protect and non-disclosure agreements with consultants, employees and others may not adequately prevent disclosure of trade secrets and other proprietary information. The Resulting Issuer will take measures to protect its trade secrets and proprietary information, but these measures may not be effective. The Resulting Issuer requires employees and consultants to execute non-disclosure agreements upon the commencement of a consulting arrangement and believe that all employees and consultants having had access to material, technological and confidential information have executed such agreements. These agreements generally require that all confidential information developed by the individual or made known to the individual during the course of the individual’s relationship with the Resulting Issuer be kept confidential and not disclosed to third parties. Nevertheless, these agreements may not be enforceable or may be breached, proprietary information may be disclosed, third parties could reverse engineer the Resulting Issuer’s products and others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to the Resulting Issuer’s confidential know-how/trade secrets.

Intellectual Property Litigation

The Resulting Issuer’s commercial success depends on its ability to operate without infringing on the patents and proprietary rights of other parties and without breaching agreements it has entered with respect to its technologies and products. The Resulting Issuer cannot determine with certainty whether patents or patent applications of other parties may materially affect its ability to conduct its business. Further, because patent searching is not always precise, the Resulting Issuer cannot determine with certainty that any patent search performed by or for it is complete. Because patents can take several years to issue, there may currently be pending applications, unknown to the Resulting Issuer, that may result in issued patents that cover its technologies or product candidates. The existence of third-party patent applications and patents could significantly reduce the coverage of patents owned by the Resulting Issuer and limit its ability to obtain meaningful patent protection. If patents containing competitive or conflicting claims are issued to third parties and these claims are ultimately determined to be valid, the Resulting Issuer may be enjoined from pursuing research, development, or commercialization of products, or be required to obtain licenses to these patents, or to develop or obtain alternative technology.

If a third-party asserts that the Resulting Issuer infringes upon its patents or other proprietary rights, the Resulting Issuer could face a number of issues that could seriously harm its competitive position, including:

- infringement and other intellectual property claims, which could be costly and time consuming to litigate, whether or not the claims have merit, and which could delay getting the Resulting Issuer’s products to market and divert management attention from its business;

- substantial damages for past infringement, which the Resulting Issuer may have to pay if a court determines that its products or technologies infringe a competitor’s patent or other proprietary rights; and

- a court prohibiting the Resulting Issuer from selling or licensing its technologies or future products unless the holder licenses the patent or other proprietary rights to the Resulting Issuer, which it is not required to do.

The industries in which the Resulting Issuer operates are characterized by frequent and extensive litigation regarding patents and other intellectual property rights. Certain companies have employed intellectual property litigation as a way to gain a competitive advantage. If any of the Resulting Issuer's competitors have filed patent applications or obtained patents that claim inventions also claimed by the Resulting Issuer, the Resulting Issuer may have to participate in interference proceedings declared by the relevant patent regulatory agency to determine priority of invention and, thus, the right to the patents for these inventions. These proceedings could result in substantial cost to the Resulting Issuer even if the outcome is favourable. Even if successful, an interference may result in loss of certain claims. The Resulting Issuer's involvement in litigation, interferences, opposition proceedings or other intellectual property proceedings inside and outside of Canada and the U.S., to defend the Resulting Issuer's intellectual property rights or as a result of alleged infringement of the rights of others, may divert management time from focusing on business operations and could cause the Resulting Issuer to spend significant resources, all of which could harm its business and results of operations.

Litigation Risk

From time to time, the Resulting Issuer may, in the ordinary course of business, be named as a defendant in lawsuits, claims and other legal proceedings. These actions may seek, among other things, compensation for alleged personal injury, worker's compensation, employment discrimination, breach of contract, property damages, civil penalties and other losses of injunctive or declaratory relief. In the event that such actions or indemnities are ultimately resolved unfavourably at amounts exceeding the Resulting Issuer's accrued liability, or at material amounts, the outcome could materially and adversely affect the Resulting Issuer's reputation, business and results of operations. In addition, payments of significant amounts, even if reserved, could adversely affect the Resulting Issuer's liquidity position.

Concurrent with closing of the Transaction, Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond, and GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith. While Ironhorse believes Sinopec's Claims are without merit and has brought its own Claims against Sinopec, there is no assurance that GRL and Ironhorse will be successful in their Claims against Sinopec or successfully defend against the Claims brought by Sinopec or settle such Claims on terms acceptable to them and there is a risk that GRL or the acceptable third party that assumes Ironhorse's liabilities in respect of such Claims will not have sufficient financial resources to satisfy their indemnity obligations in favour of Ironhorse, which could materially adversely affect the Resulting Issuer's business, results of operations and financial condition.

Cyber-Security Incidents

The Resulting Issuer will rely extensively on information technology systems to operate its business. The Resulting Issuer will receive, process, store and transmit, often electronically, confidential data of the Resulting Issuer and its customers, suppliers, employees and others. Despite implemented security measures, the Resulting Issuer's facilities, systems and procedures, and those of its third-party service providers, may be vulnerable to security breaches, acts of vandalism, software viruses, misplaced or lost data, programming and/or human errors or other similar events. In particular, unauthorized access to computer systems or stored data could result in the theft or improper disclosure of confidential or sensitive information, the deletion or modification of records or interruptions in the Resulting Issuer's operations. Any such events, including those involving the misappropriation, loss or other unauthorized disclosure or use of confidential or sensitive information of the Resulting Issuer or its customers, suppliers, employees or others, whether by it or a third party, could subject the Resulting Issuer to civil and criminal penalties; expose the Resulting Issuer to liabilities from its customers, employees, suppliers, third parties or governmental authorities; disrupt the Resulting Issuer's delivery of products and the monitoring and functioning of its technology; and have a negative impact on the Resulting Issuer's reputation. Any of these events could have a material adverse effect on the Resulting Issuer's business, financial condition or operations.

Production Facilities

The Resulting Issuer may not be able to develop sufficient manufacturing capacity to meet demand in an economical manner or at all.

Competition

There is no guarantee that other persons will not independently develop similar products with the potential for costs approaching the Resulting Issuer's technology, or that other competitors will not develop technology designed to circumvent the Resulting Issuer's issued and pending patents. In the future, the Resulting Issuer may also need to obtain rights for other technologies belonging to third parties, but there is no guarantee that such technologies will be offered to the Resulting Issuer on acceptable terms or at all. Finally, loss of patent protection could lead to new competition for the Resulting Issuer's current and future technology offerings. Any of these events could in turn materially and adversely affect the Resulting Issuer's financial prospects.

The Resulting Issuer's competitive position will be influenced by a large number of factors including:

- the emergence of new bio-based binder companies;
- the Resulting Issuer's ability to attract and maintain long-term customer relationships;
- the efficiency of the Resulting Issuer's photobioreactors, and the quality of its products and customer service;
- foreign currency fluctuations;
- the Resulting Issuer's ability to reduce manufacturing costs by achieving high operating efficiencies;
- production rates;
- the availability, quality and cost of raw materials and labour; and
- the cost of energy.

There is no assurance that the Resulting Issuer will be able to compete effectively with its competitors in the long-term. The "superfoods" nutritional products market and carbon abatement market include international, national, regional and local producers and distributors, many of whom have substantially greater production, financial, research and development, personnel and marketing resources than the Resulting Issuer does, and many of whom offer a greater variety of products. As a result, each of these companies could compete more aggressively and sustain that competition over a longer period of time than the Resulting Issuer could. The Resulting Issuer's lack of resources relative to certain significant competitors may cause it to fail to anticipate or respond adequately to development of new products and changing consumer demands and preferences, or may cause the Resulting Issuer to experience significant delays in obtaining or introducing new or enhanced products. These failures or delays could reduce the Resulting Issuer's competitiveness and cause a decline in its market share and sales. Increased competition in the Resulting Issuer's industry could result in price reductions, reduced gross profit margin or loss of market share, any of which could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Potential Acquisitions

From time to time, the Resulting Issuer will examine opportunities to acquire additional assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Increase in Energy Costs

The Resulting Issuer's production costs will be dependent on the costs of the energy sources used to run its production facilities. These costs are subject to fluctuations and variations in different locations where the Resulting Issuer may operate, and it may not be able to predict or control these costs. If these costs exceed the Resulting Issuer's expectations, this may adversely affect its financial condition and results of operations.

Climate Change Initiatives

The Resulting Issuer's manufacturing processes require that it purchases significant quantities of energy from third parties, which results in the generation of greenhouse gases, either directly onsite or indirectly at electric utilities. Both domestic and international legislation to address climate change by reducing greenhouse gas emissions and establishing a price on carbon could create increases in energy costs and price volatility. Considerable international attention is now focused on development of an international policy framework to address climate change. Proposed and existing legislative efforts to control or limit greenhouse gas emissions could affect the Resulting Issuer's energy source and supply choices as well as increase the cost of energy and raw materials derived from sources that generate greenhouse gas emissions. If the Resulting Issuer's suppliers are unable to obtain energy at a reasonable cost in the future, the cost of its raw materials could be negatively impacted which could result in increased manufacturing costs.

Government Regulation

The operations carried on by the Resulting Issuer will be subject to government legislation, policies and controls. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the industry are beyond the control of the Resulting Issuer and could have a material adverse effect on the Resulting Issuer and its business.

Considering that market development in the field of carbon capture is closely linked to changes in environmental legislation and regulation for the reduction of greenhouse gas emissions, the Resulting Issuer's growth could be adversely impacted by a lack of concerted legislative efforts on the part of major industrialized countries.

Governmental and Environmental Regulations, Permits and Licenses

The current operations of Pond and anticipated future operations of the Resulting Issuer are subject to laws and regulations governing production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection and other matters. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

The Resulting Issuer will be subject to various laws and regulations governing the protection of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Resulting Issuer will undertake activities designed to reduce greenhouse gas emissions at industrial sites and potentially assist these industrial emitters in jurisdictions with greenhouse gas regulation limits, costs or flexible emission permit trading regulations. The integration and acceptance of Pond's technology into these regulatory systems may require regulatory and policy changes and Pond's technology may not qualify as a technology that reduces industrial emissions as defined by these regulations. The integration (or not) of the Resulting Issuer's technology into greenhouse gas policy may materially impact the profitability of operations and the ability of the Resulting Issuer to sell future systems.

The sale of algae and algae based products as food or feed ingredients will require the approval of the jurisdictions in which they are sold. The cost and risks of obtaining this approval may impact the profitability of operations.

The Resulting Issuer's activities and operations require permits from various domestic authorities. There can be no assurance that various permits which the Resulting Issuer may require in the normal course for its current activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any operations which the Resulting Issuer might undertake.

Government Grants

Pond has received various government grants, and the Resulting Issuer may seek to obtain government grants and subsidies in the future. The Resulting Issuer cannot be certain that it will be able to secure any such government grants or subsidies. Any existing grants or new grants that the Resulting Issuer may obtain may be terminated, modified or recovered by the granting governmental body under certain conditions.

The Resulting Issuer may also be subject to audits by government agencies as part of routine audits of activities funded by government grants. As part of an audit, these agencies may review the Resulting Issuer's performance, cost structures and compliance with applicable laws, regulations and standards. Funds available under grants must be applied toward the research and development programs specified by the granting agencies, rather than for all of the Resulting Issuer's programs generally. If any of the Resulting Issuer's costs are found to be allocated improperly, the costs may not be reimbursed and any costs already reimbursed may have to be refunded. Accordingly, an audit could result in an adjustment to results of operations.

Tax Credits

The Resulting Issuer is eligible for research and development tax credits on expenditures incurred on scientific research and experimental development related to the field of photobioreactor carbon capture. There is a risk that a federal or provincial governmental agency could conclude that: (i) some or all of the expenditures were not incurred on scientific research and experimental development activities (ii) the rate applicable to such credit is different from the rate claimed by the Resulting Issuer, and (iii) the Resulting Issuer does not meet specified criteria for refundable tax credits, and therefore the governmental agency could reduce or disallow claims for such credits, including refundable credits previously funded.

Economic Downturns

The Resulting Issuer's results of operations are affected by the business activity of its customers who in turn are affected by the level of economic activity in the industries and markets that they serve. A decline in the level of business activity of the Resulting Issuer's clients or the economy as a whole could have a material adverse effect on the Resulting Issuer's revenues and profit margin.

The global cost of oil derived energy impacts us in several ways, and it may hinder the Resulting Issuer's efforts to achieve profitability. Oil prices may impact the Resulting Issuer through the costs of electricity, transportation, materials and supplies which are tied to the cost of oil either directly or indirectly. The return of a high cost of oil on a global basis may signal a prolonged economic downturn resulting in a material adverse effect on the Resulting Issuer's business.

Quarterly Operating Results may Vary

Pond has experienced, and may in the future continue to experience, fluctuations in its quarterly operating results. These fluctuations could reduce the market price of the Resulting Issuer's common stock. Factors that may cause its quarterly operating results to vary include, but are not limited to:

- cultivation difficulties;
- any non-routine legal fees;
- fluctuations in customer demand;
- business decisions of the Resulting Issuer's customers regarding orders for products;
- changes in energy costs;
- changes in raw material costs;
- production problems which the Resulting Issuer cannot solve technically or economically;
- contamination of the Resulting Issuer's cultivation and production facilities;
- timing of promotional activities;
- the introduction of new products by the Resulting Issuer or its competitors;
- changes in the Resulting Issuer's pricing policies or those of its competitors;
- changes in seasonal and other trends in the Resulting Issuer's customers' buying patterns;
- changes in government regulation, both domestic and foreign;
- fluctuation in foreign currency exchange rates;
- global economic and political conditions and related risks, including acts of terrorism; and
- other factors beyond the Resulting Issuer's control.

A significant portion of the Resulting Issuer's expense levels are relatively fixed. If net sales are below expectations in any given period, the adverse impact on results of operations may be magnified by the Resulting Issuer's inability to reduce expenses quickly enough to compensate for the sales shortfall.

Dependence on Key Personnel

The Resulting Issuer will be dependent upon a number of key management personnel. The Resulting Issuer's ability to manage its research and development, operating and financing activities will depend in large part on the efforts of these individuals. As the Resulting Issuer's business grows, it will require additional key financial, technical, administrative and business development personnel as well as additional staff for operations. The Resulting Issuer will face intense competition for qualified personnel, and there can be no assurance that the Resulting Issuer will be able to attract and retain such personnel. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a material adverse effect on the Resulting Issuer's ability to manage and expand the Resulting Issuer's business.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies and, consequently, there exists the possibility for such directors and officers to be in a position of a conflict of interest. The Resulting Issuer expects that any decision made by any of such directors and officers involving the Resulting Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders, but there can be no assurance in this regard.

Insurance

The testing, manufacture, marketing, and sale of the Resulting Issuer's products may involve product liability risks. The Resulting Issuer intends to acquire product liability insurance when it begins commercial production, however, this insurance may not provide adequate coverage against potential losses. If claims or losses exceed the Resulting Issuer's liability insurance coverage it could have a material adverse effect on its operations and financial position.

Dividends

Neither Pond nor Ironhorse has paid cash dividends on any of its Pond Shares or Ironhorse Shares, respectively, to date and the Resulting Issuer currently intends to retain its cash on hand and future earnings, if any, to fund the development and growth of its businesses. In addition, the terms of any future debt or credit facility may preclude the Resulting Issuer from paying dividends.

Dilution

The Resulting Issuer may consider issuing convertible debt or equity securities, which may rank prior to the Resulting Issuer Shares, in the future to fund potential acquisitions or investments, or for general corporate purposes. The articles of the Resulting Issuer provide that it has an unlimited number of authorized Resulting Issuer Shares that may be issued. Under applicable laws, shareholders' approval is not required for the Resulting Issuer to issue shares. If the Resulting Issuer issues convertible debt or equity securities to raise additional funds, its existing shareholders may experience dilution, and the new convertible debt or equity securities may have advantageous rights, preferences and privileges when compared to those of the Resulting Issuer's existing shareholders. In addition, some or all of the Resulting Issuer's financial measures on a per share basis could be reduced as a result of such issuances. Moreover, as the Resulting Issuer's intention to issue additional convertible debt or equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected. The Resulting Issuer is unable to predict the future amount of such issuances or dilution. If the Resulting Issuer incurs debt, it may increase its leverage relative to its earnings or to its equity capitalization, requiring the Resulting Issuer to pay interest expenses.

The Resulting Issuer may not meet TSXV listing requirements

If the Transaction is completed, the Resulting Issuer will be subject to certain ongoing listing requirements including, but not limited to, requirements related to public distribution and market capitalization. If the Resulting Issuer fails to meet such listing requirements, it could result in the Resulting Issuer Shares being delisted from the TSXV. The TSXV will normally consider the delisting of securities if, in the opinion of the TSXV, it appears that the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on TSXV unwarranted.

GENERAL INFORMATION CONCERNING THE IRONHORSE MEETING AND VOTING

Time, Date and Place

The Ironhorse Meeting will be held at the Calgary Petroleum Club, 319 5 Avenue S.W., Calgary, Alberta T2P 0L6 on December 18, 2017 at 10:00 a.m. (Calgary time) as set forth in the Ironhorse Notice of Meeting.

Record Date, Voting Shares and Principal Shareholders

The Ironhorse Board has fixed the record date for the Ironhorse Meeting at the close of business on November 13, 2017 (the "**Ironhorse Record Date**"). Shareholders of record as at the Ironhorse Record Date are entitled to receive notice of the Ironhorse Meeting and to vote those shares included in the list of shareholders entitled to vote at the Ironhorse Meeting prepared as at the Ironhorse Record Date, unless any such shareholder transfers shares after the Ironhorse Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than ten (10) days before the Ironhorse Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Ironhorse Meeting, in which case such transferee shall be entitled to vote such shares at the Ironhorse Meeting.

Ironhorse's authorized capital consists of an unlimited number of Ironhorse Shares and an unlimited number of first preferred shares. As at the Ironhorse Record Date, Ironhorse has 27,885,824 Ironhorse Shares issued and outstanding, each share carrying the right to one vote.

To the knowledge of the directors and senior officers of Ironhorse, as of the date of this Circular, no person owns, directs, or controls, directly or indirectly, 10% or more of the issued and outstanding Ironhorse Shares.

As at the Ironhorse Record Date, the directors and officers of Ironhorse, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,790,159 Ironhorse Shares or approximately 13.6% of the issued and outstanding Ironhorse Shares.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Ironhorse, for use at the Ironhorse Meeting and any adjournment or postment thereof for the purposes set forth in the accompanying Ironhorse Notice of Meeting. It is expected that the solicitation of proxies for the Ironhorse Meeting will be made primarily by mail; however, directors, officers and employees of Ironhorse may also solicit proxies by telephone, telecopier or in person in respect of the Ironhorse Meeting. **The solicitation of proxies for the Ironhorse Meeting is being made by or on behalf of management of Ironhorse and Ironhorse will bear their respective costs in respect of the solicitation of proxies for the Ironhorse Meeting.** In addition, Ironhorse may reimburse brokers and nominees for their reasonable expenses in forwarding proxies and accompanying materials to beneficial owners of Ironhorse Shares.

Voting by Proxies

Enclosed with this Circular being sent to Ironhorse Shareholders is the Ironhorse Proxy. The persons named in the Ironhorse Proxy are officers and/or directors of Ironhorse. **Ironhorse Shareholders whose names appear on the records of Ironhorse as the registered holders of Ironhorse Shares (the "Registered Ironhorse Shareholders") may choose to vote by proxy whether or not they are able to attend the Ironhorse Meeting in person. A Registered Ironhorse Shareholder entitled to vote at the Ironhorse Meeting may appoint a person (who need not be an Ironhorse Shareholder) other than the persons already named in the Ironhorse Proxy to represent such Ironhorse Shareholder at the Ironhorse Meeting by striking out the printed names of such persons and inserting the name of such other person in the blank space provided therein for that purpose.** A proxy will not be valid unless it is deposited with Ironhorse's transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Calgary Time) on December 14, 2017, or, if the Ironhorse Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Ironhorse Meeting.

In order to be effective, the Ironhorse Proxy must be executed by a Registered Ironhorse Shareholder, exactly as his or her name appears on the register of shareholders of Ironhorse. Additional execution instructions are set out in the notes to the Ironhorse Proxy. The Ironhorse Proxy must also be dated where indicated. If the date is not completed, the Ironhorse Proxy will be deemed to be dated on the day on which it was mailed to Ironhorse Shareholders.

Management representatives designated in the Ironhorse Proxy will vote the Ironhorse Shares in respect of which they are appointed proxy in accordance with the instructions of the Ironhorse Shareholder as indicated on the Ironhorse Proxy, and, if the Ironhorse Shareholder specifies a choice with respect to any matter to be acted upon, the Ironhorse Shares will be voted accordingly. **In the absence of such direction, such Ironhorse Shares will be voted by the Ironhorse representatives named in the Ironhorse Proxy in favour of the motions proposed to be made at the Ironhorse Meeting as set forth in this Circular and will be voted by such representatives on all other matters which may come before the Ironhorse Meeting in their discretion.**

The Ironhorse Proxy, when properly signed, confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the matters identified in the Ironhorse Notice of Meeting and with respect to other matters which may properly come before the Ironhorse Meeting. At the date of this Circular, Ironhorse management does not know of any such amendments, variations or other matters. **However, if such amendments, variations or other matters which are not now known to Ironhorse management should properly come before the Ironhorse Meeting, the persons named in the Ironhorse Proxy will be authorized to vote the Ironhorse Shares represented thereby in their discretion.**

Beneficial Ironhorse Shareholders

The information set forth in this section is of significant importance to many Ironhorse Shareholders as a substantial number of Ironhorse Shareholders do not hold Ironhorse Shares in their own name.

Ironhorse Shareholders who do not hold their Ironhorse Shares in their own name (the "**Beneficial Ironhorse Shareholders**") should note that only Ironhorse Proxies deposited by Registered Ironhorse Shareholders can be recognized and acted upon at the Ironhorse Meeting.

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

The Ironhorse Meeting Materials are being sent to both Registered Ironhorse Shareholders and Beneficial Ironhorse Shareholders. If you are a Beneficial Ironhorse Shareholder and Ironhorse or its agent has sent the Ironhorse Meeting 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, Ironhorse (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.

Although Beneficial Ironhorse Shareholders may not be recognized directly at the Ironhorse Meeting for the purpose of voting Ironhorse Shares registered in the name of their broker, agent or nominee, a Beneficial Ironhorse Shareholder may attend the Ironhorse Meeting as a proxyholder for a Registered Ironhorse Shareholder and vote their Ironhorse Shares in that capacity. Beneficial Ironhorse Shareholders who wish to attend the Ironhorse Meeting and indirectly vote their Ironhorse Shares as proxyholder for a Registered Ironhorse Shareholder should contact their broker, agent or nominee well in advance of the Ironhorse Meeting to determine the steps necessary to permit them to indirectly vote their Ironhorse Shares as a proxyholder.

BENEFICIAL IRONHORSE SHAREHOLDERS ARE URGED TO CONTACT THEIR BROKERS FOR INSTRUCTIONS ON HOW TO VOTE. All references to Ironhorse Shareholders in this Circular and the accompanying Ironhorse Proxy and Ironhorse Notice of Meeting are to Registered Ironhorse Shareholders unless specifically stated otherwise.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that 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).

Non-Objecting Beneficial Owners

Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. As a result, NOBOs of Ironhorse can expect to receive a scannable VIF from Ironhorse's transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Ironhorse Meeting with respect to the Ironhorse Shares represented by the VIFs they receive.

If you are a Beneficial Ironhorse Shareholder and Ironhorse or its agent has sent the Ironhorse Meeting Materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send the Ironhorse Meeting Materials to you directly, Ironhorse (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

Beneficial Ironhorse Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Ironhorse Shares are voted at the Ironhorse Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their Ironhorse Shares are voted at the Ironhorse Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Ironhorse Proxy provided to Registered Ironhorse Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Ironhorse Shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic 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. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote Ironhorse Shares directly at the Ironhorse Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Ironhorse Meeting in order to ensure that such Ironhorse Shares are voted.**

Revocation of Ironhorse Proxies

An Ironhorse Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Ironhorse Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. 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 the shareholder's attorney authorized in writing deposited either at the registered office of Ironhorse at any time up to and including the last business day preceding the day of the Ironhorse Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Ironhorse Meeting on the day of the Ironhorse Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

Matters to be Considered

At the Ironhorse Meeting, Ironhorse Shareholders will be asked to consider and vote upon (i) the Ironhorse AGM Resolutions; (ii) the Ironhorse Consolidation Resolution; (iii) the Ironhorse RTO Resolution; (iv) the Ironhorse Change of Name Resolution; and (v) such other matters as may properly come before the Meeting.

The Ironhorse Board unanimously recommends that Ironhorse Shareholders vote IN FAVOUR of the Ironhorse RTO Resolution, the Ironhorse Consolidation Resolution, the Ironhorse Change of Name Resolution and each of the Ironhorse AGM Resolutions at the Ironhorse Meeting. See "*The Transaction – Recommendation of the Ironhorse Board", and "Particulars of Matters to be Acted Upon at the Ironhorse Meeting*".

Quorum and Votes Required for Certain Matters

A quorum for the transaction of business at the Ironhorse Meeting will be present if not less than one (1) person is present at the Ironhorse Meeting holding or representing not less than 10% of the shares entitled to vote at the Ironhorse Meeting.

The Ironhorse Consolidation Resolution and the Ironhorse Change of Name Resolution each require the affirmative vote of not less than two-thirds of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting.

The Ironhorse RTO Resolution and the Ironhorse AGM Resolutions each require the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting. Pursuant to the policies of the TSXV, the Ironhorse RTO Resolution requires the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting, excluding votes in respect of common shares of Ironhorse held by Mr. Larry Parks, who, by virtue of his ownership interest in GRL, will receive in connection with the Transaction a "collateral benefit", as such term is defined in MI 61-101.

Interests of Certain Persons in the Matters to be Acted Upon

Other than described below, management of Ironhorse is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or nominee for director, or executive officer of Ironhorse or anyone who has held office as such since the beginning of Ironhorse's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Ironhorse Meeting other than the election of directors.

It is a condition of the Transaction that, concurrent with the closing of the Transaction, and pursuant to one or more agreements: (i) Ironhorse shall transfer its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhorse Balsam property to GRL for nominal consideration; and (ii) GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL.

It is also a condition of the Transaction that Ironhorse shall have entered into an amended management agreement with GRL, providing for a $7,500 per month management fee in relation to the management of the Pembina property, in a form acceptable to the Parties, acting reasonably.

In addition, concurrent with closing of the Transaction, Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond, and GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the Parties, acting reasonably.

Ironhorse's President and Chief Executive Officer, Larry J. Parks, is a Control Person of GRL. Gerry C. Quinn, a director of Ironhorse, is also a director of GRL and is the President of The Erin Mills Investment Corporation, an insider of GRL.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE IRONHORSE MEETING

1. Financial Statements

Ironhorse Shareholders will receive and consider Ironhorse's audited financial statements for the fiscal year ended December 31, 2016, together with the report of the auditor thereon. No vote of the Ironhorse Shareholders is required with respect to this item of business.

2. The Ironhorse AGM Resolutions

At the Ironhorse Meeting, the Ironhorse Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, ordinary resolutions approving the Ironhorse AGM Resolutions. The Ironhorse AGM Resolutions include (i) the Ironhorse Auditor Resolution; (ii) the Ironhorse Board Resolution; (iii) the Ironhorse Directors Resolution; and (iv) the Ironhorse Stock Option Plan Resolution, each of which is discussed below.

Ironhorse Auditor Resolution

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, to serve as auditors of Ironhorse until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. Kenway Mack Slusarchuk Stewart LLP have been Ironhorse's auditors since December 22, 2003.

Ironhorse Board Resolution and Ironhorse Director Resolutions

At the Ironhorse Meeting, it is proposed that the number of directors to be elected at the Ironhorse Meeting to hold office until the next annual general meeting of Ironhorse or until their successors are elected or appointed, subject to the articles of incorporation or by-laws of Ironhorse, be set at five (5). There are currently five (5) directors of Ironhorse, each of whom retire from office at the Ironhorse Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Ironhorse Meeting at five (5) members and in favour of the election as directors of the five (5) nominees hereinafter set forth:

Larry J. Parks	Michael A. Royan
Robert Desbarats	Wayne W. Chow
Gerry C. Quinn	

If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named in this proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Ironhorse Shares are to be withheld from voting on the election of directors.

The names, province and country of residence of the persons nominated for election as directors, the number of voting securities of Ironhorse beneficially owned, or controlled or directed, directly or indirectly, the period served as director and the principal occupation of each are set forth below. The information as to shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to Ironhorse by the nominees as of November 17, 2017.

Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Ironhorse Shares Beneficially Owned, Controlled or Directed
Larry J. Parks (1) Alberta, Canada	2003	Mr. Parks was appointed President & Chief Executive Officer and a director of Ironhorse in 2003. Mr. Parks is also the President & Chief Executive Officer of Grizzly Resources Ltd., a private oil and gas exploration and production company. Prior to September 1, 2004, Mr. Parks was President & Chief Executive Officer of Archean Energy Ltd.	2,203,860
Robert Desbarats (1) Alberta, Canada	2009	Mr. Desbarats is a partner at the law firm of Osler, Hoskin & Harcourt LLP since February 6, 2006. Prior thereto, he was a partner at the law firm of Bennett Jones LLP.	15,000
Gerry C. Quinn (2)(3) Ontario, Canada	2004	Mr. Quinn is the President of The Erin Mills Investment Corporation, a private venture capital company	1,530,799
Michael A. Royan (2)(4) Alberta, Canada	2009	Mr. Royan is the President and Managing Director of Stonepoint Strategic Advisors Inc., which provides financial advisory services to companies primarily in the oil and gas and oilfield services industries.	10,500
Wayne W. Chow (1)(2) Alberta, Canada	2010	Mr. Chow is a professional engineer with over 33 years of oil and gas engineering and evaluation experience. He is a former Vice President and director of GLJ Petroleum Consultants and has served as a director or past-director of numerous private companies. Since October 2005, Mr. Chow has been an independent businessman and a consultant to various oil and gas companies.	30,000

Notes:

(1) Member of the Reserves Committee.
(2) Member of the Audit Committee.
(3) Includes 93,750 Ironhorse Shares held by Cosmopolitan Investment Corporation, a company of which Mr. Quinn is a director.
(4) Ironhorse Shares are held by 1200773 Alberta Ltd., a company owned by Mr. Royan's family's trust, of which he is a director.

Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Ironhorse, no proposed director 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 Ironhorse) that:

(a) was subject to 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, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) 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 director, chief executive officer or chief financial officer of such company.

To the knowledge of Ironhorse, no proposed director:

(a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Ironhorse) 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;

(b) has, within 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 his assets;

(c) 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; or

(d) has been subject to any 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.

Ironhorse Stock Option Plan Resolution

Pursuant to TSXV Policy 4.4, *Incentive Stock Options* (the "**TSXV Policy**") of the TSXV Corporate Finance Manual, Ironhorse is permitted to maintain a rolling stock option plan reserving a percentage of the issued and outstanding Ironhorse Shares for issuance pursuant to Ironhorse options. In accordance with the TSXV Policy, rolling option stock plans must receive shareholder approval yearly at an annual meeting. The Ironhorse Stock Option Plan was previously approved by Ironhorse Shareholders at the annual and special meeting of the Ironhorse held September 20, 2016.

Ironhorse is proposing certain amendments to the Ironhorse Stock Option Plan for consistency with the TSXV Policy with respect to: (a) confirmation that optionees are bona fide "Employees", "Consultants" or "Management Company Employees" (as such terms are defined in the TSXV Corporate Finance Manual), as the case may be, and (b) the non-assignability and non-transferability of all options granted pursuant to the Ironhorse Stock Option Plan, in each case as more particularly set out in the amended Ironhorse Stock Option Plan attached hereto as Schedule N. For additional information about the Ironhorse Stock Option Plan, including the amendments thereto, please see Schedule A, *"Information Concerning Ironhorse – Stock Option Plan and Options Granted"*.

In accordance with the rules of the TSXV, in order for the amended Ironhorse Stock Option Plan to be implemented by Ironhorse, it must be approved by Ironhorse Shareholders. Accordingly, as part of the Ironhorse AGM Resolutions, substantially in the form set forth in Schedule E, at the Ironhorse Meeting, Ironhorse Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the amended Ironhorse Stock Option Plan.

To be effective, the Ironhorse AGM Resolutions require the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting. **Unless you indicate otherwise, the persons designated as proxyholders in the accompanying form of Ironhorse Proxy will vote the Ironhorse Shares represented by such form of Ironhorse Proxy <u>FOR</u>**

each of the Ironhorse AGM Resolutions.

The Ironhorse Board unanimously recommends that Ironhorse Shareholders vote FOR each of the Ironhorse AGM Resolutions at the Ironhorse Meeting. See "*The Transaction - Recommendation of the Ironhorse Board*".

It is a condition precedent to the completion of the Transaction that the Ironhorse Shareholders approve the Ironhorse AGM Resolutions. If the Ironhorse AGM Resolutions do not receive the requisite approval, the Transaction will not proceed.

3. The Ironhorse Consolidation Resolution

In connection with the Transaction, Ironhorse intends to issue Ironhorse Shares as consideration to Pond Shareholders. In order to align the value of the Ironhorse Shares to the value per Pond Share at which the Transaction will be completed, Ironhorse proposes that, subject to obtaining all required regulatory and shareholder approvals, Ironhorse's issued and outstanding share capital be consolidated on the basis of one post-Ironhorse Consolidation Ironhorse Share for every 6.9 existing Ironhorse Shares.

At the Ironhorse Meeting, the Ironhorse Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Ironhorse Consolidation Resolution, the full text of which is reproduced at Schedule F to this Circular, approving the amendment to the articles of Ironhorse to provide that (i) the authorized capital of Ironhorse be altered by consolidating all of the Ironhorse Shares on the basis of one post-Ironhorse Consolidation Ironhorse Share for every 6.9 existing Ironhorse Shares; and (ii) any fractional Ironhorse Shares arising from the Consolidation of the Ironhorse Shares will be deemed to have been tendered by its registered owner to Ironhorse for cancellation for no consideration.

As at the date of this Circular, Ironhorse had 27,885,824 Ironhorse Shares issued and outstanding. Upon completion of the Ironhorse Consolidation, there will be approximately 4,041,423 post-Ironhorse Consolidation Ironhorse Shares issued and outstanding (prior to giving effect to the Transaction and the conversion of Subscription Receipts under the Financing) on a non-diluted basis.

To be effective, the Ironhorse Consolidation Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting. **Unless you indicate otherwise, the persons designated as proxyholders in the accompanying form of Ironhorse Proxy will vote the Ironhorse Shares represented by such form of Ironhorse Proxy FOR the Ironhorse Consolidation Resolution.**

The Ironhorse Board unanimously recommends that Ironhorse Shareholders vote FOR the Ironhorse Consolidation Resolution at the Ironhorse Meeting. See "*The Transaction - Recommendation of the Ironhorse Board*".

It is a condition precedent to the completion of the Transaction that the Ironhorse Shareholders approve the Ironhorse Consolidation Resolution. If the Ironhorse Consolidation Resolution does not receive the requisite approval, the Transaction will not proceed.

4. The Ironhorse RTO Resolution

As the Transaction will constitute a Reverse Takeover and a Change of Business of Ironhorse, the Transaction will require the approval of Ironhorse Shareholders pursuant to Policy 5.2 of the TSXV Corporate Financing Manual.

At the Ironhorse Meeting, the Ironhorse Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Ironhorse RTO Resolution, the full text of which is reproduced at Schedule H to this Circular, in respect of the Amalgamation to effect, among other things, the business combination of Ironhorse and Pond pursuant to the terms and conditions contained in the Amalgamation Agreement, including the transfer by

Ironhorse of its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhose Balsam property to GRL and the assumption by GRL of the related abandonment and reclamation obligations, and the assignment by Ironhorse of all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond, and GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith.

To be effective, the Ironhorse RTO Resolution requires the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting. Pursuant to the policies of the TSXV, the Ironhorse RTO Resolution requires the affirmative vote of not less than a majority of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting, excluding votes in respect of common shares of Ironhorse held by Mr. Larry Parks, who, by virtue of his ownership interest in GRL, will receive in connection with the Transaction a "collateral benefit", as such term is defined in MI 61-101. **Unless you indicate otherwise, the persons designated as proxyholders in the accompanying form of Ironhorse Proxy will vote the Ironhorse Shares represented by such form of Ironhorse Proxy FOR the Ironhorse RTO Resolution.**

The Ironhorse Board unanimously recommends that Ironhorse Shareholders vote FOR the Ironhorse RTO Resolution at the Ironhorse Meeting. See "*The Transaction - Recommendation of the Ironhorse Board*".

It is a condition precedent to the completion of the Transaction that the Ironhorse Shareholders approve the Ironhorse RTO Resolution. If the Ironhorse RTO Resolution does not receive the requisite approval, the Transaction will not proceed.

5. The Ironhorse Change of Name Resolution

Upon completion of the Transaction, Ironhorse will be the parent and the sole shareholder of Amalco and thus will indirectly carry on the business of Pond. As a result, Ironhorse intends to change its name to "Pond Technologies Holdings Inc.". Ironhorse believes that the name change is in the best interests of Ironhorse in order to reflect the change in its business activities.

At the Ironhorse Meeting, the Ironhorse Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Ironhorse Change of Name Resolution, the full text of which is reproduced at Schedule G to this Circular, approving the amendment to the articles of Ironhorse to change the name of Ironhorse to "Pond Technologies Holdings Inc." or such other name as is acceptable to the applicable regulatory authorities.

To be effective, the Ironhorse Change of Name Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Ironhorse Shareholders present in person or represented by proxy and entitled to vote at the Ironhorse Meeting. **Unless you indicate otherwise, the persons designated as proxyholders in the accompanying form of Ironhorse Proxy will vote the Ironhorse Shares represented by such form of Ironhorse Proxy FOR the Ironhorse Change of Name Resolution.**

The Ironhorse Board unanimously recommends that Ironhorse Shareholders vote FOR the Ironhorse Change of Name Resolution at the Ironhorse Meeting. See "*The Transaction - Recommendation of the Ironhorse Board*".

It is a condition precedent to the completion of the Transaction that the Ironhorse Shareholders approve the Ironhorse Change of Name Resolution. If the Ironhorse Change of Name Resolution does not receive the requisite approval, the Transaction will not proceed.

GENERAL INFORMATION CONCERNING THE POND MEETING AND VOTING

Time, Date and Place

The Pond Meeting will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 on December 15, 2017 at 10:00 a.m. (Toronto time) as set forth in the Pond Notice of Meeting.

Record Date, Voting Shares and Principal Shareholders

A Pond Shareholder of record at the close of business on November 16, 2017 (the "**Pond Record Date**") who either personally attends the Pond Meeting or who has completed and delivered a Pond Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's Pond Shares voted at the Pond Meeting, or any adjournment thereof.

Pond's authorized capital consists of an unlimited number of Pond Shares without par value. As at the Pond Record Date, Pond has 11,731,244 Pond Shares issued and outstanding, each share carrying the right to one vote.

To the knowledge of the directors and senior officers of Pond, as of the date of this Circular, no person owns, directs, or controls, directly or indirectly, 10% or more of the issued and outstanding Pond Shares, other than SMC, which, as at the date of this Circular, owns 3,042,571 Pond Shares, representing 25.94% of the current issued and outstanding Pond Shares, Steven Martin, who, as of the date of this Circular, owns 1,603,119 Pond Shares, representing 13.67% of the issued and outstanding Pond Shares, Max Koleznik (through 1600610 Ontario Inc.), who, as of the date of this Circular, owns 1,500,000 Pond Shares, representing 12.79% of the issued and outstanding Pond Shares and Gordon Graham (through 2292492 Ontario Inc.), who, as of the date of this Circular, owns 1,250,000 Pond Shares, representing 10.66% of the issued and outstanding Pond Shares.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Pond, for use at the Pond Meeting and any adjournment or postment thereof for the purposes set forth in the accompanying Pond Notice of Meeting. It is expected that the solicitation of proxies for the Pond Meeting will be made primarily by mail; however, directors, officers and employees of Pond may also solicit proxies by telephone, telecopier or in person in respect of the Pond Meeting. **The solicitation of proxies for the Pond Meeting is being made by or on behalf of management of Pond and Pond will bear their respective costs in respect of the solicitation of proxies for the Pond Meeting.** In addition, Pond may reimburse brokers and nominees for their reasonable expenses in forwarding proxies and accompanying materials to beneficial owners of Pond Shares.

Voting by Proxies

Enclosed with this Circular being sent to Pond Shareholders is the Pond Proxy. The persons named in the Pond Proxy are officers and/or directors of Pond. **Pond Shareholders whose names appear on the records of Pond as the registered holders of Pond Shares (the "Registered Pond Shareholders") may choose to vote by proxy whether or not they are able to attend the Pond Meeting in person. A Registered Pond Shareholder entitled to vote at the Pond Meeting may appoint a person (who need not be a Pond Shareholder) other than the persons already named in the Pond Proxy to represent such Pond Shareholder at the Pond Meeting by striking out the printed names of such persons and inserting the name of such other person in the blank space provided therein for that purpose.** In order to be valid, a Pond Proxy must be received by Pond's Corporate Secretary at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Corporate Secretary), no later than 10:00 a.m. (Toronto time) on December 13, 2017 or, in the event of an adjournment or postponement of the Pond Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the adjourned or postponed Pond Meeting.

In order to be effective, the Pond Proxy must be executed by a Registered Pond Shareholder, exactly as his or her name appears on the register of shareholders of Pond. Additional execution instructions are set out in the notes to the Pond Proxy. The Pond Proxy must also be dated where indicated. If the date is not completed, the Pond Proxy will be deemed to be dated on the day on which it was mailed to Pond Shareholders.

Management representatives designated in the Pond Proxy will vote the Pond Shares in respect of which they are appointed proxy in accordance with the instructions of the Pond Shareholder as indicated on the Pond Proxy, and, if the Pond Shareholder specifies a choice with respect to any matter to be acted upon, the Pond Shares will be voted accordingly. **In the absence of such direction, such Pond Shares will be voted by the Pond representatives named in the Pond Proxy in favour of the motions proposed to be made at the Pond Meeting as set forth in this Circular and will be voted by such representatives on all other matters which may come before the Pond Meeting in their discretion.**

The Pond Proxy, when properly signed, confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the matters identified in the Pond Notice of Meeting and with respect to other matters which may properly come before the Pond Meeting. At the date of this Circular, Pond management does not know of any such amendments, variations or other matters. **However, if such amendments, variations or other matters which are not now known to Pond management should properly come before the Pond Meeting, the persons named in the Pond Proxy will be authorized to vote the Pond Shares represented thereby in their discretion.**

Beneficial Pond Shareholders

The information set forth in this section is of significant importance to many Pond Shareholders who do not hold Pond Shares in their own name.

Pond Shareholders who do not hold their Pond Shares in their own name (the "**Beneficial Pond Shareholders**") should note that only Pond Proxies deposited by Registered Pond Shareholders can be recognized and acted upon at the Pond Meeting.

If Pond Shares are listed in an account statement provided to a Pond Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Pond Shares will not be registered in the Pond Shareholder's name on the records of Pond. Such Pond Shares will more likely be registered under the name of the Pond Shareholder's intermediary or an agent of that intermediary, and consequently the Pond Shareholder will be a Beneficial Pond Shareholder. The Pond Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Pond Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting Pond Shares for the intermediary's clients. Therefore, Beneficial Pond Shareholders should ensure that instructions respecting the voting of their Pond Shares are communicated to the appropriate person.

Although Beneficial Pond Shareholders may not be recognized directly at the Pond Meeting for the purpose of voting Pond Shares registered in the name of their broker, agent or nominee, a Beneficial Pond Shareholder may attend the Pond Meeting as a proxyholder for a Registered Pond Shareholder and vote their Pond Shares in that capacity. Beneficial Pond Shareholders who wish to attend the Pond Meeting and indirectly vote their Pond Shares as proxyholder for a Registered Pond Shareholder should contact their broker, agent or nominee well in advance of the Pond Meeting to determine the steps necessary to permit them to indirectly vote their Pond Shares as a proxyholder.

BENEFICIAL POND SHAREHOLDERS ARE URGED TO CONTACT THEIR BROKERS FOR INSTRUCTIONS ON HOW TO VOTE. All references to Pond Shareholders in this Circular and the accompanying Pond Proxy and Pond Notice of Meeting are to Registered Pond Shareholders unless specifically stated otherwise.

Revocation of Pond Proxies

A Pond Shareholder who has given a Pond Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Pond Proxy may be revoked by instrument in writing executed by the Pond Shareholder or by his or her attorney authorized in writing, or, if the Pond Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand with Pond's Corporate Secretary, by hand or by mail, at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Corporate Secretary) at any time up to and including the last business day preceding the day of the Pond Meeting, or any adjournment of it, at which the Pond Proxy is to be used, or to the Chair of the Pond Meeting on the day of the Pond Meeting or any adjournment of it. A revocation of a Pond Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Matters to be Considered

At the Pond Meeting, Pond Shareholders will be asked to consider and vote upon (i) the Pond Resolution; and (ii) such other matters as may properly come before the Pond Meeting.

The Pond Board unanimously recommends that Pond Shareholders vote IN FAVOUR of the Pond Resolution at the Pond Meeting. See "*The Transaction – Recommendation of the Pond Board", and "Particulars of Matters to be Acted Upon at the Pond Meeting*".

It is a condition of the completion of the Transaction that the Pond Resolution be approved by the Pond Shareholders at the Pond Meeting.

Quorum and Votes Required for Certain Matters

A quorum at meetings of Pond Shareholders consists of holders of a majority of shares entitled to vote at the Pond Meeting, whether present in person or represented by proxy. If only one Pond Shareholder, or only one holder of any class or series of Pond Shares, the Pond Shareholder present in person or by proxy constitutes a meeting.

The Pond Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Pond Shareholders present in person or represented by proxy and entitled to vote at the Pond Meeting.

Interests of Certain Persons in the Matters to be Acted Upon

Management of Pond is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or nominee for director, or executive officer of Pond or anyone who has held office as such since the beginning of Pond's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Pond Meeting other than the election of directors.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE POND MEETING

1. The Pond Resolution

At the Pond Meeting, the Pond Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, the Pond Resolution, the full text of which is reproduced at Schedule I to this Circular.

To be effective, the Pond Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Pond Shareholders present in person or represented by proxy and entitled to vote at the Pond Meeting. **Unless you indicate otherwise, the persons designated as proxyholders in the accompanying form of Pond Proxy will vote the Pond Shares represented by such form of Pond Proxy FOR the Pond Resolution.**

The Pond Board unanimously recommends that Pond Shareholders vote FOR the Pond Resolution at the Pond Meeting. See "*The Transaction - Recommendation of the Pond Board of Directors*".

It is a condition precedent to the completion of the Transaction that the Pond Shareholders approve the Pond Resolution. If the Pond Resolution does not receive the requisite approval, the Transaction will not proceed.

Registered Pond Shareholders are entitled to dissent in respect of the Pond Resolution in the manner provided in section 185 of the OBCA. A summary of the Registered Pond Shareholders' dissent rights is set forth below under the heading "*Dissenting Pond Shareholders' Rights*" and Section 185 of the OBCA is reproduced in its entirety at Schedule M to this Circular. Pond Shareholders are not entitled to dissent with respect to any other matter that may be considered at the Pond Meeting.

DISSENTING POND SHAREHOLDERS' RIGHTS

Registered Pond Shareholders are entitled to dissent from the Pond Resolution in the manner provided in section 185 of the OBCA. Section 185 of the OBCA is reprinted in its entirety and attached to this Circular at Schedule M. The following summary is qualified by the provisions of section 185 of the OBCA.

The obligation of Ironhorse to complete the Transaction is subject to the condition that the holders (the "**Dissenting Shareholders**") of not more than 5% of the outstanding Pond Shares exercise their Dissent Rights with respect to the Pond Resolution.

In the event the Pond Resolution becomes effective, a Dissenting Shareholder who complies with section 185 of the OBCA will be entitled to be paid by Amalco the fair value of the Pond Shares held by such Dissenting Shareholder determined as at the Effective Time on the Effective Date.

A registered Pond Shareholder who wishes to exercise Dissent Rights must send a notice of dissent (a "Notice of Dissent") to Pond, such that it is received by Pond not later than 10:00 a.m. (Toronto time) on the Business Day immediately preceding the day of the Pond Meeting (or any postponement or adjournment thereof), at 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7 (Attention: Corporate Secretary).

The filing of a Notice of Dissent does not deprive a Pond Shareholder of the right to vote; however, the OBCA provides, in effect, that a Pond Shareholder who has submitted a Notice of Dissent and who votes in favour of the Pond Resolution will no longer be considered a Dissenting Shareholder with respect to the Pond Shares voted in favour of the Pond Resolution. The OBCA does not provide, and Pond will not assume, that a vote against the Pond Resolution constitutes a Notice of Dissent. In addition, the execution or exercise of a proxy does not constitute a Notice of Dissent. Under the OBCA, there is no right of partial dissent and, accordingly, a Dissenting Shareholder may only dissent with respect to all Pond Shares held on behalf of any one beneficial owner that are registered in the name of the Dissenting Shareholder.

Pond or Amalco is required, within 10 days after the Pond Shareholders adopt the Pond Resolution, to send to each registered Pond Shareholder who has filed a Notice of Dissent, notice that the Pond Resolution has been adopted, but such notice is not required to be sent to any registered Pond Shareholder who voted for the Pond Resolution or who has withdrawn such Notice of Dissent.

A Dissenting Shareholder must then, within 20 days after the Dissenting Shareholder receives notice that the Pond Resolution has been adopted or, if the Dissenting Shareholder does not receive such notice, within 20 days after the Dissenting Shareholder learns that the Resolution has been adopted, send to Pond a written notice (a "**Payment Demand**") containing the name and address of the Dissenting Shareholder, the number of Pond Shares in respect of which the Dissenting Shareholder dissents and a demand for payment of the fair value of such Pond Shares. Within 30 days after a Payment Demand, the Dissenting Shareholder must send to Pond, the certificates representing the Pond Shares in respect of which such Payment Demand was made. A Dissenting Shareholder who fails to send the certificates representing the Pond Shares in respect of which the Dissent Right has been exercised has no right to make a claim under section 185 of the OBCA. Pond will endorse on share certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder.

On sending a Payment Demand to Pond, a Dissenting Shareholder ceases to have any rights as a Pond Shareholder, other than the right to be paid the fair value of the Pond Shares in respect of which such Payment Demand was made, except pursuant to the provisions of section 185 of the OBCA.

Pond or Amalco is required, not later than seven days after the later of the Effective Date or the date on which Pond or Amalco received the Payment Demand of a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Payment Demand a written offer to pay (an "**Offer to Pay**") for the Pond Shares in respect of which such Payment Demand was made in an amount considered by the Pond Board to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. Amalco is required to pay for the Pond Shares of a Dissenting Shareholder within 10 days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such Offer to Pay lapses if Amalco does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If Pond or Amalco fail to make an Offer to Pay for the Pond Shares of a Dissenting Shareholder, or if a Dissenting Shareholder fails to accept an offer that has been made, Amalco may, within 50 days after the Effective Date or within such further period as the Ontario Superior Court may allow, apply to the Ontario Superior Court to fix a fair value for the Pond Shares of Dissenting Shareholders. If Amalco fails to apply to the Ontario Superior Court, a Dissenting Shareholder may apply to the Ontario Superior Court for the same purpose within a further period of 20 days or within such further period as the Ontario Superior Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to the Ontario Superior Court, all Dissenting Shareholders whose Pond Shares have not been purchased by Amalco will be joined as parties and bound by the decision of the Ontario Superior Court and Amalco will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of the right of such Dissenting Shareholder to appear and be heard in person or by counsel. Upon any such application to the Ontario Superior Court, the Ontario Superior Court may determine whether any person is a Dissenting Shareholder who should be joined as a party and the Ontario Superior Court will then fix a fair value for the Pond Shares of all Dissenting Shareholders. The final order of the Ontario Superior Court will be rendered against Amalco in favour of each Dissenting Shareholder and for the amount of the fair value of each Dissenting Shareholder's Pond Shares as fixed by the Ontario Superior Court. The Ontario Superior Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

The foregoing is only a summary of the provisions of section 185 of the OBCA, which provisions are technical and complex. It is suggested that any Pond Shareholder wishing to exercise Dissent Rights seek legal advice as failure to comply strictly with the provisions of the OBCA may prejudice such Shareholder's Dissent Rights.

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 Ironhorse or Pond, director or associate or affiliate of any insider or director of Ironhorse or Pond, has or had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or could materially affect Ironhorse or Pond any of their respective subsidiaries.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about Ironhorse, Pond, the Resulting Issuer or the Transaction that are not otherwise disclosed in this Circular.

SPONSORSHIP

Ironhorse has applied for and received an exemption from the TSXV in respect of the sponsorship requirements under TSXV Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

INTEREST OF EXPERTS

Kenway Mack Slusarchuk Stewart LLP are the auditors of Ironhorse and have performed the audit in respect of the audited annual financial statements of Ironhorse for the years ended December 31, 2016 and 2015. Kenway Mack Slusarchuk Stewart LLP has advised that they are independent with respect to Ironhorse within the meaning of the Rules of Professional Conduct as outlined by the Chartered Professional Accountants of Alberta.

Collins Barrow Toronto LLP are the auditors of Pond and have performed the audit in respect of the audited annual financial statements of Pond for the years ended December 31, 2016 and 2015. Collins Barrow Toronto LLP has advised that they are independent with respect to Pond within the meaning of the Codes of Professional Conduct as outlined by the Chartered Professional Accountants of Ontario.

Certain reserves data incorporated by reference in this Circular of Ironhorse has been prepared by Sproule Associates Limited ("**Sproule**"). As of the date hereof, Sproule does not have any registered or beneficial interest, direct or indirect, in any securities or other property of Ironhorse, or any of its associates or affiliates. For purposes of this section, Sproule shall be interpreted to include its "designated professionals" as such term is defined in Form 51-102F2 – *Annual Information Form*.

LEGAL MATTERS

Certain legal matters in connection with the Transaction will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of Ironhorse and by Cassels Brock & Blackwell LLP on behalf of Pond. As of the date hereof, the partners and associates of Osler, Hoskin & Harcourt LLP and Cassels Brock & Blackwell LLP, in each case as a group, beneficially owned, directly or indirectly, less than one percent of the outstanding Ironhorse or Pond Shares, respectively.

Mr. Robert Desbarats, a partner of Osler, Hoskin and Harcourt LLP, is a member of the Ironhorse Board.

ADDITIONAL INFORMATION

The information contained in this Circular is given as of November 17, 2017, except as otherwise indicated. Additional Information concerning Ironhorse is available under Ironhorse's profile on SEDAR at www.sedar.com. Additional financial information is provided in Ironhorse's management's discussion and analysis and the consolidated financial statements for Ironhorse's most recently completed financial year.

Schedule A

INFORMATION CONCERNING IRONHORSE

Terms not otherwise defined in this Schedule have the meanings ascribed to them in the Circular under the heading "*Glossary*".

Forward-Looking Information

This Schedule A and the documents incorporated by reference contain forward-looking information relating to, without limitation, Ironhorse's business, activities and its intentions, plans, expectations and anticipated financial performance or condition and future activities. See "*Joint Management Information Circular – Cautionary Note Regarding Forward-Looking Information*" in the Circular.

Documents Incorporated by Reference

Information in respect of Ironhorse has been incorporated by reference in the Circular from documents filed with securities commissions or similar authorities in Canada in which Ironhorse is a reporting issuer. Copies of the documents incorporated by reference herein may be obtained upon request at no charge from the President and Chief Executive Officer of Ironhorse at 1000, 324 – 8th Avenue S.W., Calgary, Alberta T2P 2Z2 (telephone: (403) 237-9600). In addition, copies of the documents incorporated by reference herein may be obtained from the securities commissions or similar authorities in Canada through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com.

The following documents of Ironhorse, filed with the various securities commissions or similar authorities in the jurisdictions where Ironhorse is a reporting issuer, are specifically incorporated by reference into and form an integral part of the Circular:

(a) the audited financial statements of Ironhorse for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditors' report thereon;

(b) management's discussion and analysis of the financial results of Ironhorse for the years ended December 31, 2016 and 2015;

(c) the unaudited interim financial statements of Ironhorse for the three and six month periods ended June 30, 2017 and 2016, together with the notes thereto, excluding the statement in the accompanying management's report thereon that such financial statements have not been reviewed by Ironhorse's external auditors;

(d) management's discussion and analysis of the financial results of Ironhorse for the three and six months ended June 30, 2017 and 2016;

(e) the statement of reserves data and other oil and gas information (Form 51-101F1), report on reserves data by independent qualified reserves evaluator or auditor (Form 51-101F2) and report of management and directors on oil and gas disclosure (Form 51-101F3) filed by Ironhorse pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* in respect of its oil and natural gas properties, reserves and operations for the year ended December 31, 2016 (collectively, the "**Ironhorse Reserves Information**"); and

(f) the material change report of Ironhorse dated October 12, 2017 with respect to the Amalgamation Agreement.

Any material change reports (except confidential material change reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, information circulars, annual information forms and business acquisition reports filed by Ironhorse with the applicable securities commissions or similar authorities in the provinces of Canada subsequent to the date of the Circular and prior to the Ironhorse Meeting and the Pond Meeting will be deemed to be incorporated by reference in the Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of the Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The make of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to statement a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Circular.

Corporate Structure

Name, Address and Incorporation

Ironhorse was incorporated on September 18, 1972 under the *Company Act* (*British Columbia*) under the name "Keywest Resources Ltd." ("**Keywest**"). On June 19, 1984, Keywest changed its name to "K.W. Resources Ltd." ("**K.W. Resources**"). On September 5, 1984, the British Columbia Securities Commission approved K.W. Resources' prospectus and commenced K.W. Resources' listing on the Vancouver Stock Exchange, a predecessor of the TSXV. On November 22, 1990, K.W. Resources consolidated its outstanding common shares on a four (4) to one (1) basis and changed its name to "Consolidated K.W. Resources Ltd." and in 1992, the company further changed its name to "Tako Resources Ltd." ("**Tako**"). On December 12, 1997, Tako further consolidated its outstanding common shares on a seven (7) to one (1) basis and changed its name to "Consolidated Tako Resources Ltd." The company further consolidated its outstanding common shares on a 3.8 to one (1) basis on December 1, 1999 and changed its name to "International Tako Resources Ltd." From its incorporation until 1997, the company was primarily engaged in the exploration of mineral properties in Canada, and from 1997 to 2002, the company shifted its core business to high technology and other manufacturing projects.

Ironhorse was continued into Alberta under the provisions of the *Business Corporations Act* (Alberta) under the name "International Tako Industries Inc." on November 26, 2002, and on June 23, 2003, Ironhorse acquired its first oil and gas properties in the Boundary Lake and Lochend areas of Alberta, commencing its oil and gas operations. On May 12, 2004, Ironhorse amended its articles to change its name to "Ironhorse Oil & Gas Inc."

The Ironhorse Shares are currently listed for trading on the TSXV under the trading symbol "IOG". See "*Information Concerning Ironhorse – Stock Exchange Price*" below.

The registered and head office of Ironhorse is located at 1000, 324 - 8th Avenue S.W. Calgary, Alberta T2P 2Z2.

Ironhorse currently has no subsidiaries other than Newco, a corporation incorporated under the laws of the Province of Ontario. Newco, a direct, wholly-owned subsidiary of Ironhorse, has no material assets or liabilities and conducts no operations.

General Development of the Business

Ironhorse is engaged in the exploration, development and production of petroleum and natural gas reserves in western Canada. The current principal properties of Ironhorse are located in Balsam, Alberta and Pembina, Alberta. For a detailed discussion of these properties, see the Ironhorse Reserves Information, which is incorporated herein by reference. The Ironhorse Reserves Information summarizes the oil, natural gas and natural gas liquids reserves related to the properties comprising Ironhorse's assets and the net present value of future net revenue attributable to such reserves based on forecast price and cost assumptions effective as at December 31, 2016, as evaluated by Sproule Associates Limited ("**Sproule**").

Ironhorse also currently has properties located in Dawson, Alberta and Kotcho, British Columbia.

Between 2005 and 2010, Ironhorse raised approximately $30.1 million in gross proceeds from various offerings of equity securities, which were used, along with advances from Ironhorse's credit facilities, to finance the exploration and development of its oil and gas properties in western Canada. Subsequent to acquiring its first oil and gas properties in the Boundary Lake and Lochend areas of Alberta in 2003, Ironhorse acquired additional oil and gas assets in western Canada, including in the Pembina area of Alberta and the Shackleton area of Saskatchewan, expanding its oil and gas operations. Ironhorse completed the primary development of its Shackleton property during 2009. In May 2011, Ironhorse entered into a production sharing agreement that provided for the construction of pipelines from the two Pembina oil wells to an oil battery. Under the terms of the production sharing agreement, in exchange for Ironhorse reducing its working interest in the oil wells from 18.75% to 15.625%, the other party agreed to provide Ironhorse and its partner with access to the oil battery and incur all the capital costs with respect to constructing the pipelines and installing the equipment upgrades at the battery.

Commencing in 2011, Ironhorse began focusing on asset dispositions in order to improve its financial position and finance its capital expenditure requirements. Ironhorse completed the sale of its Shackleton property in October 2011 for net proceeds of approximately $9.4 million, which were used to repay bank debt. In April 2012, Ironhorse completed the sale of its non-core Jedney assets for net proceeds of approximately $5.3 million and during the fourth quarter of 2013, Ironhorse sold its interest in Leon Lake for approximately $7.1 million in net proceeds. Proceeds from both sales were used to repay and retire Ironhorse's bank indebtedness and fund Ironhorse's final capital requirements to bring the Pembina wells on production and drill an additional Pembina well.

In March 2014, the Pembina 9-5 well commenced production at limited rates. Production was restricted due to insufficient levels of blend gas required to reduce the high concentration of H_2S produced by the Nisku formation in order to meet pipeline specifications. In addition, production was also curtailed due to equipment limitations at the battery, which were not upgraded until March 2015.

Production from the Pembina wells was restricted for seven months throughout 2015 due to facility upgrades and testing performed at the battery by the operator. The Pembina Nisku light oil property was shut-in on January 19, 2016, as a result of low commodity prices. Management was of the view that, with the downward pressure on commodity prices, the temporary shut-in of the Pembina production was a prudent decision to preserve the value of Ironhorse's oil and natural gas reserves. The wells remained shut-in until July 2016 after some improvement in prices occurred and fee reductions were negotiated at the Minnehik Buck Lake facility.

With limited growth opportunities due to depressed market conditions related to financing junior oil and gas activity, a Special Committee comprised of independent directors of Ironhorse was established to review and consider potential options available in order to maximize shareholder value in April 2015. An unsolicited offer for the Ironhorse Shares was made by 1927297 Alberta Ltd. in November 2015, which was ultimately unsuccessful. See "*Description of the Transaction – Background and Reasons for the Transaction*" in the Circular.

On August 14, 2017, Ironhorse and Pond entered into a non-binding letter of intent pursuant to which Ironhorse and Pond propose to complete a business combination by way of take-over bid, and on October 4, 2017, Ironhorse entered into the Amalgamation Agreement with Pond in connection with the Transaction. See "*Description of the Transaction*" and "*Description of the Transaction – Amalgamation Agreement*" in the Circular.

Completion of the Amalgamation and the transactions contemplated by the Amalgamation Agreement is subject to, among other things, the transfer by Ironhorse of its interest in the Kotcho property, the Dawson property and the Balsam property to GRL for nominal consideration and the assumption by GRL of the abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL. In addition, pursuant to the Amalgamation Agreement, Ironhorse has covenanted and agreed that, concurrent with the closing of the Transaction, (i) Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the Sinopec Litigation to GRL or a third party acceptable to Pond, and (ii) GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the Parties, acting reasonably. See "*Description of the Transaction – Amalgamation Agreement – Mutual Conditions in Favour of Pond and Ironhorse*" and "*Description of the Transaction – Amalgamation Agreement – Covenants*" in the Circular.

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information

The following table sets out certain selected financial information of Ironhorse in summary form for the financial years ended 2016 and 2015. This selected financial information has been derived from the Ironhorse audited financial statements for the years ended December 31, 2016 and 2015 and the interim financial statements for the three and six month periods ended June 30, 2017 and 2016, which are incorporated by referenced herein, and should be read in conjunction with those financial statements:

Expenses:	**Year ended December 31, 2015**	**Year ended December 31, 2016**	**Six months ended June 30, 2017**
Operating and transportation	$1,185,015	$710,511	$370,666
General and administrative	688,521	428,371	258,736
Interest and financing costs	(15,535)	(18,187)	(10,552)
Depletion and depreciation	1,475,000	590,000	452,000
Impairment	6,438,330	797,100	1,954,600
Accretion on decommissioning liabilities	3,276	2,920	2,224
Total expenses	**$9,774,607**	**$2,510,715**	**$3,027,674**

For the six months ended June 30, 2017, general and administrative expenses include $81,205 related to the Transaction with no deferred expenses recorded. Ironhorse is directly expensing any costs related to the Transaction as they are incurred.

Management's Discussion and Analysis

Ironhorse's management's discussion and analysis for the years ended December 31, 2016 and 2015 and for the three and six month periods ended June 30, 2017 and 2016, which are incorporated by reference herein, should be read in conjunction with Ironhorse's financial statements, together with the notes thereto, which are also incorporated by reference herein.

Description of Securities

Ironhorse is authorized to issue an unlimited number of Ironhorse Shares and an unlimited number of first preferred shares, each without nominal or par value. As at November 17, 2017, there are 27,885,824 Ironhorse Shares and nil first preferred shares issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attached to such securities.

For a description of the authorized share capital and capitalization of Ironhorse both before and after giving effect to the Consolidation and the Amalgamation, see "*Description of the Transaction*" in the Circular.

Ironhorse Shares

Ironhorse Shareholders are entitled to: (i) receive notice of and to attend all annual and special meetings of shareholders of Ironhorse and to one vote in respect of each Ironhorse Share held at all such meetings; (ii) subject to the rights of the holders of any other class of shares of Ironhorse entitled to receive dividends in prior to or concurrently with the Ironhorse Shareholders, receive dividends if, as and when declared by the Ironhorse Board out of the assets of Ironhorse properly applicable to the payment of dividends in such amounts and payable in such manner as the Ironhorse Board may from time to time determined; and (iii) in the event of the liquidation, dissolution or winding up of Ironhorse or other distribution of assets of Ironhorse among its shareholders for the purpose of winding up its affairs, subject to the rights of the holders of any other class of shares of Ironhorse entitled to receive assets of Ironhorse upon such a distribution in priority to or concurrently with the Ironhorse Shareholders, participate in the distribution. Such distribution shall be made in equal amounts per share on all the Ironhorse Shares at the time outstanding without preference or distinction.

First Preferred Shares

The first preferred shares of Ironhorse may at any time and from time to time be issued in one or more series. The Ironhorse Board may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of first preferred shares, provided that: (i) the first preferred shares shall be entitled to priority over the Ironhorse Shares and all other shares ranking junior to the first preferred shares with respect to the payment of dividends and the distribution of assets of Ironhorse in the event of any liquidation, dissolution or winding up of Ironhorse or other distribution of assets of Ironhorse among its shareholders for the purposes of winding up its affairs; and (ii) the first preferred shares of each series shall rank on a parity with the first preferred shares of every other series with respect to priority in the payment of dividends and the distribution of assets of Ironhorse in the event of any liquidation, dissolution or winding up of Ironhorse or other distribution of assets of Ironhorse among its shareholders for the purposes of winding up its affairs.

Voting Securities and Principal Holders of Voting Securities

To the knowledge of the directors and senior officers of Ironhorse, based upon publicly available information, as at November 17, 2017, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of Ironhorse carrying more than 10% of the voting rights attached to any class of voting securities of Ironhorse.

As at November 17, 2017 the directors and officers of Ironhorse, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,790,159 Ironhorse Shares or approximately 13.6% of the issued and outstanding Ironhorse Shares.

Ironhorse Stock Option Plan and Options Granted

The Ironhorse Stock Option Plan permits the granting of options to purchase Ironhorse Shares to directors, officers, employees, consultants and other service providers ("**Ironhorse Optionees**") (including those persons who provide services to Ironhorse pursuant to the management agreement with GRL) of Ironhorse. The Ironhorse Stock Option Plan is intended to afford persons who provide services to Ironhorse an opportunity to obtain an increased proprietary interest in Ironhorse by permitting them to purchase Ironhorse Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with Ironhorse. The Ironhorse Stock Option Plan is administered by the Ironhorse Board.

Pursuant to the terms of the Ironhorse Stock Option Plan, the aggregate number of Ironhorse Shares reserved for issuance:

(a) on exercise of all options issued under the Ironhorse Stock Option Plan at any given time shall not exceed 10% of the number of outstanding Ironhorse Shares;

(b) to any one Ironhorse Optionee in a 12 month period shall not exceed 5% of the number of outstanding Ironhorse Shares;

(c) to any one director or officer under the Ironhorse Stock Option Plan shall not exceed 5% of the number of outstanding Ironhorse Shares;

(d) to any one consultant in a 12 month period shall not exceed 2% of the number of outstanding Ironhorse Shares; and

(e) to all eligible charitable organizations shall not exceed 1% of the number of outstanding Ironhorse Shares,

subject to the terms of the Ironhorse Stock Option Plan. Further, the maximum number of securities of Ironhorse issuable to insiders, as such terms is defined in the Ironhorse Stock Option Plan, at any time pursuant to the Ironhorse Stock Option Plan shall not exceed 10% of the number of outstanding Ironhorse Shares. The maximum number of securities of Ironhorse issued to insiders, within any one year period, under the Ironhorse Stock Option Plan, shall not exceed 10% of the number of outstanding Ironhorse Shares.

Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Ironhorse Shares that were reserved for issuance thereunder being available for a subsequent grant of options pursuant to the Ironhorse Stock Option Plan. As the Ironhorse Stock Option Plan is a “rolling” plan, the issuance of additional Ironhorse Shares by Ironhorse or the exercise of options will also give rise to additional availability under the Ironhorse Stock Option Plan.

Options granted pursuant to the Ironhorse Stock Option Plan have a term not exceeding five years and vest in such manner as determined by the Ironhorse Board. In the absence of any specific determination to the contrary by the Ironhorse Board, options will vest and be exercisable as to 1/3 on each of the first, second and third anniversaries of the date of grant, subject to acceleration of vesting in the discretion of the Ironhorse Board. If an option is set to expire within ten (10) business days following the end of a Black Out Period (as such term is defined in the Ironhorse Stock Option Plan), the expiry date of the option shall be extended for 10 business days following the end of the Black Out Period.

The exercise price of the options granted pursuant to the Ironhorse Stock Option Plan is determined by the Ironhorse Board at the time of grant, provided that the exercise price shall not be less than the discounted market price, determined in accordance with the rules of the TSXV. For this purpose, discounted market price shall mean the closing trading price per Ironhorse Share on the last trading day preceding (a) the issuance of a news release in respect of the option grant; or (b) the date of grant, as applicable, on which there was a closing price, less the applicable discount.

In the event that an Ironhorse Optionee ceases to be a director, officer, employee of or service provider to Ironhorse or a subsidiary of Ironhorse for any reason, including without limitation, resignation, dismissal or otherwise but excluding death, the Ironhorse Optionee may, prior to the expiry date of the options and within 90 days from the date of ceasing to be a director, officer, employee or service provider, exercise any options which are vested within such period, after which time any outstanding options shall terminate. In the event of death of the Ironhorse Optionee, the Ironhorse Optionee's legal representative may, within one (1) year from the Ironhorse Optionee's death and prior to the option expiry date, exercise the options which are vested within such period, after which time any remaining options shall terminate.

The policies of the TSXV require that the Ironhorse Stock Option Plan be approved every year by Ironhorse Shareholders. The Ironhorse Stock Option Plan was last approved by Ironhorse Shareholders at Ironhorse’s annual and special meeting held on September 20, 2016 and is to be put forward for approval by Ironhorse Shareholders at the Ironhorse Meeting. Ironhorse is proposing certain amendments to the Ironhorse Stock Option Plan for consistency with the TSXV’s policies with respect to: (a) confirmation that Ironhorse Optionees are bona fide “Employees”, “Consultants” or “Management Company Employees” (as such terms are defined in the TSXV

Corporate Finance Manual), as the case may be, and (b) the non-assignability and non-transferability of all options granted pursuant to the Ironhorse Stock Option Plan, in each case as more particularly set out in the amended Ironhorse Stock Option Plan attached as Schedule N to the Circular. See "*Particulars of Matters to be acted upon at the Ironhorse Meeting – 2. The Ironhorse AGM Resolutions – Ironhorse Stock Option Plan Resolution*".

As at the date hereof, there are no options outstanding under the Ironhorse Stock Option Plan. Pursuant to the Transaction, each Pond Option which is outstanding prior to the Effective Time shall be cancelled and in its place its holder shall receive in exchange thereafter options to purchase Ironhorse Shares under the Ironhorse Stock Option Plan, having the same terms and conditions as the cancelled Pond Options, including the term to expiry, vesting conditions and manner of exercising. See "*Description of the Transaction – Amalgamation – Outstanding Pond Options, Pond Warrants and Agent Warrants*" in the Circular.

It is anticipated that there will be 1,085,000 Resulting Issuer Options outstanding under the Resulting Issuer Stock Option Plan upon the completion of the Transaction. See Schedule C, "*Information Concerning Pond – Options to Purchase Securities*".

Prior Sales

No Ironhorse Shares were issued during the 12-month period prior to the date of the Circular. In addition, no options to acquire Ironhorse Shares were granted, exercised or cancelled during the 12-month period prior to the date of the Circular.

Stock Exchange Price

The Ironhorse Shares have been posted for trading on the TSXV under the trading symbol "IOG" since May 14, 2004. The Ironhorse Shares were halted from trading on August 14, 2017 pending the receipt and review by the TSXV of acceptable documentation regarding the Transaction, including the review of this Circular.

	TSXV		
Month	**High (C$)**	**Low (C$)**	**Volume**
November 1 to 17, 2017	-	-	-
October 2017	-	-	-
September 2017	-	-	-
August 2017	0.120	0.095	39,915
July 2017	0.125	0.090	69,825
Quarter ended June 30, 2017	0.145	0.090	3,098,745
Quarter ended March 31, 2017	0.165	0.110	2,002,849
Quarter ended December 31, 2016	0.125	0.100	1,237,408
Quarter ended September 30, 2016	0.135	0.070	1,604,763
Quarter ended June 30, 2016	0.125	0.075	752,122
Quarter ended March 31, 2016	0.130	0.070	380,013
Quarter ended December 31, 2015	0.170	0.105	1,148,292

Executive Compensation

Compensation Discussion and Analysis

The Chief Executive Officer and the Vice President Finance and Chief Financial Officer are employees of GRL and their services are made available to Ironhorse pursuant to the management agreement described below. In assessing the compensation for executives employed by Ironhorse from time to time, Ironhorse has established a "pay-for-performance" philosophy which supports Ironhorse's commitment to delivering continuous strong performance for its shareholders. Ironhorse's compensation policies are founded on the principle that compensation should be aligned with shareholders' interests, while also recognizing that Ironhorse's corporate performance is dependent upon the retention of highly trained, experienced and committed executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage its business. Ironhorse's program also recognizes that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences from time to time.

In furtherance of this, Ironhorse has entered in to a management agreement (the "**Management Agreement**") with GRL (see "*Information Concerning Ironhorse – Executive Compensation – Management Contracts*" below). Fees payable under the Management Agreement were $15,000 per month for 2016 and $15,000 per month for 2015. GRL has a staff of 12 people, as well as access to several long term consultants that are used when specific activity requires additional resources. The Management Agreement with GRL allows Ironhorse to have access to greater number of personnel as opposed to hiring staff directly. Compensation paid and payable to certain persons at GRL who are also officers of Ironhorse are disclosed and described elsewhere herein.

Executive Compensation Principles

The main objectives of Ironhorse's executive compensation program is to attract, recruit and retain individuals of high caliber to serve as officers of the corporation, to motivate their performance in order to achieve Ironhorse's strategic objectives and to align their interests with the long-term interests of Ironhorse's shareholders and enhancement in share value. In approaching these key objectives, the Ironhorse Board recognizes that a "pay-for-performance" philosophy should be applied in compensation-related decisions and that such objectives are designed to promote Ironhorse's continued growth in production, reserves, funds from operations and earnings on an absolute and per share basis.

Ironhorse's compensation program is primarily designed to reward performance and, accordingly, the performance of Ironhorse and Ironhorse's paid executives (and other executive officers who may become paid employees of Ironhorse at a future date) are examined by the Ironhorse Board in conjunction with setting executive compensation packages. Some of the factors looked at by the Ironhorse Board in assessing the performance of Ironhorse and its executive officers are as follows: (a) absolute and per share production growth; (b) finding and on stream costs (for both current and longer periods); (c) overall oil and gas reserve changes, looking at both proven and probable reserves; (d) recycle ratio based on the relationship between finding costs and field netbacks; (e) funds from operations per share changes; and (f) Ironhorse's performance for all of the above relative to its stated goals and objectives and in relation to the performance of its industry peer group.

Executive compensation consists of three principal components: (a) base salary; (b) bonuses: and (c) participation in long-term incentive compensation programs. The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competiveness of Ironhorse's executive compensation package. Each element of Ironhorse's executive compensation program is described below.

Elements of Ironhorse's Executive Compensation Program

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects the executive's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. Ironhorse intends to pay a base salary to its executive that is competitive with those of comparable companies in the oil and gas industry. The Ironhorse Board compares the base salaries of its executives with that of officers at peer companies in the oil and gas industry and expects to set Ironhorse's pay level in-line with the average for such position while also considering the other components of its executive compensation package. Factors looked at in assessing peer companies will include total revenue, total assets, funds from operations, total level of capital expenditures, number of employees and daily production levels on a barrel of oil equivalent basis.

Annual Cash Bonuses

The Ironhorse Board reviews the factors mentioned above relative to peer companies in order to determine whether an annual bonus is warranted. The annual cash bonus element of the compensation program is designed to reward both corporate and individual performance during the last completed financial year. The amount of any bonus paid is the result of analysis and subjective determination of both Ironhorse's and the individual's performance and is approved by the Ironhorse Board. The Ironhorse Board has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Long Term Incentive Compensation — Stock Options

Ironhorse options are granted under the Ironhorse Stock Option Plan to directors, officers, employees, consultants and other service providers, including those persons who provide services to Ironhorse pursuant to the Management Agreement with GRL, and are intended to align executive, employee, consultants, service provider and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Ironhorse Stock Option Plan rewards overall corporate performance, as measured through the price of the Ironhorse Shares, which are traded on the TSXV. In addition, the Ironhorse Stock Option Plan enables executives to develop and maintain a significant ownership position in Ironhorse. The outstanding amount of previously granted stock options to an individual is taken into account when considering new grants. See "*Information Concerning Ironhorse – Incentive Plans — Ironhorse Stock Option Plan*".

Management Agreement

As disclosed herein, the President and Chief Executive Officer and the Vice President Finance and Chief Financial Officer of Ironhorse are compensated indirectly by Ironhorse through the Management Agreement with GRL. By contracting out these services, Ironhorse's compensation levels will fluctuate based on Ironhorse's level of activity and production levels. Certain employees of GRL are eligible to participate in the Ironhorse Stock Option Plan but are paid all other compensation directly by GRL.

Summary

Ironhorse's compensation policies have allowed Ironhorse to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Ironhorse Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of Ironhorse.

Summary Compensation Table

The following table sets forth, for the six month period ended June 30, 2017 and the years ended December 31, 2016, 2015, and 2014, information concerning the compensation paid to the Chief Executive Officer and the Vice President Finance and Chief Financial Officer of Ironhorse (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**"). There were no other officers of Ironhorse during such periods.

NEO Name and principal position	Financial Period(1)	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value ($)	All other Comp.(3) ($)	Total Comp. ($)
					Annual Incentive Plans	Long-term incentive plans			
Larry J. Parks Chairman of the Board, President & Chief Executive Officer(1)(2)	Six months ended June 30, 2017	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000
	2016	40,000	Nil	Nil	Nil	Nil	Nil	Nil	40,000
	2015	40,000	Nil	Nil	Nil	Nil	Nil	Nil	40,000
	2014	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Karen Hutson Vice President Finance & Chief Financial Officer(2)	Six months ended June 30, 2017	10,000	Nil	Nil	Nil	Nil	Nil	Nil	10,000
	2016	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000
	2015	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000
	2014	25,000	Nil	Nil	Nil	Nil	Nil	Nil	25,000

Notes:

(1) For details of the Management Agreement between Ironhorse and GRL pursuant to which, among other things, the services of certain Named Executive Officers were provided, see "*Information Concerning Ironhorse – Management Contracts*" below.

(2) The compensation disclosed herein was paid directly by GRL to Mr. Parks and Ms. Hutson, and is based on the total management fees paid to GRL for the six month period ended June 30, 2017 and the years ended December 31, 2016, 2015, and 2014 respectively, and is an approximate allocation of time and level of responsibility Mr. Parks and Ms. Hutson assumed on behalf of Ironhorse pursuant to the Management Agreement.

(3) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

Managing Compensation Risk

As disclosed herein, the President and Chief Executive Officer and the Vice President Finance and Chief Financial Officer of Ironhorse are compensated indirectly by Ironhorse through the Management Agreement with GRL. The Ironhorse Board manages the risk associated with the compensation provided under the Management Agreement through the negotiation of the terms and conditions of the Management Agreement. For details on the Management Agreement, see "*Information Concerning Ironhorse – Management Contracts*" below. The component of Ironhorse's executive compensation program provided directly by Ironhorse consists primarily of the granting of options under the Ironhorse Stock Option Plan. The Ironhorse Stock Option Plan is administered by the Ironhorse Board, and accordingly any option grants require the review and approval of the Ironhorse Board. The amount of options granted to any one individual, as part of their initial compensation or as part of Ironhorse's long term incentive program, have historically fallen within reasonable levels and have been commensurate with the individual's level of ongoing responsibility within Ironhorse and therefore represent a minimal level of risk to Ironhorse from any potential inappropriate risk-taking by any officers or senior management representing Ironhorse. Options granted typically vest over a three year period which further mitigates the potential harm to Ironhorse from any short-term risks. See "*Information Concerning Ironhorse – Ironhorse Stock Option Plan and Options Granted*" above.

Anti-Hedging Policy

As of December 31, 2016, Ironhorse did not have a formal policy specifically prohibiting a director or NEO from purchasing financial instruments designed to hedge or offset a decrease in market value of any Ironhorse Shares granted as compensation or held, directly or indirectly, by the NEO or director. Ironhorse has adopted a written code of business conduct (the "**Code**") for its directors, officers and employees, which is filed on SEDAR at www.sedar.com under Ironhorse's profile. The Code requires that all employees act at all times in full compliance with the letter and spirit of all laws, rules and regulations applicable to the business of Ironhorse.

Incentive Plans

Cash Bonus

Ironhorse does not have a formal cash bonus plan for its executive officers and employees but the Ironhorse Board may consider cash bonuses for its executive officers and employees based and dependent upon, among other things, the performance of both Ironhorse and the individual for the applicable period. The amount of any cash bonus awarded would be the result of analysis and subjective determination of both Ironhorse's and the individual's performance by the Ironhorse Board. The Ironhorse Board has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-based Awards

Ironhorse did not have any share-based awards outstanding at the end of the most recently completed financial year. Mr. Parks, the Chairman of the Board, President and Chief Executive officer of Ironhorse, did not have any option-based awards outstanding at the end of the most recently completed financial year. Mr. Hutson, the Vice President Finance and Chief Financial Officer of Ironhorse, held out-of-the-money options exercisable for 75,000 Ironhorse Shares at an exercise price of $0.17 per Ironhorse Share, which expired, unexercised, on January 9, 2017.

Pension Plan Benefits

Ironhorse does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

There are currently no contracts, agreements, plans or arrangements currently in place for any of the NEOs that provide for payments to an NEO following or in connection with any termination, resignation, retirement, change in control of Ironhorse or a change in an NEO's responsibility.

Director Compensation

Commencing with the first quarter of 2015, the Ironhorse Board approved a quarterly retainer of $2,500 payable to non-management directors. In addition, in 2015 a Special Committee was established to pursue strategic alternatives for maximizing shareholder value. The Ironhorse Board approved retainers of $10,000 per Special Committee member, with the Special Committee chair receiving $15,000. In 2016, the Ironhorse Board determined that only 50% of the originally approved retainers for the Special Committee members would be paid.

Ironhorse Directors may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management directors are also eligible to participate in the Ironhorse Stock Option Plan.

Directors Compensation Table

The following sets forth the compensation provided by Ironhorse to the members of the Ironhorse Board for the six month period ended June 30, 2017 and the year ended December 31, 2016.

Name	Financial Period	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan comp-ensation ($)	Pension value ($)	All other comp-ensation ($)	Total ($)
Gerry C. Quinn	Six months ended June 30, 2017	5,000	Nil	Nil	Nil	Nil	Nil	5,000
	December 31, 2016	10,000	Nil	Nil	Nil	Nil	Nil	10,000
Michael A. Royan	Six months ended June 30, 2017	5,000	Nil	Nil	Nil	Nil	Nil	5,000
	December 31, 2016	10,000	Nil	Nil	Nil	Nil	Nil	10,000
Robert Desbarats	Six months ended June 30, 2017	5,000	Nil	Nil	Nil	Nil	Nil	5,000
	December 31, 2016	10,000	Nil	Nil	Nil	Nil	Nil	10,000
Wayne W. Chow(1)	Six months ended June 30, 2017	5,000	Nil	Nil	Nil	Nil	Nil	5,000
	December 31, 2016	10,000	Nil	Nil	Nil	Nil	Nil	10,000

Ironhorse paid an aggregate of $30,442 on account of legal services rendered by Osler, Hoskin & Harcourt LLP, of which Mr. Desbarats is a partner of, to Ironhorse for the year ended December 31, 2016.

Directors' Outstanding Option-Based Awards and Share-Based Awards

No directors of Ironhorse had any share-based awards or option-based awards outstanding at the end of the most recently completed financial year.

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The following sets forth information in respect of securities authorized for issuance under Ironhorse's equity compensation plans as at December 31, 2016.

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 securities reflected in column (a))
Equity compensation plans approved by securityholders	Nil	N/A	2,788,582[(1)]
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	2,788,582

Note:

(1) The aggregate number of Ironhorse Shares reserves for issuance under the Ironhorse Stock Option Plan is 10% of the number of outstanding Ironhorse Shares less any existing options. There were no outstanding options as of February 17, 2017.

Management Contracts

Ironhorse is party to the Management Agreement with GRL, a company related by virtue of common management. Pursuant to the terms of the Management Agreement, GRL provides technical and administrative services typically required in operating an oil and gas company. These include management, development, exploitation and operation of Ironhorse's assets and access to geological and technical data. The management fees charged in 2016 and 2015 is a flat fee per month for administrative and technical services provided by GRL. This arrangement has provided Ironhorse with the benefits of accessing a larger more comprehensive pool of technical and administrative services than it could otherwise afford. For the period ended December 31, 2016, total fees of $180,000 (December 31, 2015: $180,000) were paid by Ironhorse to GRL. Since January 1, 2017 to November **17,** 2017, total fees of $150,000 have been paid by Ironhorse to GRL pursuant to the Management Agreement.

It is a condition to the completion of the Transaction that Ironhorse shall enter into an amended management agreement with GRL, providing for a $7,500 per month management fee in relation to management of the Pembina property, in a form acceptable to the Parties, acting reasonably. See "*Description of the Transaction – Amalgamation Agreement – Mutual Conditions in Favour of Pond and Ironhorse*" in the Circular.

Larry J. Parks (an Informed Person, as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Calgary, Alberta is also a director and the President and Chief Executive Officer of GRL. GRL's office is located at 324 - 8th Avenue SW, Suite 1000, Calgary, Alberta T2P 2Z2. The names and municipality of residence of the other management insiders of GRL are as follows:

Name	Municipality of Residence
Gerry C. Quinn, Director	Concord, Ontario
Marlon McDougall, Chief Operating Officer	Calgary, Alberta
Dennis Jamieson, Chief Financial Officer	Calgary, Alberta
Lorie Wheeler, Executive Vice President, General Counsel and Corporate Secretary	Calgary, Alberta
Deric Orton, Vice President Land and Business Development	Calgary, Alberta

No insider of GRL or any of their respective associates or affiliates is, or has been at any time since the commencement of Ironhorse's last financial year, indebted to Ironhorse or any of its subsidiaries in respect of any indebtedness that was outstanding or a party to any transaction or arrangement with Ironhorse or any of its subsidiries.

Indebtedness of Directors and Officers

No director, executive officer, employee or former executive officer, director or employee of Ironhorse, or its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of Ironhorse, indebted to Ironhorse or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of Ironhorse 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 Ironhorse or any of its subsidiaries.

Corporate Governance Disclosure

Set forth below is a description of Ironhorse's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**"). The requirements of Form 58-101F2 are set out below in italics:

Board of Directors

Disclose how the board of directors (the board) facilitates its exercise or independent supervision over management including (i) the identity of directors who are independent, and (ii) the identity of directors who are not independent, and describe the basis for that determination.

The Ironhorse Board currently consists of five directors who provide Ironhorse with a wide diversity of business experience. Four of the current Ironhorse Board members (representing 80% of the Ironhorse Board), being Messrs. Quinn, Royan, Desbarats and Chow are independent directors as such term is defined by NI 58-101. Mr. Parks as a member of the Ironhorse Board and in his capacity as the Chief Executive Officer is not an independent director as that term is defined in NI 58-101. Each of the independent directors has no direct or indirect material relationship with Ironhorse, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of Ironhorse or which could reasonably be expected to interfere with the exercise of the director's independent judgment.

Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

One of the directors of Ironhorse is presently a director of other reporting issuers, namely Gerry C. Quinn at iLOOKABOUT Corp. (TSXV).

Orientation and Continuing Education

Describe what steps the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

While Ironhorse does not currently have a formal orientation and education program for new recruits to the Ironhorse Board, Ironhorse has historically provided such orientation and education on an informal basis. As new directors join the Ironhorse Board, management will provide these individuals with corporate policies, historical information about Ironhorse, as well as information on Ironhorse's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Ironhorse Board believes that these procedures will prove to be a practical and effective approach in light of Ironhorse's particular circumstances, including the size of Ironhorse, limited changes to members of the Ironhorse Board and the experience and expertise of the members of the Ironhorse Board.

Ethical Business Conduct

Describe what steps the Ironhorse Board takes to encourage and promote a culture of ethical business conduct.

The Ironhorse Board has adopted the Code of Business Conduct for directors and officers of Ironhorse. Directors and officers are required to sign acknowledgements that they have read and understand the Code. A copy of the Code can be found on SEDAR under Ironhorse's profile at www.SEDAR.com.

Nomination of Directors

Describe what steps, if any, are taken to identify new candidates for board nomination, including (i) who identifies new candidates and; (ii) the process of identifying new candidates.

Pursuant to their mandate, the Ironhorse Board has the responsibility of recruiting and recommending new members to the Ironhorse Board. At present, the Ironhorse Board has not identified the need to add any new directors. However it is expected that any new candidates will be identified having regard to: (i) the competence and skills that the Ironhorse Board considers to be necessary for the Ironhorse Board, as a whole, to possess; (ii) the competence and skills that the Ironhorse Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Ironhorse Board. The Ironhorse Board reviews on a periodic basis the composition of the Ironhorse Board to ensure that an appropriate number of independent directors sit on the Ironhorse Board, and analyze the needs of the Ironhorse Board and recommend nominees who meet such needs.

Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including (i) who determines compensation; and (ii) the process of determining compensation.

The Ironhorse Board is responsible for (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of Ironhorse, including the Ironhorse Option Plan. The initial grant of options is made at the time of recruitment and reviewed annually.

Other Board Committees

If the Board of Directors has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Larry J. Parks, Wayne W. Chow and Robert Desbarats are members of Ironhorse's Reserve Committee. The Reserve Committee is responsible for (i) reviewing estimates of reserves prepared by management and evaluated by independent petroleum engineers; and (ii) assuring the independence of the independent petroleum engineers.

In 2015, the Ironhorse Board established a Special Committee to pursue strategic alternatives for maximizing shareholder value. In April, 2016, this Special Committee was suspended as a result of developments at Pembina. The Ironhorse Board may determine, in its sole discretion, that the Special Committee resume the process in the future.

Assessments

Disclose what steps, if any, the Ironhorse Board takes to satisfy itself that the Ironhorse Board, its committees, and its individual directors are performing effectively.

The Ironhorse Board makes annual assessments regarding the effectiveness of the Ironhorse Board itself, committees and individual directors in fulfilling their responsibilities.

Audit Committee

Audit Committee Mandate and Terms of Reference

The Mandate of the Audit Committee of the board of directors of Ironhorse is attached hereto as Schedule O.

Composition of the Audit Committee

The following table sets forth the names of each current member of the Audit Committee, whether such member is independent (in accordance with National Instrument 52-110 – Audit Committees ("**NI 52-110**")), whether such member is financially literate and the relevant education and experience of such member:

Name and Jurisdiction of Residence	Independent	Financially Literate	Relevant Education and Experience
Gerry C. Quinn Ontario, Canada	Yes	Yes	Gerry C. Quinn is the President of The Erin Mills Investment Corporation, a private venture capital company. Prior to joining Erin Mills, Mr. Quinn served as a senior officer in Magna International Inc. and Barrincorp, both publicly traded companies, and as a partner in the public accounting firm of Ernst & Young. Mr. Quinn has been a Director of a number of public and private companies in diverse industries. Mr. Quinn acts as an investment advisor to emerging businesses.
Michael A. Ryan Alberta, Canada	Yes	Yes	Michael A. Royan has over 15 years of experience in the financial services industry in the areas of mergers, acquisitions, valuations, fairness opinions, corporate finance and corporate strategy and is currently the President and Managing Director of Stonepoint Strategic Advisors Inc., which provides financial advisory services to companies primarily in the oil and gas and oilfield services industries. Mr. Royan holds a Bachelor of Commerce degree from the University of Calgary and the professional designations of Chartered Financial Analyst and Chartered Business Valuator.
Wayne W. Chow Alberta, Canada	Yes	Yes	Mr. Chow is a professional engineer and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, with over 33 years of oil and gas engineering and evaluation experience. He is a former Vice President and director of GLJ Petroleum Consultants and has served as a director or past-director of numerous private companies. Since October 2005, Mr. Chow has been an independent businessman and a consultant to various oil and gas companies.

External Auditor Service Fees

Audit Fees

The aggregate fees charged by Ironhorse's external auditor in each of the last two fiscal years for audit services were $37,500 in 2016 and $37,500 in 2015.

Audit – Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance related services by Ironhorse's external auditor that are reasonably related to the performance of the audit or review of Ironhorse's financial statements that are not reported under "Audit Fees" above were $nil in 2016 and $nil in 2015.

Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by Ironhorse's external auditor for tax compliance, tax advice and tax planning were $nil in 2016 and $nil in 2015.

All Other Fees

The aggregate fees billed in each of the last two fiscal years for other professional services rendered by Ironhorse's external auditor amounted to $nil in 2016 and $nil in 2015.

Exemptions

Ironhorse relies on section 6.1 of NI 52-110 as Ironhorse is a venture issuer.

Non Arm's Length Transactions

It is the collective view of Ironhorse and Pond that the proposed Transaction is not a Non Arm's Length Transaction for purposes of the TSXV.

Legal Proceedings

On February 23, 2016, Ironhorse and GRL, the operator of Ironhorse's Pembina wells, jointly filed a Statement of Claim in the Court of Queen's Bench of Alberta against Sinopec Daylight Energy Ltd. ("**Sinopec**"). On April 15, 2016, Sinopec filed a Statement of Defense, as well as a Counterclaim, in response to Ironhorse's and GRL's Statement of Claim. On May 24, 2016 Ironhorse and GRL filed a Statement of Defense to the Sinopec counterclaim.

Ironhorse and GRL are seeking damages against Sinopec in the amount of $46,300,000 for misrepresentation and breach of contract relating to a dispute between the parties involving the transfer of a 12.5% interest in lands within a region described as the Pembina Nisku Section 5 and SE Section 8 50-06W5M (the "**L2L Pool**") and related facilities construction work to tie in L2L production. Sinopec is counterclaiming for damages against Ironhorse and GRL in the amount of $32,200,000 in the dispute and is also seeking damages related to certain disputed joint interest billings between $1,500,000 and $3,000,000.

The action is at a very early stage in the proceedings. The parties have not yet exchanged production of records. While the outcome of these claims is uncertain, and there can be no assurance that such claims will be resolved in Ironhorse's favor, Ironhorse does not believe that the outcome of adverse decisions in any proceedings related to these claims, or any amount which it may be required to pay, would have a material adverse impact on its financial position.

Auditor, Transfer Agents and Registrars

Auditor

The auditors of Ironhorse are Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants, located at 333 11 Ave. SW #1500, Calgary, Alberta T2R 1L9.

Transfer Agent and Registrar

Ironhorse's transfer agent and registrar is Computershare Trust Company of Canada at its principal office in Calgary, Alberta at 530 8 Ave. SW, Calgary, Alberta T2P 3S8.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contract which Ironhorse has entered into within the last two years before the date of the Circular is the Amalgamation Agreement, a copy of which is attached as Schedule D to the Circular. See "*Description of the Transaction – Amalgamation Agreement*" in the Circular.

Schedule B

INFORMATION CONCERNING POND

Terms not otherwise defined in this Schedule have the meanings given to them in the Circular under "*Glossary*".

Forward-Looking Information

This Schedule B contains forward-looking information relating to, without limitation, Pond's business, activities and its intentions, plans, expectations and anticipated financial performance or condition and future activities. See "*Joint Management Information Circular – Cautionary Note Regarding Forward-Looking Information*" in the Circular.

This Schedule B contains information derived from articles and research prepared by third party sources regarding, among other things, the algae-based nutraceutical and pollution abatement industries and markets. Although Pond believes that such information is reliable, it has not independently verified such information and does make any representations as to the accuracy or completeness of same. Accordingly, readers are cautioned not to place undue reliance upon such information.

Corporate Structure

Name and Incorporation

Pond was incorporated pursuant to a certificate of incorporation issued under the *Canada Business Corporations Act* on May 27, 2008 under the name "Pond Biofuels Inc." Pond was continued into Ontario pursuant to articles of continuance filed November 14, 2008. Pursuant to articles of amendment dated May 4, 2016, Pond changed its name to "Pond Technologies Inc." The head and registered office for Pond is 8-250 Shields Court, Markham, Ontario, Canada, L3R 9W7.

Intercorporate Relationships

Pond does not have any subsidiaries. Pursuant to the Transaction, Pond will amalgamate with Newco to form Amalco and Amalco will be a wholly-owned subsidiary of Ironhorse. Following the Amalgamation, Amalco will carry on business under the name "Pond Technologies Inc." See Schedule C, "*Information Concerning the Resulting Issuer – Intercorporate Relationships*".

General Development of the Business

Pond is a technology company that focuses on using enclosed photobioreactors and raw stack gas emissions from large final emitters for the rapid production of microalgal biomass with no disruption to the host facility. Pond's technology offers cement, steel, oil, chemicals, power producers and all other large final emitters an opportunity to generate significant revenue from their greenhouse gas emissions, through production of valuable algae biomass. Pond's technology can also assist in the production of algae-based "superfoods" by providing algae feedstock and algae derived ingredients that are used in their manufacture.

The algae produced using Pond's proprietary technology can be used in various other capacities as well. Algae is a significant source of bio-oil, which can be processed into a drop-in replacement for many fossil fuels. Algae can be used for soil amendment, to assist in site remediation, as a high protein feed for use in agriculture and aquaculture, and has a myriad of other valuable uses. Revenue streams from these uses of the algae product grown from the stack gas emissions may be further augmented by the potential generation and sale of carbon credits.

General Development and Products

Pond has made several significant improvements in the development of its technology, providing for shipping container-size bioreactors to be used in the production of high value products derived from the growth of specific strains of algae. Pond is seeking to demonstrate the technical advantage afforded by its bioreactor platform through the production of high value algae and a move towards targeted end product licensing of its technology to existing or new algae producers. If successful, this would result in a significantly improved revenue outlook for Pond over the near term. This should also provide support for additional license and royalty fees, and proprietary equipment sales.

Since its inception Pond has been focused on development and protection of its intellectual capital, and in August 2014, the first of Pond's many U.S. patents was registered. This patent marked the first of four granted patents in the U.S. and was followed by patents registered in Europe, China, and Taiwan. Pond continues to develop its intellectual property portfolio, and has additional U.S., Canadian, and other country filings in process. See "*Proprietary Protection*" below.

In September 2014, Pond successfully completed work at two sites, including the development of a new illumination system and process integration into 60 L, 1,000 L and 8,000 L bioreactor processes, which led to a demonstration facility at U.S. Steel Canada (since renamed Stelco Inc. ("**Stelco**")) as well as work at St. Marys Cement Inc. ("**SMC**") in support of a loan agreement with the Government of Ontario under its Ministry of Economic Development, Employment, and Infrastructure Innovation Development Fund ("**IDF**") programme (the "**IDF Loan**"). This forgivable loan was provided to Pond in support of commercialization efforts for its technology, with forgiveness to be granted on the basis of meeting program milestones. The successful completion of the work at Stelco and SMC allowed Pond to apply for loan forgiveness over two years earlier than originally contemplated. On May 19, 2015, Pond received a letter from the Province of Ontario under its IDF progamme, confirming that Pond had successfully completed its programme objectives, and had submitted all documentation to satisfy the conditions for early forgiveness of the $1,852,095 IDF Loan. The forgiveness of the IDF Loan removed the secured liability from Pond's books, and crystallized the funding as a non-dilutive investment in Pond.

In early 2015, Pond began to grow *H. pluvialis*, an example of a high value algae for human and aquaculture use. *H. pluvialis* contains a compound, astaxanthin, which is both an antioxidant and necessary nutritional supplement for aquaculture feeds. With an estimated global market of US$440 million in 2013 and predicted to grow to US$1.1billion in 2020, there is a market demand for astaxanthin.[1] Incumbent firms growing astaxanthin bearing algae access these products by growing algae in large outdoor open ponds; in contrast, Pond's fully enclosed bioreactor's have significant advantages over these firms, as they can maintain consistent growth conditions to ensure reliable production, achieve higher growth rates, and they require a fraction of the land.

In March 2015, Pond achieved its first sale of a licence to its technology, through an agreement negotiated with MSCNOXRECOVERY INC. ("**MSC Energy**"), a supplier of heat and power co-generation equipment to industry. Pond's project with MSC Energy consisted of the design of a 1,000 L photobioreactor made to fit inside a shipping container that will absorb the pollution from MSC Energy's generators. Pond provided the engineering support to MSC Energy, while MSC Energy led the implementation and installation. Pond received a combination of license fees, engineering consulting fees, success fees, and revenue from the sale of certain proprietary equipment (e.g., its light engine) totalling $312,000. The license also granted MSC Energy a three year option to purchase, at an option exercise price of $30 million, an exclusive, irrevocable, perpetual, royalty-free, master license for the application of the Pond technology to the cogeneration sector, with no geographic restrictions and the unrestricted ability to create site sub-licenses. MSC Energy, now OOM Energy, is contemplating other projects, and Pond is continuing discussions on additional installations.

In June 2015, Pond negotiated a term sheet with the National Research Council of Canada (the "**NRC**") regarding a new project, with participation from the NRC, SMC and Canadian Natural Resources Limited ("**CNRL**"), as an observer. This $4 million project contemplated the installation and operation of Pond's new 25,000 L photobioreactor at the SMC manufacturing plant in St. Marys, Ontario. The project contemplated the NRC

[1] https://www.reportlinker.com/p02788641/Global-Astaxanthin-Market-Sources-Technologies-and-Applications.html

providing significant financial support, in addition to proprietary algae strains, and Pond providing the photobioreactor technology for the project. On October 14, 2015, the ACC Scale-up Demonstration Project Collaborative Research Agreement (the "**Collaborative Research Agreement**") was entered into between Pond, SMC and the NRC to give effect to the project. On June 30, 2016, the 25,000L photobioreactor was installed at the site, and it currently represents Pond's main pilot project. See "*Material Agreements – Collaborative Research Agreement*".

In mid-2016, Pond entered its microalgal greenhouse gas remediation process in the NRG COSIA Carbon XPRIZE competition (the "**XPRIZE**", or the "**competition**"), along with partners Markham District Energy Inc. ("**Markham District**"), the City of Markham and the NRC. On January 30, 2017, Pond successfully advanced to the second round of the XPRIZE, and was subsequently notified that it would be awarded $833,333 by the Ontario Centres of Excellence (the "**OCE**") in support of its work. Pond's award was to fund 50% of eligible expenses, offset against $1,473,812 of eligible XPRIZE expenditures. On March 2, 2017, Pond entered into the Target GHG NRG COSIA Carbon XPRIZE Program funding agreement (the "**OCE Program Funding Agreement**") with the OCE, in partnership with NRG COSIA Carbon XPRIZE, to provide the up to $833,333 in funding to support the development and demonstration of the competition. The funding is for microalgal process improvement activities including pilot scale demonstration, demonstration in controlled environment, and demonstration in real-life environment. See "Material Agreements – OCE Project Funding Agreement".

On June 16, 2017, Markham District and Pond entered into a memorandum of understanding (the "**Markham District MOU**") to establish the framework for collaboration on a project to evaluate the potential environmental benefits and revenue streams from capturing the emissions from the Warden Energy Centre ("**WEC**") owned by Markham District (which includes a 5MWe natural gas combined heat and power facility) and growing algae using Pond's algae growing platform. See "Material Agreements – Markham District MOU".

Pond entered into a memorandum of understanding with SNC-Lavalin on November 28, 2016 (the "**SNC-Lavalin MOU**"), with the intent of developing a long term relationship between the two parties to develop projects. This relationship and the SNC-Lavalin MOU do not preclude Pond from working with other engineering firms; rather, both are intended to enhance Pond's global capacity to execute algae projects.

Please see "*Narrative Description of the Business*" below for a description of Pond's principal products.

Financings

The Financing

In connection with the Transaction, Pond has engaged the Agents to complete the Financing on a best-efforts agency basis. The Financing will be a private placement of a minimum of 2,708,333 Subscription Receipts and a maximum of 4,166,666 Subscription Receipts at a price of $2.40 per Subscription Receipt for aggregate gross proceeds to Pond of a minimum of $6,500,000 and a maximum of $10,000,000 (subject to the exercise, if any, of an over-allotment option granted to the Agents to issue and sell up to an additional 15% of the aggregate number of Subscription Receipts sold under the Financing which, if exercised, would result in the issuance of a maximum of 4,791,666 Subscription Receipts for aggregate gross proceeds to Pond of $11,500,000). Subject to the satisfaction of the Escrow Release Conditions, each Subscription Receipt is automatically exchangeable, without additional payment or further action on the part of the holder thereof, into one Pond Share, which shall be subsequently exchanged for one Resulting Issuer Share upon the completion of the Transaction. The Agents will be entitled to certain cash and compensation unit commissions under the Financing. See "*Description of the Transaction – The Financing*" in the Circular.

Brokered private placement (September 2017)

On September 21 , 2017, Pond issued 240,000 units ("**Units**") at a price of $2.00 per Unit for aggregate gross proceeds of $480,000 (the "**September 2017 Brokered Private Placement**"). Each Unit was comprised of one Pond Share and one Pond Warrant. In addition, Pond issued 19,200 Units (the "**Agent Units**") to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit. Each Agent Unit was comprised of one Pond Share and one Pond Warrant. Each Pond Warrant issued under the September 2017 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until September 21, 2019.

Brokered private placement (February 2017)

On February 23, 2017, Pond issued 450,000 Units at a price of $2.00 per Unit for aggregate gross proceeds of $900,000 (the "**February 2017 Brokered Private Placement**"). Each Unit was comprised of one Pond Share and one Pond Warrant. In addition, Pond issued 36,000 Agent Units to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit. Each Agent Unit was comprised of one Pond Share and one Pond Warrant. Each Pond Warrant issued under the February 2017 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until February 23, 2019.

Brokered private placement (December 2016)

On December 21, 2016, Pond issued 335,000 Units at a price of $2.00 per Unit for aggregate gross proceeds of $670,000 (the "**December 2016 Brokered Private Placement**"). Each Unit was comprised of one Pond Share and one Pond Warrant. In addition, Pond issued 26,800 Agent Units to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit. Each Agent Unit was comprised of one Pond Share and one Pond Warrant. Each Pond Warrant issued under the December 2016 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until December 21, 2018.

Non-brokered private placement (December 2016)

On December 1, 2016, Pond issued 367,340 Units at a price of $2.00 per Unit for total consideration of $734,680 (the "**December 2016 Non-Brokered Private Placement**"). The December 2016 Non-Brokered Private Placement included the settlement of loans payable to Crystal Wealth Management Limited ("**Crystal Wealth**") and Colmac in the amounts of $160,000 and $75,000, respectively, through the issuance of 80,000 Units and 37,500 Units, respectively. Each Unit was comprised of one Pond Share and one Pond Warrant. The Pond Warrants issued under the December 2016 Non-Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until December 1, 2018.

Significant Acquisition and Dispositions

Pond has not had any significant acquisitions or dispositions since its incorporation.

Narrative Description of the Business

General

Pond has developed a universal algae platform that provides optimal growth conditions for virtually any algae strain. This technology has multiple disruptive applications. Pond can grow algae using pure carbon dioxide (the same gas used to carbonate beer and soda) to make algae-based superfoods that may enhance human and animal health. The technology can also be used to absorb the raw stack gas emissions from industrial plants, transforming their air emissions into valuable products.

Pond has spent several years developing the design, manufacture and operating protocols for an LED-illuminated photobioreactor. The photobioreactor is an enclosed tank containing a continuous algae bloom, where rapid algae growth converts industrial greenhouse gas emissions into algae biomass. The algae biomass can then be used as a feedstock for feeds and feed additives, biofuels, and nutraceuticals and functional foods in an accelerated replication of natural carbon cycles.

Carbon Abatement

Pond has partnered with SMC and the NRC to show that Pond's algae platform can be used as a carbon capture technology to reduce the greenhouse gas emissions from industrial facilities, transforming these emissions into valuable bio-products. See "*Material Contracts – Collaborative Research Agreement*".

Pond's first large prototype algae photobioreactor, a 1,000L system built in 2009 at the SMC cement manufacturing plant in St Marys, Ontario, was intended to prove that algae could be grown directly on flue gas, without any pre-treatment of the flue gas itself. After successful algae growth trials, Pond began to develop the illumination systems and harvest systems that would enable it to increase the algae harvest rate.

Pond re-designed the entire algae system in 2012, creating a system of 8,000L photobioreactors designed to prove continuous growth and harvest along with rapid growth rates at the SMC cement manufacturing plant. In 2014, after adjusting the operating protocols and improving the lighting, control and harvest system, Pond achieved its then best harvest rates in the 8,000L photobioreactors. During a week-long growth trial the system averaged 1.3 g/L/day of algae production and a peak 24 hour algae growth rate of 2.3 g/L/day. This system also demonstrated algae harvest using as little as 17.6 kWh of electricity per kilogram ("**kg**") of algae, or just 5.7 kWh of electricity for the LEDs per kg of algae. In 2015, Pond added gas sensors to the inlet and exhaust of the photobioreactors to evaluate carbon uptake rates. Over a five-day growth trial, 29.3% of the carbon dioxide in the flue gas was captured by the photobioreactors, with the capture rate measured by the sensors as averaging 2.5 g carbon/L/day (peaking as high as 4.3 g C/L/day), or a total of 20 kg/day in an 8,000L tank.

Following Pond's work and success with the 8,000L system, Pond again redesigned the entire system and began the commissioning of its 25,000L photobioreactor at the St Marys, Ontario site.

Pond and the other members of its XPRIZE team expect that this new and improved algae tank will deliver superior results to the performance of the previous generation 8,000L system. Pond's initial trials, completed in September and October of 2017, saw the system absorb over 60% of the incoming carbon dioxide, absorbing a daily average of over 80 kg CO_2, well in excess of the requirement for stage 2 of the XPRIZE (60 kg CO_2/day).

Pond's algae photobioreactor development to date. Lower left is Pond's first 1,000L system, upper left is Pond's system of 8,000L tanks, and on the right is Pond's 25,000L photobioreactor.

Nutraceuticals

In addition to carbon abatement industry, Pond's technological platform can also be utilized to create algae for the nutraceutical industry. Algae has a number of health benefits and microalgae are recognized as an excellent source of nutrients, including essential fatty acids, essential amino acids, vitamins and minerals, and are currently sold as "superfoods" in grocery and health food stores.

Principal Products

Pond's core technology is a fully enclosed algae bioreactor platform with supplemental illumination and integrated control systems that provide continuous, year-round, high yield, production of algae products using any source of CO_2 as feedstock for algae growth. Pond's bioreactor platform requires only a small footprint, and can be located close to large final emitters for carbon mitigation, or close to market when used for growing nutraceutical algae.

Pond's technology accelerates the natural process of photosynthesis to transform greenhouse gas emissions into marketable products. Pond has developed world-leading technology that demonstrates algae growth using the greenhouse gas CO_2 from the raw, unprocessed exhaust of cement, steel and power generation facilities. Pond's process biologically 'fixes' carbon dioxide into algae, which can then be processed into algae-based products.

To date, Pond has earned revenue from: the sale of a 1,000 L NOx/CO_2 bioreactor and related equipment to MSC Energy and from associated engineering, design work, commissioning and licensing fees; a research project with Stelco; and the sale of a small amount of algae to the NRC for the purposes of the NRC conducting testing. Pond anticipates continuing to earn revenue commencing in late 2018 or early 2019 pursuant to the Markham District MOU in respect of its nutraceutical business and, subject to appropriate financing, the sale of pollution abatement equipment. During the years ended December 31, 2015 and 2016, 100% of Pond's total consolidated revenues were derived from sales to customers, other than investees, outside the consolidated entity.

Research and Development

Pond conducts its own research and development on its technologies, which includes research and development programs involving third party collaborators pursuant to certain agreements to which Pond is a party. See "*Material Agreements – Markham District MOU*" and "*Material Agreements – Collaborative Research Agreement*". Currently, Pond's technology has been demonstrated at pilot scale at the SMC site, and will be further optimized as Pond moves into additional commercial production. Efforts to optimize the technology include enhancing growth protocols and operating parameters to increase growth, enhancement of Pond's illumination system to produce more algae and reduce energy input costs, and examining algae species and strains for the development of potential new commercial products, as well as other research and development designed to enhance the profitability of commercial bioreactors.

The major components of Pond's proposed programs anticipated to be funded using funds available include: (i) the construction of bioreactors; and (ii) commercialization of Pond's nutraceuticals and pollution abatement business. The estimated costs for expenditures relating to the construction of bioreactors for capitalization and commercialization of Pond's nutraceutical business may range from $1,672,580 to $4,692,580 (this will relate to construction of between one and three 40,000 L to 60,000 L bioreactors for use at the Warden Energy Centre under the Markham District MOU) while estimated costs for expenditures relating to the construction of bioreactors for capitalization and commercialization of Pond's pollution abatement business may range from $100,000 to $200,000 (this will relate to improving Pond's internal equipment associated with its pollution abatement technology), in both cases, such range is dependent on the aggregate gross proceeds received from the Financing. See "*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Science of Photosynthesis and Algae Growth

The science behind algae photosynthesis is simple: carbon dioxide + water + light energy → carbohydrate + oxygen. As a process to transform CO_2 into a useful product, algae are far more advanced than anything humans have developed. The system uses ambient light and water to transform CO_2 into living biomass at atmospheric pressure, while producing no waste other than oxygen. Rapid algae growth drives rapid sequestration of carbon dioxide, and algae can naturally grow at incredible rates.

Pond's photobioreactors seek to replicate and enhance the conditions that lead to an algae 'bloom'. In 2015, Pond's growth trials using industrial exhaust achieved carbon sequestration rates peaking at over 4 grams of CO_2 per litre of bioreactor capacity per day (g/L/day), and averaging over 2.5 g/L/day over five days.

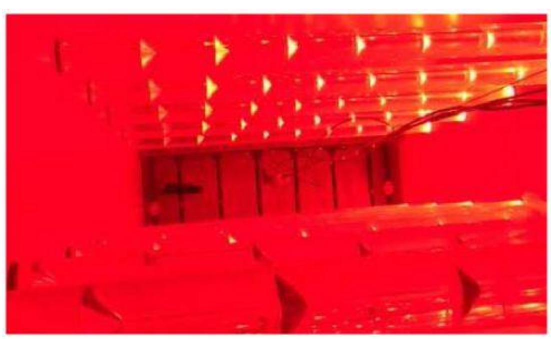
Illumination System

Algae "consume" light just like any other nutrient or input in the growth system. To maintain effective growth, light must be fully managed, including spectral components (colour), distribution and intensity (quantity) of light introduced. Light underpins the algae growth rates and concentration levels of algae in the bioreactor.

Inside a photobioreactor, algae growth is generally light-limited. Nutrients and water can be provided in abundance, but providing high levels of light is difficult. Typically, the more that light that can be provided, the more algae growth is possible. The wavelength of the illumination also matters - photosynthesis is most efficient when utilizing red light in the 680-700 nanometer wavelength range, but red light does not penetrate well through water, losing 90% its intensity after passing through 30 to 45 cm of water. This presents an immediate engineering challenge – how do you design a large photobioreactor where algae are never more than 45 cm from a red light source?

Pond has spent in excess of $10 million and almost a decade developing and refining its illumination system. Pond's LED chip is a custom-built 3000 watt LED circuit board, specifically designed to produce red light only. The controller allows Pond to increase or decrease the illumination intensity, and control the lights in other ways. For example, to make the lights 'blink', which can increase photosynthesis rates. To cool this system, Pond has developed a unique and proprietary passive cooling system of heat pipes, or heat powered heat pumps that rapidly transfer the heat away from the circuit board without using electricity.

When installed, the LEDs are on the outside of the photobioreactor and Pond's light distribution system illuminates the interior of the photobioreactor with a 10cm diameter liquid light guide. Inside the light guide are regularly spaced reflectors that allow a controlled amount of light to escape the light guide at regular intervals. Using light modeling software, Pond calculates the placement and size of the reflectors to evenly illuminate the interior of the photobioreactor. Pond's 25,000L photobioreactor has 32 of these light guides traveling the width of the tank, with end result being that Pond has a system that can evenly illuminate the interior of a large photobioreactor, uniquely providing large amounts of exactly the wavelengths of light the algae need without delivering any heat. This is pictured below.



Interior of the 25,000L photobioreactor, showing the liquid light guides.

Enclosed Bioreactors

Implementations of algae technology as open-pond farms are not in-line with industrial processes as they cannot be easily synchronized with industrial practices. Rather, industrial processes must be operated in a state of control, as evidenced by the move to ISO and other certifications. Additional difficulties with open-pond farm systems include, among others, low productivity, large volumes of water, and thus land, are required and the operation of such farms is limited by seasonal availability.

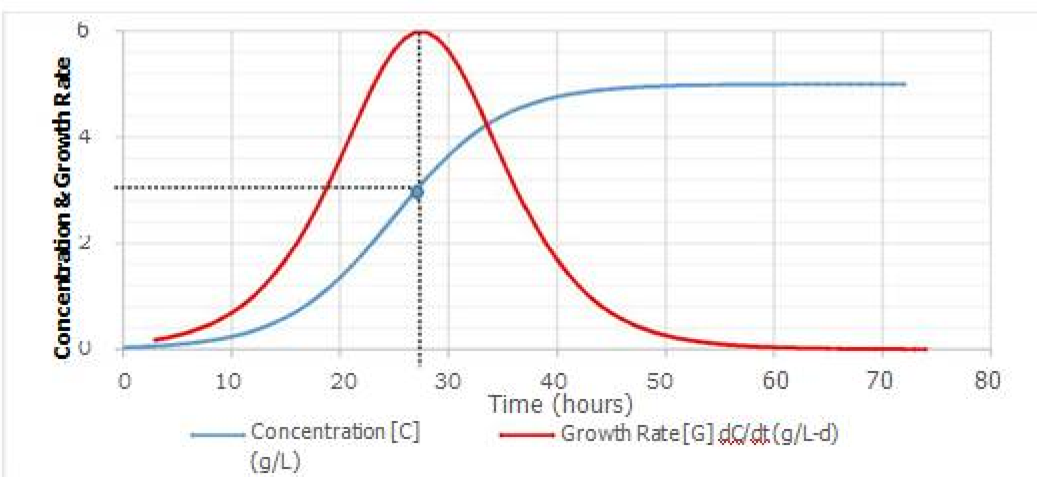
Accordingly, Pond has designed a fully enclosed bioreactor system, that provides requisite control of the system variables, greatly reduces the system footprint and helps meet the needs of the client industry.

With the algae culture contained in a smaller footprint and in an enclosed vessel, it is possible to improve the gas diffusion system to facilitate CO_2 assimilation by the algae culture. The improved gas diffusion is estimated to increase algae yields, such that 100% of the total volume can be harvested and replenished every day. Thus it is projected that the total footprint and volume can be reduced by over a factor of 3 using these innovations. Using these systems, Pond has achieved algae harvest rates over twenty times greater than those typically achieved in open ponds.

The constancy of the environment in which the algae grow is of paramount importance if the system is to perform at an optimal level. This means that all system inputs, including selection of algae, introduction of CO_2 (stack gas), control of light system, nutrient levels, pH, temperature, harvest rates and all other system parameters must be understood and controlled.

Harvest Control

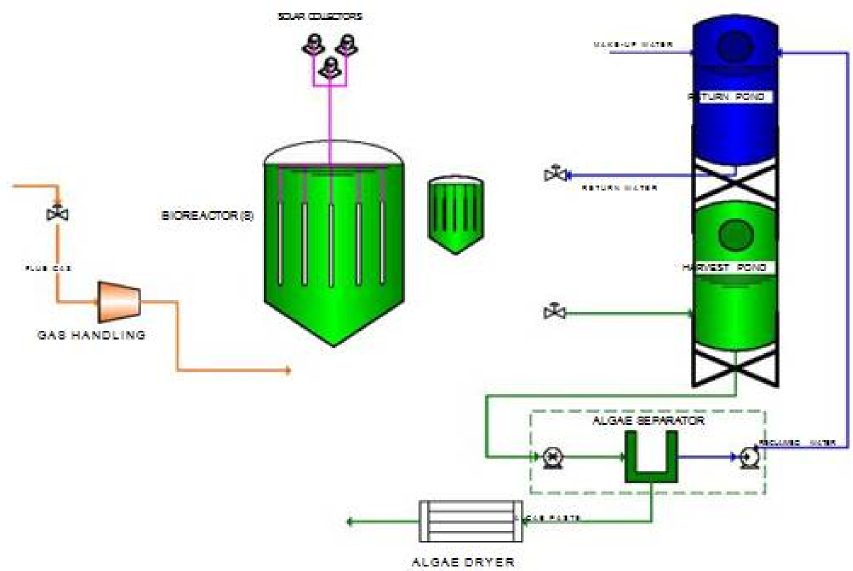
The graph below illustrates how a typical algae growth curve evolves over time in a stable environment with no harvest of the algae produced. The blue curve shows how the algae population (concentration) increases over time until it reaches a saturation point (the carrying capacity of the bioreactor). While a batch system would focus on achieving saturation and harvesting the entire culture, Pond's harvest system focuses on maintaining the highest growth rates and operating the bioreactor as a continuous system where optimal harvest rates accurately match the maximum achievable growth rates. As shown in the graph below, the highest growth rate (red curve) occurs approximately at 1/2 of the concentration of the carrying capacity of the system. Ultimately, the higher the growth rate, the more the bioreactor will yield in algae production and the more CO_2 will be captured as a result.



Algae growth curve shown in blue and algal growth rate shown in red. The circle represents the algal concentration point at which maximum growth rate is obtained.

Process

The overall process at Pond's algae plants is pictured in the diagram below.



Process schematic for an algae plant.

The major systems include:

- *Gas handling* – where flue gas is collected, cooled, and water vapour is removed. The resulting flue gas is pressurized and sent to the sparging unit to bubble through the photobioreactor.
- *Photobioreactor* – the illuminated tanks where the algae grow and the CO2 is biologically fixed into algae biomass.
- *LED/Sunlight Illumination System* – The current system is designed to allow for the addition of sunlight via a solar collection system.
- *Algae harvesting* – the system for algae harvesting and separation from water. The water is extracted and recycled back to the photobioreactors via the return pond. From the harvest pond, the algae are further dried and run through an oil press to separate out the lipids. The lipids are run through a biodiesel processor in a final step to transform algae oil into biodiesel. The remaining de-fatted biomass is run through a pelletizer to become biomass pellets.
- *Dosing system* – this system adds nutrients to the photobioreactors as necessary to support algae growth.
- *Control system* – this monitors and controls the entire process.

Strategy

Pond has continued its efforts to improve its technology through the development of novel LED lighting sources, electronic drive systems, and controls. Pond continues to adapt its internal procedures for product development as the number and scale of projects grow. Pond's Product Development Pipeline comprises development along four primary themes:

- Illuminator Design;
- Sensors and Controls;
- Bioreactor Systems Integration; and
- New Research and Development/Certifications.

Algae Products

Algae can be thought of as being similar to soybeans. Soybeans (the primary source of oil (lipids) for biodiesel) usually contain 20% lipids, whereas algae can contain up to 60% lipid content (the actual amount varies by species and growth treatment). Algae oil is a high quality feedstock for biodiesel, high in monounsaturated fatty acids that produce a biodiesel with a low cloud point and a low tendency to undergo oxidation. In short, the algae-derived biodiesel will last if left in a fuel tank, and it will not turn solid on cold days.

Once the lipids are removed from the algae, the remaining biomass can be dried and pelletized. These pellets have a combustion profile similar to a mid-grade coal, making them an attractive biomass-based pellet.

Pond's algae technology can be primarily used in the nutraceutical, aquaculture feed, and carbon credit markets. The algae grown in Pond's bioreactors are comprised of an assortment of valuable components, including:

- Lipids (i.e., bio-oil);
- Carbohydrates (primarily starch and cellulose);
- Proteins; and
- High value, low volume compounds, such as astexanthin, chlorophyll, and omega-3-fatty acids.

The relative proportion of each component varies by algae species and growth treatment. These different components can be separated, used in a combined whole and/or further processed into different end products for retail or wholesale markets.

In pollution abatement markets, Pond's long-term business model is to supply a license and proprietary equipment to projects. Other project partners will build and operate the algae plants. In this case, Pond's product is the license and proprietary equipment, and Pond will sell directly to large industrial facilities. It is anticipated that the initial algae plants will need to be owned and operated by Pond.

For nutraceutical markets, Pond expects to own and operate photobioreactors that can produce algae-based nutraceuticals. Products, including chlorella powder, spirulina powder, and astaxanthin oil from the algae H. pluvailis are expected to be produced and sold by Pond. Pond intends to selectively distribute algae nutraceuticals through select North American wholesalers.

Operations

As at December 31, 2016, Pond had 13 employees.

As noted above, Pond is in the pre-commercial phase, and has implemented its technology at an industrial site, having constructed a demonstration plant adjacent to the SMC cement manufacturing plant. The demonstration plant uses untreated emissions (raw smokestack emission) from the cement production process as the sole source of carbon for algae growth. Pond is currently operating its demonstration plant and is in the process of commercializing its technology.

Pond currently operates algae photobioreactors at three facilities, and one facility that currently sits idle:

1. Pond's Markham, Ontario head office is its main research location, employing approximately 11 people, equipped with both an algae wet lab and manufacturing space. This is where Pond has assembled all algae photobioreactors to date.

2. Pond's main pilot plant is located at the SMC plant in St. Marys, Ontario. This is where Pond is currently operating a 25,000 L photobioreactor. Pond has two full-time operating staff at the site, and the NRC has one full-time algae scientist also based at this site. See "*Material Contracts – Collaborative Research Agreement*".

3. Pond has a second, smaller 1,000 L pilot plant utilizing the flue gas of a 300 kilowatt natural gas congeneration system at SMC's head office in Toronto.

4. Pond has a fourth site at the Stelco Lake Erie Works plant, which integrates steel mill in Nanticoke, Ontario, where Pond previously operated 8,000 L photobioreactors. This site is currently idle, however Pond expects that a larger project with Stelco will occur at this site in the near future.

Pond's commercialization plan involves scaling up its technology to the point where revenue from the sale of biodiesel and biomass pellets derived from an algae plant using Pond's photobioreactors exceeds operating costs. Pond anticipates that an algae plant with capacity greater than 1,000,000 L (1,000 m^3) would achieve profitability in Pond's pollution abatement business. In respect of its nutraceutical business, Pond anticipates that profitability can be achieved through the use of 40,000 L to 60,000 L bioreactors, with revenue increasing as additional photobioreactors are built and installed to clean sources of CO_2 (such as natural gas cogeneration plants) and, in connection therewith, Pond benefitting from such increased economies of scale.

Potential Markets

<u>Nutraceuticals</u>

Algae can provide many of the nutraceutical compounds used for health promotion. "Superfoods" are nutrients from food or food products that facilitate the prevention or treatment of diseases or disorders. According to the *Dictionary of Nutraceuticals and Functional Foods*[2] over 470 nutraceutical and functional food products are commercially available with researched health benefits, and their documented role in the enhancement of health has driven interest in these substances around the world.

The growing healthy-lifestyle trend has intensified the use of products aimed at promoting health as well as treating health conditions such as heart disease, cancer, and Parkinson's disease. Algae can provide many of the nutraceutical compounds used for health promotion. The current estimated global market size for nutraceutical products is US$198 billion, growing at an estimated compound annual growth rate of over 7%.[3] With the increase in demand for nutraceuticals and food supplements, organisms that can rapidly produce nutritional compounds are expected to be desired.

Different types of microalgae are capable of producing vitamins A (Retinol), B1 (Thiamine), B2 (Riboflavin), B3 (Niacin), B6 (Pyridoxine), B9 (Folic acid), B12 (Cobalamin), C (L-Ascorbic acid), D, E (Tocopherol), and H (Biotin), and these organisms also contain essential elements including: Potassium, Zinc,

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[2] http://www.tandfebooks.com/action/showBook?doi=10.1201%2F9780203486856&.
[3] https://www.researchandmarkets.com/research/8ltg7l/nutraceuticals.

Iodine, Selenium, Iron, Manganese, Copper, Phosphorus, Sodium, Nitrogen, Magnesium, Cobalt, Molybdenum, Sulfur and Calcium. Algae are also high producers of essential amino acids and Omega-6 (Arachidonic acid) and Omega-3 (docosahexaenoic acid, eicosapentaenoic acid) fatty acids.

Pond's proprietary system can grow virtually any algae species, including *Chlorella sp.*, *Haematococcus sp.,* and *Spirulina sp.,* which can then be used to produce superfoods in a clean, sterile, controlled environment. These algae based foods are packed with healthy vitamins, minerals, and nutrients. Spirulina has been referred to as the most nutrient-dense food on the planet.[4] Chlorella powder is reputed to be nutrient-dense, help the body remove heavy metals, may enhance the immune system and may improve cholesterol levels.[5] Pond's technology can assist to produce these superfoods faster, cleaner, and at a lower cost than most other algae growing systems.

Haemotococcus algae produces astaxanthin, an extremely powerful antioxidant. The market was estimated at US$447 million in 2014, expected to reach US$1.1 billion by 2020.[6] Astaxanthin is a potent antioxidant and health and immunity booster.[7] There are two primary markets for the compound:

- the nutraceutical market, where astaxanthin is sold in gel caps as an antioxidant, and as an anti-aging cosmetic ingredient; and

- the aquaculture feed additives market, as astaxanthin is a critical additive to aquaculture feed for salmon, trout and shrimp.

Both Chlorella (from the green algae Chlorella sp.) and Spirulina (Arthrospira sp.) are sold in powdered form as a health food supplement, generally available in grocery and health food stores. Pond's secondary market research indicates that high-quality, organic algae powders may be worth approximately US$15,000 to US$25,000 per tonne of algae. The total estimated market size was US$390 million in 2014, expected to grow to US$520 million by 2020.[8]

Scaling up production in the nutraceutical market will involve building and operating algae plants. For nutraceutical production, Pond will use only clean CO_2. Pond's strategy will be to own and operate the first nutraceutical bioreactors. These bioreactors are 40 m^3 to 60 m^3 in size, about the size of a shipping container. In the nutraceutical market, Pond intends to selectively distribute algae nutraceuticals through select North American wholesalers or direct to end business consumers. Five-year cash flow projections seek to have Pond achieving $100 million in annual revenue within five years. This projection is based on the market projections for astaxanthin, estimated at approximately US$1.1 billion in five years, and the market projections of spirulina and chlorella powder, estimated at approximately US$520 million, with C$100 million representing less than 10% market penetration.[9]

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[4]See, for example http://www.organicauthority.com/health/most-nutrient-dense-healthy-foods-on-earth.html
[5] https://www.healthline.com/nutrition/benefits-of-chlorella#section5
[6]http://industry-experts.com/verticals/healthcare-and-pharma/global-astaxanthin-market-sources-technologies-and-applications
[7]https://www.healthline.com/health-slideshow/health-claims-astaxanthin
[8]Spirulina market estimated from market size in 2012 (5000 tonnes) and estimate of 5% annual growth from Microalgae-based products for the food and feed sector: an outlook for Europe, pg 30. Chlorella market estimated from Microalgae-based products for the food and feed sector: an outlook for Europe, pg 30 sector growth and 2000 tonnes produced in 2008 from http://biotechnologyforbiofuels.biomedcentral.com/articles/10.1186/1754-6834-7-84.
[9]This projection is based on the market projections for astaxanthin, estimated at approximately US$1.1 billion by 2020 (source:http://www.marketresearch.com/Industry-Experts-v3766/Global-Astaxanthin-Sources-Technologies-Applications-8827191/), and the market projections of chlorella ingredients (estimated at US$234 million in 2020, source: report purchased from https://store.frost.com/strategic-analysis-of-the-global-chlorella-powder-ingredients-market.html) and spirulina ingredients (estimated at US$1 billion in 2020, source:https://www.persistencemarketresearch.com/market-research/spirulina-market.asp). If the total market size for these three ingredients is estimated at US$2.3 billion in 2020, Pond's projected revenues of $100 million are less than 5% market penetration.

Carbon Capture

Any industry or any jurisdiction with industrial facilities that wishes to reduce their greenhouse gas emissions is a potential Pond customer. Carbon dioxide emissions are currently a major contributor to climate change, and emissions from industry and electricity generation make up more than 40% of the world's carbon dioxide emissions.[10] In the United States and Canada, there are over 8,500 large emitters of carbon dioxide, emitting a combined 3.2 billion metric tonnes of carbon dioxide.[11] The carbon in CO_2 is incorporated directly into the carbohydrates, lipids and proteins that make up the algae, and it takes only two tonnes of carbon dioxide to make one tonne of algae.

Pond's technology is also a cost-effective air pollution scrubber and carbon sequestration technology, qualifying for CO_2 credits and producing oxygen in the process. Accordingly, Pond's technology has been employed to grow algae using the raw, untreated stack gas from a cement plant, an integrated steel mill, and a natural gas cogeneration plant. Furthermore, the algal biomass is produced in quantity, and provides many possible downstream options for revenue generation; such options include animal feeds, biofuels, biolubricants, bioplastics, coal replacements, and high value chemicals. Pond currently operates a demonstration system hooked up to an industrial host emitter as the sole source of carbon for algae growth; Pond has developed its technology using untreated stack emissions from a cement kiln at the St. Marys cement plant located in St. Marys, Ontario.

Other Revenue Generation Options

Additionally, the biomass has extremely high protein content and may be used as a nutritional supplement in protein deficient jurisdictions such as China, India and Africa. As a biofuel feedstock in North America could replace a significant amount of annual U.S. diesel (liquid transportation fuel) consumption.

Marketing Plans and Strategies

Nutraceuticals

Pond expects to market whole algae powders (Chlorella and Spirulina), and the carotenoid astaxanthin as its first products to be produced. Marketing strategies will initially seek to grow business-to-business wholesale sales channels supplying the North American market. Pond has retained the services of Grant Smith, president of RFI Canada and a 30-year veteran of the nutraceutical industry, to advise Pond on marketing.

Nutraceutical products must be approved as food ingredients in the country in which they are sold. In Canada and the United States, such approvals are granted by the Canadian Food Inspection Agency and the Food and Drug Administration, respectively. Facilities producing these materials must conform to food production safety requirements and are subject to regular inspection similar to any other food production facility.

Pollution Abatement

Pond's strategy for the pollution abatement market is to license its technology to large engineering and construction firms with the capacity and expertise to handle large construction projects in light of the significant capital costs associated with operating an algae plant designed to abate several hundred thousand metric tonnes of carbon. Pond would supply the license, as well as proprietary equipment. As noted above, Pond has engaged SNC-Lavalin as a strategic partner and executed the SNC-Lavalin MOU, which has collaborative marketing and project development for specified projects.

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[10]See the emissions database published by the World Resources Institute, available at http://cait.wri.org/historical/Country%20GHG%20Emissions?indicator[]=Total%20GHG%20Emissions%20Excluding%20Land-Use%20Change%20and%20Forestry&indicator[]=Total%20GHG%20Emissions%20Including%20Land-Use%20Change%20and%20Forestry&year[]=2014&sortIdx=NaN&chartType=geo

[11]See data from the US Environmental Protection Agency at https://ghgdata.epa.gov/ghgp/main.do, and from Environment and Climate Change Canada at https://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=040E378D

Competitive Conditions

Pond's algae growth platform, based upon enclosed, controlled, and monitored photobioreactors, may provide a significant competitive advantage, and allow Pond to compete effectively on quality, consistency of supply, and price. Pond's strategy will be to demonstrate its technological advantage, with its light engine technology as the cornerstone, establishing a presence in the market, which will allow Pond to approach entrenched producers with a view toward licensing its technology.

There has been a shift over the last few years with many of the companies that initially entered the algae space intending to produce algae derived biofuels, realigning their focus to the smaller, but higher value nutraceutical and nutritional supplement markets. These companies include, among others, Algae.Tec, BlueOcean Nutrasciences, Carbion Biotech, Inc. (formerly TerraVia), and Yield10 Bioscience, Inc. (formerly Metabolix). Indeed, the current decline in the oil market has pushed most of Pond's competitors to pursue other high value products. Pond has always been focused on carbon abatement, with biofuels as one of many possible valuable products that could be derived from the process of algae carbon recycling. This has allowed Pond to concentrate on development of a universal algae platform, and to simultaneously develop both its algae producing and pollution abatement technologies. In the near-term, Pond will use its technological advantage to focus on producing high value nutraceutical products, possible because of Pond's bioreactor's inherent ability to use virtually any source of CO_2 feedstock to drive algae growth. For nutraceuticals, Pond will use "clean" CO_2 to produce the quality of nutraceutical products as required.

Pond currently possesses comprehensive technology to produce high value nutraceutical products, produce high volumes of algal biomass while also being used as a pollution abatement solution. Moreover, Pond continues to develop its intellectual property portfolio, aimed at protecting the algae platform, and thus providing a significant barrier to entry in the view of Pond's management. The modularity and configuration combinations of Pond's process are expected to allow it to be competitive in the spaces discussed below.

Nutraceutical Products

The nutraceutical space has grown significantly, due to the demand for specific high value products with considerable health benefits for human consumption. Recently, algae growing companies have been focusing in this space due to the high profitability of products. For example, BlueOcean Nutrasciences, Carbion Biotech, Inc. and Yield10 Bioscience, Inc. have restructured and refocused from producing algae for biofuels to exclusively growing algae to produce nutraceuticals. By comparison, Pond's system provides a platform to produce algae at higher yields, and in a continuous process, which enables the system to be tailored for the production of any nutraceutical derived from algae, as required. Pond's technology is not linked to any specific algae species or strain, which in fact forms the heart of a flexible manufacturing platform for the production of algae and related products of virtually any variety.

The key to Pond's increased productivity stems primarily from Pond's proprietary, bioreactor technology, which includes an efficient light distribution system for algae photosynthesis. Pond's control system is efficient and allows for algae production to be maintained in the exponential growth phase, by continuously matching the algae harvest rate to the bioreactor production. The complex algorithm required to achieve this is Pond's proprietary technology, which is protected by several Pond patents. See "*Proprietary Protection*".

Competitors in this space range from well established companies to start-ups that have found an opportunity to sell high value nutraceutical products. Pond's gas management and diffusion system performance however, is capable of handling any industrial emission sources including those with high variability of composition and other process conditions.

Similarly, other companies that utilize fermentation processes to grow algae such as Bioamber Inc. or Carbion Biotech, Inc., have quickly abandoned the biofuels sector. Biofuels production from algae requires projects at a very large scale and considerable time to develop to be profitable, while nutraceuticals and other high value products offer viable alternatives for such companies. Pond's photosynthesis driven process is more sustainable and requires less inputs than fermentation based processes, which require sugar or other similar sources of carbon for algae growth.

Competitors in the nutraceutical space vary greatly in size and potential, from small entities to much larger entities like Bioriginal Food & Science Corporation's parent company Omega Protein Corporation or Novozymes A/S. Based on the products offered by other nutraceutical companies, Pond's system can be utilized to grow various algae species, which could generate many of the nutraceutical end products offered by these companies. Therefore, the potential market for Pond's proprietary, patent protected technology may include any currently available algae derived nutraceutical product in the market.

Algae Biofuels and Pollution Abatement

Pond's algae growth platform is capable of producing algae at a variety of scales, and can use any source rich in CO_2 gases, including raw industrial emissions, to enable algae growth. Raw stack gas emissions are those emission that exit an industrial process up its smokestack. Pond has developed its platform running almost exclusively on the untreated exhaust emission of an operating cement plant. Therefore, Pond is uniquely positioned to also be a significant player in the biofuel production and pollution abatement spaces. Pond has developed financial models to address the scale required for a pollution abatement plant to be profitable.

Pond has successfully demonstrated its technology at two industrial sites, St. Marys Cement (St. Marys, ON) and Stelco (Nanticoke, ON), however a full-scale pollution abatement plant will require significant funding, and because of this, Pond has engaged with the Government of Ontario, through the Ontario Centres of Excellence's Target GHG fund to co-fund the first commercial algae pollution abatement plant, to be located at Stelco Lake Erie Steelworks.

Importantly, Pond continues to develop all of its technology with the aim of utilizing CO_2 emissions to operate its bioreactors, whether they are derived from clean sources, such as a natural gas generation station or food grade bottled CO_2, or from industrial stack gas emissions. To date, Pond believes its technology to be the most advanced of any competitor currently attempting to utilize industrial emissions to test their algae production or pollution abatement systems. Furthermore, Pond has an extensive intellectual property portfolio, which includes several patents that would preclude its competitors from effectively using industrial emissions to grow algae biomass. Pond achieved this by protecting several process control schemes and control philosophies that would enable adequate handing and control for introducing raw industrial emissions into a bioreactor system for the purposes of growing algae or any other phototrophic organism. Pond's management is not currently aware of other commercial algae systems that sequester significant amounts of carbon dioxide; however, there can be no guarantee that significant new sources of competition will not exist in the future. See "*Risk Factors – Risks Relating to the Business to be Carried on by the Resulting Issuer – Competition*".

Proprietary Protection

Pond has four registered patents with the U.S. Patent and Trademark Office to ensure proprietary protection of its technological processes and has been granted additional patents in each of China and through the European Patent Office. In addition to these granted and registered patents, Pond has pending patent applications in a number of additional jurisdictions, including Taiwan, India, the Middle East, Australia, Canada and internationally under the Patent Cooperation Treaty. Please see the table below for more details on Pond's current patents.

Title	Application No.	Application Date	Case Status	Country	Registration No.	Registration Date	Expiry Date
PROCESS FOR GROWING BIOMASS BY MODULATING SUPPLY TO REACTION ZONE		5/20/2010	Registered	United States	8969067	3/Mar/2015	28/Jul/2031

Title	Application No.	Application Date	Case Status	Country	Registration No.	Registration Date	Expiry Date
PROCESS FOR GROWING BIOMASS BY MODULATING INPUTS TO REACTION ZONE BASED ON CHANGES TO EXHAUST		5/20/2010	Registered	United States	8940520	27/Jan/2015	12/Feb/2031
DILUTING EXHAUST GAS BEING SUPPLIED TO BIOREACTOR		5/20/2010	Registered	United States	8889400	18/Nov/2014	08/Jun/2031
RECOVERING OFF-GAS FROM PHOTOBIOREACTOR		10/24/2012	Registered	United States	9534261	3/Jan/2017	24/Oct/2032
LIGHT ENERGY SUPPLY FOR PHOTOBIOREACTOR SYSTEM	14/989655	1/6/2016	Pending	United States			
BIOMASS PRODUCTION	14/971854	12/16/2015	Pending	United States			
BIOMASS PRODUCTION	15/234462	8/11/2016	Pending	United States			
SUPPLYING TREATED EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	14/991563	1/8/2016	Pending	United States			
PROCESS OF OPERATING A PLURALITY OF PHOTOBIOREACTORS	13/659714	10/24/2012	Abandoned	United States	Rolled into new app		
PRODUCING BIOMASS USING PRESSURIZED EXHAUST GAS	13/785646	3/5/2013	Abandoned	United States	Rolled into new app		
BIOMASS PRODUCTION	13/327541	12/15/2011	Abandoned	United States	Rolled into new app		
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	13/826461	3/14/2013	Abandoned	United States	Rolled into new app		
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	15/347293	11/9/2016	Pending	United States			
PROCESS FOR GROWING BIOMASS BY MODULATING GAS SUPPLY TO REACTION ZONE	2738461	4/29/2011	Pending	Canada			
RECOVERING MAKE-UP WATER DURING BIOMASS PRODUCTION	2738459	4/29/2011	Pending	Canada			

Title	Application No.	Application Date	Case Status	Country	Registration No.	Registration Date	Expiry Date
PROCESS FOR GROWING BIOMASS BY MODULATING INPUTS BASED ON CHANGES TO EXHAUST SUPPLY	2738418	4/29/2011	Pending	Canada			
PRODUCING BIOMASS USING PRESSURIZED EXHAUST GAS	2738397	4/29/2011	Pending	Canada			
DILUTING EXHAUST GAS BEING SUPPLIED TO BIOREACTOR	2738410	4/29/2011	Pending	Canada			
BIOMASS PRODUCTION	2826322	11/18/2011	Pending	Canada			
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	2834279	4/27/2012	Pending	Canada			
RECOVERING OFF-GAS FROM PHOTOBIOREACTOR	2928496	10/24/2013	Pending	Canada			
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	2898315	1/17/2014	Pending	Canada			
BIOMASS PRODUCTION	2738516	4/29/2011	Pending	Canada			
BIOMASS PRODUCTION	2799988	5/18/2011	Pending	Canada			
PROCESS OF OPERATING A PLURALITY OF PHOTOBIOREACTORS	PCT/CA2013/000904	10/24/2013	Expired	PCT (International)	Entered National Phase		
SYSTEMS FOR GROWING PHOTOTROPHIC ORGANISMS USING GREEN ENERGY	PCT/CA2012/000093	2/3/2012	Expired	PCT (International)	Entered National Phase		
LIGHT ENERGY SUPPLY FOR PHOTOBIOREACTOR SYSTEM	PCT/CA2012/000097	2/7/2012	Expired	PCT (International)	Entered National Phase		
BIOMASS PRODUCTION	PCT/CA2011/000574	5/18/2011	Expired	PCT (International)	Entered National Phase		
BIOMASS PRODUCTION	PCT/CA2011 /001367	11/18/2011	Expired	PCT (International)	Entered National Phase		

Title	Application No.	Application Date	Case Status	Country	Registration No.	Registration Date	Expiry Date
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	PCT/CA2012/000403	4/27/2012	Expired	PCT (International)	Entered National Phase		
RECOVERING OFF-GAS FROM PHOTOBIOREACTOR	PCT/CA2013/000908	10/24/2013	Expired	PCT (International)	Entered National Phase		
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	PCT/CA2014/000034	1/17/2014	Expired	PCT (International)	Entered National Phase		
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	12776555.0	4/27/2012	Registered	European Patent Office	2702134	30/Aug/2017	
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	14740429.7	1/17/2014	Pending	European Patent Office			
BIOMASS PRODUCTION	11858246.9	9/6/2013	Pending	European Patent Office			
LIGHT ENERGY SUPPLY FOR PHOTOBIOREACTOR SYSTEM	2012214053	2/7/2012	Abandoned	Australia	Rolled into new app		
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	2012248080	4/27/2012	Abandoned	Australia	Rolled into new app		
BIOMASS PRODUCTION	2016277614	12/21/2016	Pending	Australia			
BIOMASS PRODUCTION		11/18/2011	Registered	China	ZL2011800670050	13/Apr/2016	
BIOMASS PRODUCTION	2015103074872	5/18/2011	Pending	China			
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	201480016474.3	1/17/2014	Pending	China			
BIOMASS PRODUCTION	2011/18441	5/18/2011	Pending	GCC (Middle East)			
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	2012/21131	4/28/2012	Pending	GCC (Middle East)			
LIGHT ENERGY SUPPLY FOR PHOTOBIOREACTOR SYSTEM	7040/CHENP/2013	2/7/2012	Pending	India			

Title	Application No.	Application Date	Case Status	Country	Registration No.	Registration Date	Expiry Date
BIOMASS PRODUCTION	4045/KOLN P/2012	5/18/2011	Pending	India			
BIOMASS PRODUCTION	2689/KOLN P/2013	11/18/2011	Pending	India			
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	3242/KOLN P/2013	4/27/2012	Pending	India			
PROCESS FOR MANAGING PHOTOBIOREACTOR EXHAUST	6307/DELN P/2015	1/17/2014	Pending	India			
BIOMASS PRODUCTION	100142764	11/22/2011	Allowed	Taiwan	Pending	Fee due Nov 22	
PROCESS USING EXHAUST GASES FOR EFFECTING GROWTH OF PHOTOTROPHIC BIOMASS	101114893	4/26/2012	Abandoned	Taiwan			
BIOMASS PRODUCTION	106126815	11/22/2011	Pending	Taiwan			

To protect certain confidential information of Pond, all of its employees, contractors, consultants and other third parties with which it does business are required to execute non-disclosure agreements.

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information - Annual

The following table sets out certain selected financial information of Pond in summary form for the financial years ended December 31, 2016 and 2015 and six months ended June 30, 2017. This selected financial information has been derived from the annual financial statements of Pond for the years ended December 31, 2016 and 2015 as well as the interim financial statements of Pond for the three and six months ended June 30, 2017, which are attached to this Circular as Schedule J, and should be read in conjunction with those financial statements:

CDN$ (000's)	Six months ended June 30, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue	9	162	(452)
Net income/(loss) from continuing operations	(1,151)	(2,738)	(1,475)
Net income/(loss), for the period	(1,151)	(2,738)	(1,475)
Total assets	3,723	3,723	3,620
Total current liabilities	2,433	1,218	892
Total long term financial liabilities	3,852	5,172	967
Cash dividends declared	Nil	Nil	Nil

Selected Financial Information - Quarterly

The following table sets out certain selected financial information of Pond in summary form for the three month periods ended March 31, 2015 to December 31, 2016. This selected financial information has been derived from the annual financial statements of Pond for the years ended December 31, 2016 and 2015 as well as the interim financial statements of Pond for the three and six months ended June 30, 2017, which are attached to this Circular as Schedule K, and should be read in conjunction with those financial statements:

CDN$ (000's)	Dec 31 2016	Sept 30 2016	June 30 2016	Mar 31 2016	Dec 31 2015	Sept 30, 2015	June 30, 2015	Mar 31, 2015
Revenue[(1)]	-	-	12	150	108	125	219	-
Net Income/ (Loss) from continuing operations	(650)	(1,043)	(609)	(436)	(485)	(300)	(298)	(390)
Net income (loss), for the period	(650)	(1,043)	(609)	(436)	(485)	(300)	(298)	(390)

Note:

(1) Pond's revenue during the 3rd and 4th quarters of 2015 and the first six months of year ended December 31, 2016 was derived from Pond completing the sale and commissioning of a 1,000 L bio-reactor in respect of its pollution abatement business and the sale of a related license for $50. Pond's revenue decreased in the second half of 2016 and first half of 2017 as there were no immediate commercial orders for its pollution abatement technology and Pond's strategic focus shifted to research and development for its nutraceutical business, including in respect of Pond's involvement with the NRG COSIA Carbon XPRIZE.

Management's Discussion and Analysis

Pond's management's discussion and analysis ("**MD&A**") for the periods ended December 31, 2016, 2015 and 2014 and for the interim period ended June 30, 2017 are incorporated and attached hereto at Schedule K. These MD&A should be read in conjunction with Pond's annual financial statements for the years ended December 31, 2016 and 2015 and the interim financial statements for the three and six months ended June 30, 2017, together with the notes thereto, which are incorporated and attached hereto at Schedule J.

Description of Securities

Pond is authorized to issued an unlimited number of Pond Shares, an unlimited number of Class A Preference Shares, issuable in series, and an unlimited number of Class B Preference Shares, issuable in series. As at the date hereof, there are no Class A Preference Shares or Class B Preference Shares outstanding.

As at the date of this Circular, there are 11,731,244 Pond Shares, 1,090,000 Pond Options, 1,437,340 Pond Warrants and 82,000 Pond Agent Units, issued and outstanding. Each Pond Share carries the right to one vote at all meetings of shareholders of Pond. There are no special rights or restrictions of any nature attaching to the Pond Shares other than the customary private company share transfer restrictions set forth in Pond's articles of continuance, which require the prior approval of the Pond Board or Pond Shareholders prior to any transfer of Pond Shares, and as set forth in the Pond Shareholders Agreement (as defined below). See "*Material Contracts – Pond Shareholders Agreement*" below. All Pond Shares rank equally as to dividends, voting powers and participation in assets upon liquidation of Pond.

At the Effective Time, each Pond Share will be exchanged for one Post-Ironhorse Consolidation Ironhorse Share as a result of the Amalgamation.

Consolidated Capitalization

The following table summarizes Pond's consolidated capitalization as at October 31, 2017 prior to giving effect to the Transaction. The table should be read in conjunction with the financial statements of Pond including the notes thereto, included elsewhere in this Circular.

Description	Authorized	Number of securities outstanding as at June 30, 2017 (prior to giving effect to the Transaction)	Number of securities outstanding as at October 31, 2017 (prior to giving effect to the Transaction)
Pond Shares	Unlimited	11,491,245	11,731,244
Pond Options(1)	1,211,110(2)	1,097,500	1,090,000
Pond Warrants(3)	1,437,340	1,260,140	1,437,340
Pond Agent Units(4)	82,000	62,800	82,000

Notes:

(1) Issued pursuant to Pond's Stock Option Plan. Pond Options vest according to the provisions of the underlying directors' resolution approving the issuance. Outstanding Pond Options have an exercise price of $2.00 and expiry dates ranging from July 3, 2021 to May 25, 2022.

(2) Calculated as 20% of Pond's issued and outstanding common shares on a fully-diluted basis as at the date of the Pond Stock Option Plan.

(3) Each Pond Warrant entitles the holder to purchase one Pond Share at a price of $2.50 per share and the Pond Warrants have expiry dates ranging from December 1, 2018 to September 23, 2019.

(4) Each Pond Agent Unit entitles the holder to purchase one unit ("Unit") for $2.00 per Unit, each Unit consisting of one Pond Share and one Pond Warrant, exercisable to purchase one Pond Share at a price of $2.50 per Pond Share.

Prior Sales

During the 12-month period before the date of this Circular, Pond issued the following securities:

Date Issued	Number of Securities Issued	Issuance/Exercise Price Per Security
December 1, 2016	367,340 Pond Shares(1)	$2.00
December 1, 2016	367,340 Pond Warrants(2)	$2.50
December 21, 2016	335,000 Pond Shares(3)	$2.00
December 21, 2016	335,000 Pond Warrants(4)	$2.50
December 21, 2016	26,800 Pond Agent Units(5)	$2.00
January 16, 2017	25,000 Pond Shares(6)	$2.00
January 16, 2017	25,000 Pond Warrants(7)	$2.50
February 24, 2017	450,000 Pond Shares(8)	$2.00
February 24, 2017	450,000 Pond Warrants(9)	$2.50
February 24, 2017	36,000 Pond Agent Units(10)	$2.00
April 18, 2017	20,000 Pond Shares(11)	$2.00
April 18, 2017	20,000 Pond Warrants(12)	$2.50
September 21, 2017	450,000 Pond Shares(13)	$2.00
September 21, 2017	450,000 Pond Warrants(14)	$2.50
September 21, 2017	36,000 Pond Agent Units(15)	$2.00

Notes:

(1) Issued pursuant to the December 2016 Non-Brokered Private Placement. Pond Shares issued includes the settlement of the loans payable to Crystal Wealth and Colmac Power Inc. in the amounts of $160,000 and $75,000, respectively, through the issuance of 80,000 Units and 37,500 Units, respectively.

(2) Issued pursuant to the December 2016 Non-Brokered Private Placement with an expiry date of December 1, 2018.

(3) Issued pursuant to the December 2016 Brokered Private Placement.

(4) Issued pursuant to the December 2016 Brokered Private Placement with an expiry date of December 21, 2018.

(5) Issued pursuant to the December 2016 Brokered Private Placement. Each Pond Agent Unit entitles the holder to one Pond Share and one Pond Warrant, each Pond Warrant exercisable for one Pond Share at a price of $2.50 with an expiry date of December 21, 2018.

(6) Issued to SMC as repayment for a $50,000 promissory note advanced on August 30, 2016.

(7) Issued to SMC as repayment for a $50,000 promissory note advanced on August 30, 2016 referenced in note (6) with an expiry date of January 16, 2019.
(8) Issued pursuant to the February 2017 Brokered Private Placement.
(9) Issued pursuant to the February 2017 Brokered Private Placement with an expiry date of February 24, 2019.
(10) Issued pursuant to the February 2017 Brokered Private Placement. Each Pond Agent Unit entitles the holder to one Pond Share and one Pond Warrant, each Pond Warrant exercisable for one Pond Share at a price of $2.50 with an expiry date of February 24, 2019.
(11) Issued to settle a contingent liability.
(12) Issued to settle a contingent liability with an expiry date of April 17, 2019.
(13) Issued pursuant to the September 2017 Brokered Private Placement.
(14) Issued pursuant to the September 2017 Brokered Private Placement with an expiry date of September 20, 2019
(15) Issued pursuant to the September 2017 Brokered Private Placement. Each Pond Agent Unit entitles the holder to one Pond Share and one Pond Warrant, each Pond Warrant exercisable for one Pond Share at a price of $2.50 with an expiry date of September 20, 2019.

Stock Exchange

None of the securities of Pond are listed on any stock exchange.

Executive Compensation

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about Pond's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers ("**Named Executive Officers**" or "**NEOs**") listed in the Summary Compensation Table that follows. During its fiscal year ended December 31, 2016, the following individuals were Named Executive Officers (as determined by securities laws) of Pond: Steven Martin (Chief Executive Officer) and Thomas Masney (Chief Financial Officer).

Compensation Objectives and Principles

Since Pond has limited revenues from operations and often operates with limited financial resources, to ensure that funds are available to complete scheduled programs, Pond's compensation committee (the "**Compensation Committee**") has to consider not only the financial situation of Pond at the time of the determination of executive compensation, but also the estimated financial condition of Pond in the future.

Since the preservation of cash is an important goal of Pond, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by Pond. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of Pond. The other elements of the compensation Pond awards to its Named Executive Officers are: (i) base salary and cash consulting fees; and (ii) cash bonus payments for achievement of stated milestones or benchmarks. Pond does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of our employees.

Base salary is a fixed component of pay that compensates Named Executive Officers for fulfilling their roles and responsibilities and aids in the attraction and retention of talented executives. The annual performance-based bonus is a short-term variable component of compensation. It is designed to reward Named Executive Officers for individual and corporate performance that maximizes the operating and financial success of Pond. Bonuses are paid at the discretion of the Pond Board in consultation with the Compensation Committee.

Pond believes that all of these components of compensation fit into Pond's overall compensation objectives to attract and retain talented executives, reward individual and corporate performance, and align executive compensation with shareholders' interests.

Compensation Processes and Goals

The deliberations of the Pond Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for Pond's Named Executive Officers. At the request of the Pond Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Pond Compensation Committee with respect to the compensation program for Pond's Named Executive Officers. The Pond Compensation Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Pond Board (either on its own volition or based upon the advice it receives from the Named Executive Officers).

Pond relies on the Pond Compensation Committee, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers.

The Pond Board is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of Pond, and to others, including without limitation to the Pond Board, and for reviewing the Pond Compensation Committee's recommendations regarding the compensation to be awarded to any other officers of Pond from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position.

The Pond Board incorporates the following goals when it makes its compensation decisions with respect to Pond's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of Pond and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of Pond's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of Pond as a whole; and (v) the preservation of available financial resources.

Risk Management Disclosure

The Pond Board has reviewed the elements of compensation of Pond to identify any risks arising from Pond's compensation policies and practices that could reasonably be expected to have a material adverse effect on Pond as well as the practices used to mitigate any such risks. The Pond Board concluded that the compensation program and policies of Pond did not encourage its executives to take inappropriate or excessive risks. This assessment was based on a number of considerations, including, without limitation, the following: (i) Pond's compensation policies and practices are generally uniform throughout the organization; (ii) in exercising its discretion under its compensation policies the Pond Board reviews individual and corporate performance taking into account the longterm interests of Pond; and (iii) the results of annual assessments of executives' goals, objectives and performance are reviewed and considered in awarding compensation.

Restrictions on Purchase of Financial Instruments

Although Pond has not adopted a formal policy forbidding an NEO or director from purchasing financial instruments 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, Pond is not aware of any NEO or director having entered into this type of transaction.

Share-Based and Option-Based Awards

Long-term incentives in the form of Pond Options, generally granted to employees in various roles, are intended to align the employees' interests with those of Pond Shareholders. A holder of vested Pond Options may acquire Pond Shares at the exercise price established on the Pond Options' date of grant. Pond sets annual target ranges for Pond Option grants to its employees, subject to Pond's financial performance and the employee's individual performance. Pond Options represent compensation that is intended to align employees' interests with those of Pond Shareholders by providing employees with the opportunity to become shareholders of the Pond.

Pond Options are granted under the Pond Stock Option Plan described below under "*Stock Option Plan*". The Compensation Committee recommends Pond Option awards to the Pond Board after considering input from management. The Compensation Committee considers the number of options held by an NEO and considers the total number of Pond Options outstanding in making decisions or recommendations for Pond Option grants to the Pond Board.

Compensation Governance

The Pond Board has not adopted any specific policies or practices to determine the compensation for Pond's directors and officers, other than disclosed above. Pond's approach to executive compensation is to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. Pond attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of Pond.

Compensation Committee

Pond has established a Compensation Committee comprised of Dr. Geraldine Kenney-Wallace, who is considered independent of Pond, Steve Martin, who is not considered independent of Pond, and Bill Asselstine, who is not considered independent of Pond. Geraldine Kenney-Wallace has direct experience that is relevant to her responsibilities in executive compensation and has experience that enable the committee to make decisions on the suitability of Pond's compensation policies and practices. Dr. Kenney-Wallace is a past President and Vice-Chancellor of McMaster University and has extensive board experience, serving as a former director of the Bank of Montreal, Dofasco Inc., DMR Inc., General Motors (Canada), Northern Telecom Ltd, Ontario Hydro and Pharmacia & Upjohn Company LLC. In addition, she later was appointed to Managing Director at BAESYSTEMS reporting to the CEO in the United Kingdom.

The Compensation Committee's primary responsibilities are to make recommendations to the Pond Board in respect of: (i) compensation policies and guidelines; (ii) management incentive and perquisite plans and any non-standard remuneration plans; (iii) senior management, executive and officer compensation; and (iv) Pond Board compensation matters.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, Pond's NEOs, for the six months ended June 30, 2017 and the fiscal years ending December 31, 2016, December 31, 2015 and December 31, 2014.

NEO Name and principal position	Financial Period	Salary ($)	Share-based awards ($)	Option-based awards ($)[3]	Non-equity incentive plan compensation		Pension value ($)	All other Comp. ($)	Total Comp. ($)
					Annual Incentive Plans	Long-term incentive plans			
Steve Martin Director & Chief Executive Officer	Six months ended June 30, 2017	96,000	Nil	Nil	Nil	Nil	Nil	660	96,660
	2016	192,000	Nil	50,000[1]	Nil	Nil	Nil	1,000	243,000
	2015	192,000	Nil	Nil	Nil	Nil	Nil	1,000	193,000
	2014	192,000	Nil	Nil	Nil	Nil	Nil	1,000	193,000
Thomas Masney Chief Financial Officer	Six months ended June 30, 2017	72,000	Nil	Nil	Nil	Nil	Nil	1,520	73,520
	2016	144,000	Nil	74,000[1]	Nil	Nil	Nil	2,000	220,000
	2015	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
	2014	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000

Note:

(1) The fair value of all of these Pond Options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of 0%; risk free interest rate of 0.68%; estimated life of 5 years and expected volatility of 30%.

No options were actually exercised and no value was received with respect to these Option-Based Awards.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards to NEOs as of December 31, 2016

The following table sets forth for each Named Executive Officer all option-based awards outstanding at the end of the year ended December 31, 2016.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money-options ($)[1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Steve Martin	100,000	2.00	July 4, 2021	Nil	Nil	Nil	Nil
Thomas Masney	150,000	2.00	July 4, 2021	Nil	Nil	Nil	Nil

Note:

(1) There is no value attributable to the unexercised in-the-money Pond Options as the exercise price is not higher than the current Pond Share price as determined by the Pond Board and reflected in the price per Unit September 2017 Brokered Private Placement.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2016 for NEOs Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table sets forth for each Named Executive Officer, the value of option-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	**Option-based awards –Value vested during the year ($)**	**Share-based awards –Value vested during the year ($)**	**Non-equity incentive plan compensation –Value earned during the year ($)**
Steve Martin	Nil	Nil	Nil
Thomas Masney	Nil	Nil	Nil

Termination and Change of Control Benefits

Pond is not a party to any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities.

Defined Contribution, Deferred Compensation and Pension Plans

Pond does not have a pension plan or similar benefit program.

Director Compensation

Director Compensation Table

The following table contains information about the compensation awarded to, earned by, paid to or payable to, Pond's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended December 31, 2016.

Name and principal position	Financial Period	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value ($)	All other Comp. ($)	Total Comp. ($)
					Annual Incentive Plans	Long-term incentive plans			
Dr. Geraldine Kenny-Wallace Chairman	2016	21,000	Nil	50,000(1)	Nil	Nil	Nil	Nil	71,000
Robert McLeese Non-Executive Director	2016	Nil	Nil	43,094(1)	Nil	Nil	Nil	Nil	43,094
William Asselstine Non-Executive Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Saurin Patel Non-Executive Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) The fair value of the Pond Options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of 0%; risk free interest rate of 0.68%; estimated life of 5 years and expected volatility of 30%. No Pond Options were actually exercised and no value was received with respect to these Option-Based Awards.

Outstanding Share-Based Awards and Option-Based Awards to Directors (Other Than Directors Who are NEOs) as of December 31, 2016

The following table summarizes all share-based and option-based awards granted by Pond to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of December 31, 2016 are detailed above) which are outstanding as of December 31, 2016.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money-options ($)(1)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Dr. Geraldine Kenney-Wallace	100,000	$2.00	July 3, 2021	Nil	Nil	Nil	Nil
Robert McLeese	90,000	$2.00	May 25, 2021	Nil	Nil	Nil	Nil
William Asselstine	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Saurin Patel	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:
(1) There is no value attributable to the unexercised in the money Pond Options as the exercise price is not higher than the current Pond Share price as determined by the Pond Board and reflected in the price per Unit September 2017 Brokered Private Placement

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2016 by Directors (Other Than Directors Who are NEOs) Under Option-Based Awards, Shar-eBased Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended December 31, 2016 by directors of Pond (other than directors who are Named Executed Officers whose value vested or earned during the year ended December 31, 2016 under option-based awards, share-based awards and nonequity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	**Option-based awards –Value vested during the year ($)**	**Share-based awards –Value vested during the year ($)**	**Non-equity incentive plan compensation –Value earned during the year ($)**
Dr. Geraldine Kenney-Wallace	Nil	Nil	Nil
Robert McLeese	Nil	Nil	Nil
William Asselstine	Nil	Nil	Nil
Saurin Patel	Nil	Nil	Nil
Robert McLeese	Nil	Nil	Nil

Stock Option Plan

In 2010, Pond adopted an employee stock option plan (the "**Pond Stock Option Plan**").

Pursuant to the Pond Stock Option Plan, employees, officers, directors, consultants and advisors of Pond may be provided with Pond Options as a means of promoting the future success and growth of Pond. The Pond Stock Option Plan is administered by the Pond Board, which has the authority to (i) grant and amend Pond Options; (ii) adopt, amend and repeal rules relating to the Pond Stock Option Plan; and (iii) interpret and correct the provisions of the Pond Stock Option Plans and any Pond Options.

The maximum number of Pond Shares that may be reserved for issuance under the Pond Stock Option Plan is 1,211,110, being 20% of the Pond Shares issued and outstanding as at the date of the Pond Stock Option Plan, on a fully-diluted basis, subject to any permitted adjustments in accordance with the Pond Stock Option Plan. If any Pond Option expires, is terminated, surrendered or forfeited, in whole or in part, the underlying unissued Pond Share(s) of such Pond Option shall again be available for the grant of Pond Options under the plan.

The number of Pond Shares to be covered by each Pond Option, the exercise price per Pond Option (which shall not be less than the fair market value of the Pond Shares on the date of grant) and the conditions and limitations applicable to the exercise of each Pond Option, including vesting conditions, shall be determined by the Pond Board, provided the Pond Option exercise period shall not exceed five years from the date of grant. Pond Options may be exercised, in whole or in part, by delivery to Pond of payment of the exercise price and a written notice of such exercise.

Provided such time is not beyond the original expiry date of the Pond Option, a Pond Option may be exercised within a period of three months after the date that a participant ceases to be an employee, director or officer of, or advisor or consultants to, Pond (subject to any other conditions at the time of grant) or within three months following the death of a participant by the person whom it is transferred by will or by law.

If a participant's employment or relationship with Pond is terminated for Cause (as such term is defined in the Pond Stock Option Plan), the Pond Options issued to such participant shall terminate on the date of such termination.

Non-Arms Length Party Transactions

Pond has not entered into any non-arm's length transactions. See Schedule A "*Information Concerning Ironhorse - Non-Arm's Length Transactions*".

Legal Proceedings

Pond is not a party to or the subject matter of any material legal proceedings and to the best knowledge of Pond, no such legal proceedings are contemplated.

Management Contracts

No management functions of Pond are to any substantial degree performed by a person or company other than the directors or executive officers of Pond.

Auditor, Transfer Agent and Registrar

Auditor

The auditors of Pond are Collins Barrow Toronto LLP, located at 11 King St W #700, Toronto, ON M5H 4C7.

Transfer Agent and Registrar

Pond does not have a transfer agent and registrar.

Material Contracts

Other than the Amalgamation Agreement and as disclosed below, in the preceding two years Pond did not enter into any material agreements other than in the ordinary course of business:

Markham District MOU

On June 16, 2017, Markham District and Pond entered into the Markham District MOU to establish the framework for collaboration on a project to evaluate the potential environmental benefits and revenue streams from capturing the emissions from the WEC owned by Markham District (which includes a 5MW natural gas combined heat and power facility) and growing algae using Pond's algae growing platform. The first phase of the project will aim to (i) test the WEC emissions for growth of different algae species; (ii) investigate the market opportunity for offtakes of the selected algae species and quality; and (iii) model capital and operational expenses to finalize the business case for application of Pond technology for the WEC, other Markham District operations and similar industry participants. Pond and Markham District agree to work collaboratively in securing funding for the first phase and in marketing Pond with the global district energy industry and the Ontario power sector and to negotiate in good faith towards executing a strategic marketing agreement within 120 days of the date of the Markham District MOU to help secure new projects by leveraging Markham District's network and stature in the district energy and power industry and to compensate Markham District on a success fee basis. The Markham District MOU terminates on June 30, 2018.

The Markham District MOU also includes the agreed upon terms of reference governing the relationship between Pond, Markham District, the City of Markham and the National Research Council of Canada's Algae Carbon Conversion Program relating to stage 2 of the XPRIZE. The terms of reference include, among other things, the following: (i) agreement that the project operations will be governed by the Collaborative Research Agreement (as defined and described below); (ii) Markham District is provided "observer" status with regular site access, the right to all XPRIZE related performance data, the right to participate in all XPRIZE related events and the right to co-branding at the project site; (iii) agreement that any cash prize awarded will be used to further the development of the technology in support of the XPRIZE stage 3 deliverables and the ultimate commercialization of the technology; and (iv) agreement that the terms of reference only relate to the stage 2 semi-finals of the XPRIZE.

OCE Project Funding Agreement

Pond and OCE are parties to the OCE Program Funding Agreement, pursuant to which OCE has agreed to fund 50% of Pond's eligible expenses related to its 25,000L photobioreactor demonstration facility project at the SMC cement manufacturing plant in St. Marys, Ontario that is the subject of Pond's XPRIZE entry, to a maximum of $833,333.00. Under the OCE Program Funding Agreement, Pond shall provide OCE with such reports with respect to the project and such cooperation and assistance with collection of performance metrics relevant to the project as OCE may require from time to time and OCE is entitled to use such information to evaluate the success of its projects and to report results to the Government of Ontario in aggregate, omitting confidential information. In addition, OCE will have access to visit and inspect the project assets, offices and facilities and to examine the project books and financial records.

OCE may, among other remedies, terminate its commitment and obligation to provide its funding, and obtain a refund of funds previously provided, upon the happening of certain events of default, including, among other things: (i) in the event OCE reasonably determines the project will likely not be completed on schedule or on budget or interim results are unsatisfactory and demonstrate low likelihood of achieving anticipated outcomes; (ii) a representation or warranty given by Pond is or becomes materially untrue; (iii) a default of any term, covenant or condition to be performed or complied with by Pond; (iv) the dissolution, liquidation or winding up of Pond or the bankruptcy or insolvency of Pond; or (v) a material adverse effect occurs on the business, assets, operations or financial condition of Pond or the project.

The term of the OCE Program Funding Agreement expires on December 31, 2017.

As of the date hereof, Pond has received aggregate contributions of $438,000 from the OCE under the OCE Program Funding Agreement.

Federal Economic Development Agency Agreement

Pond and the Minister responsible for the Federal Economic Development Agency for Southern Ontario representing Her Majesty the Queen in Right of Canada ("**FedDev**") entered into a contribution agreement (the "**Federal Development Agency Agreement**") on February 6, 2012, pursuant to which FedDev agreed to make a repayable contribution to Pond up to a maximum amount of approximately $908,280 or 33.33% of Pond's eligible and supported costs (as defined in the terms of the Federal Development Agency Agreement) relating to the development of an integrated carbon capture and algae production demonstration facility in St. Marys, Ontario, to validate Pond's biofuels technology that uses raw stack emissions from a cement plant. The Federal Development Agency Agreement was amended on March 28, 2014, on August 18, 2014 and again on January 9, 2017 to provide for an amended repayment schedule through to December 1, 2020.

Shareholders Agreement

Pond is a party to a fifth amended and restated shareholders agreement with certain of its shareholders dated December 14, 2016 (the "**Shareholders Agreement**"). The Shareholders Agreement confirms that the business purpose of Pond is to develop and licence technologies, and to design, construct and operate facilities, for the bulk production of microalgae, biomass and derivatives therefrom, consuming industrial emission and other inputs. The Shareholders Agreement provides that the Pond Board shall be comprised of up to nine (9) members, with one nominee of Mr. Steven Martin (who shall be Mr. Steven Martin until further written notice to Pond), one nominee of SMC (who shall be Mr. William Asselstine until further written notice to Pond) and two independent nominees approved by those shareholders who are a party to the Shareholders Agreement holding at least 75% of the Pond Shares subject to the Shareholders Agreement (the "**Subject Shares**"). Subject to certain limited exceptions and unless otherwise approved by the Pond Board, no sale, transfer or assignment of Subject Shares shall be considered by a shareholder that is a party to the Shareholders Agreement unless it has first received a *bona fide* third party offer, in which case the selling shareholder must first offer its Subject Shares to the other shareholders that are a party to the Shareholders Agreement upon the same terms and conditions as are contained in the third party offer. In the event a person acquires greater than 50% of the Pond Shares, the shareholders who are a party to the Shareholders Agreement shall have "tag-along" rights to also sell their Subject Shares to such person. In addition, in the event a person acquires at least 80% of the Pond Shares, such person has "come along" rights to require the remaining shareholders party to the Shareholders Agreement to sell all of their Subject Shares to such person. The Shareholders Agreement also provides each shareholder a party thereto with "buy/sell" rights to offer to either purchase all Subject Shares or sell all of its Subject Shares, with SMC entitled to opt out of such "buy/sell" provisions. In addition, for so long as SMC is a shareholders of Pond, no transfer or issuance of Pond Shares and no corporate reorganization or transaction or any nature shall be allowed to take place that would result in a competitor of SMC becoming a direct or indirect owner of Pond Shares, except to the extent the same would result in the Pond Shares becoming listed on an exchange or the acquisition of listed shares by any person once such shares have been so listed.

Each shareholder party to the Shareholders Agreement agrees that, during the term of the Shareholders Agreement and for a period of two years after ceasing to be a shareholder, it shall not directly or indirectly own, promote, develop, consult for or be employed by an enterprise engaging in the business of Pond within a radius of 100 miles from the City of Toronto.

The Shareholders Agreement automatically terminates upon the earlier of (i) the completion by Pond of a public offering of its securities or a reverse-takeover transaction with a listed issuer (such as the Transaction); and (ii) an agreement in writing to terminate the Shareholders Agreement signed by parties thereto holding at least 2/3 of the Subject Shares.

Crystal Wealth Loan Agreement

Pond and Crystal Wealth are parties to a loan agreement dated February 19, 2016, as amended on October 5, 2016, October 26, 2016, February 8, 2017, August 11, 2017 and November 16, 2017 (the "**Crystal Wealth Loan Agreement**") providing for a loan by Crystal Wealth to Pond in the aggregate principal amount of $4,500,000, which amount has been drawn in full by Pond. Such amount includes loans from Crystal Wealth to Pond in the amounts of $450,000 and $100,000 provided on December 15, 2015 and February 2, 2016, respectively, which are deemed to be advanced under the Crystal Wealth Loan Agreement. The amounts loaned under the Crystal Wealth Loan Agreement were advanced to repurchase all Pond Shares held by the litigants in a claim brought against Pond by Lorem Capital et. al. to settle the claim on a full and final basis and for working capital purposes. The amounts owing under the Crystal Wealth Loan Agreement are to be repaid by Pond: (i) as to $1,000,000 by December 31, 2017; (ii) as to 20% of proceeds received by Pond from one or more financing transactions once the aggregate amount raised thereunder equals or exceeds $10,000,000; and (iii) in full by June 30, 2019. Interest initially accrued on the loaned amount at a rate of 12% per annum but was subsequently amended to accrue at a rate of 8% per annum from August 1, 2017 until the maturity date, with a lump sum payment in respect of previously accrued interest in the amount of $581,399 payable on November 30, 2017. Pursuant to the November 16, 2017 amendment, the $581,399 interest payment was extended to December 21, 2017, at which time a $10,000 extension fee is also payable, to better coincide with the closing of the Transaction. Pond is currently in negotiations with Crystal Wealth to extend the date by which this $581,399 interest payment is to be made so as to better coincide with the closing of the Transaction. Repayment of the loan is secured by the present and after-acquired personal property of Pond pursuant to a general security agreement between Pond and Crystal Wealth dated February 19, 2017 and the copyrights, patents and trademarks of Pond pursuant to an intellectual property security agreement between Pond and Crystal Wealth dated September 7, 2017.

Collaborative Research Agreement

Pond, SMC and NRC are parties to the Collaborative Research Agreement pursuant to which the parties thereto agree to a research collaboration at SMC's cement manufacturing plant in St. Marys, Ontario, to examine, test, optimize and ultimately attempt to validate the cultivation of algae in photobioreactors to economically and sustainably convert industrial stack gas (CO_2) into commercially valuable and/or useful biomass, while reducing net CO_2 gas emissions. The collaboration contemplates a comprehensive evaluation, including gathering of detailed performance data, of up to four algae strains used for carbon conversion at a 25,000L scale.

Pond, at its own cost, will design, engineer, finance, construct, commission, test, optimize, operate and maintain the demonstration facility. In addition, Pond will, among other things, at its own cost, hire, employ and manage all engineering personnel and other consultants required for the project, provide all required technology and equipment required for the project, assume all engineering, design and maintenance costs relating to the project, and provide regular reporting updates regarding the design, development and construction of the project and technical performance data. SMC will provide stack emissions, raw water facilities, heat sources and other inputs reasonably requested by Pond and NRC to the demonstration facility., which will be designed to use carbon dioxide from stack gas emissions for algal growth, as provided by SMC at the site. NRC shall sample, isolate and characterize algal strains from waterways near the St. Marys plant and select those considered most promising for deployment in the demonstration facility, provide a minimum of four algal strains isolated from Ontario locations that have high growth rates, tolerance to flue gasses and useful biochemical characteristics for testing in the photobioreactor, and provide expertise and advice with regard to culture media, nutrient dosing protocols, light regimes and other parameters related to optimization of algal growth.

The parties will collaboratively prepare a final project report that consolidates all project data, analysis, assumptions, recommendations, projections, commentary and results, including detail of the algae strain selection, profile, growth and productivity performance, net carbon balance achieved by the demonstration facility, data applicable to scaling the facility to full industrial deployment and commentary of potential markets and uses for algae investigated during the project period.

Pursuant to the Collaborative Research Agreement, half of the biomass produced through the project will be property of Pond and the other half will be the property of NRC. The parties also agree that during and following completion of the project, the entire Growth Platform and related equipment will be owned by Pond, and remains at Pond's risk and expense. In addition, the parties have established a project management committee comprised of one representative from each party, empowered to make decisions regarding the day-to-day management of the project.

CNRL has been granted "observer" status to the project and, in such capacity, may review and discuss the project progress and results with the parties, visit the project site and obtain a copy of the final project report.

The 25,000L photobioreactor at the demonstration facility that is the subject of the Collaborative Research Agreement is Pond's semi-finals stage 2 entry for the XPRIZE. See "*Narrative Description of the Business – Carbon Abatement*".

The foregoing are only summaries of certain material terms of the above material agreements. Readers are encouraged to read the full text of the material agreements. Copies of the above agreements may be inspected without charge at Pond's head office during normal business hours prior to the completion of the Transaction and for a period of 30 days thereafter.

Schedule C

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. As the Resulting Issuer will be the same corporate entity as Ironhorse, this section only includes information respecting Ironhorse (and Pond, as applicable) after the Transaction that is materially different from information provided earlier in this Circular regarding Ironhorse prior to closing the Transaction. See the various headings under "Information Concerning Ironhorse", at Schedule A to the Circular, and "Information Concerning Pond", at Schedule B of the Circular, for additional information regarding Ironhorse and Pond, respectively. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Schedule L.

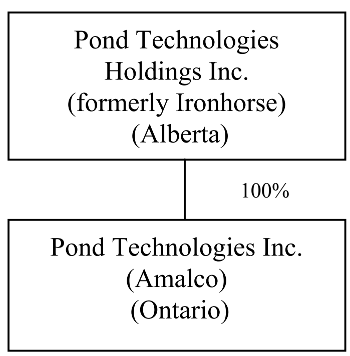
Name and Incorporation

In connection with the completion of the Transaction, Ironhorse will file articles of amendment to effect the Ironhorse Change of Name, changing its name to "Pond Technologies Holdings Inc." and Ironhorse (as the Resulting Issuer) will continue to be incorporated under the ABCA following completion of the Transaction.

Following completion of the Transaction, the Resulting Issuer's head office will be located at 8-250 Shields Court, Markham, Ontario L3R 9W7 and its registered office will be Suite 1250, Millennium Tower, 440-2nd Avenue SW, Calgary, Alberta T2P 5E9.

Intercorporate Relationships

Pursuant to the Amalgamation, Pond will amalgamate with Newco to form Amalco under the name "Pond Technologies Inc.", which will be a wholly owned subsidiary of the Resulting Issuer:



Narrative Description of the Business

Following completion of the Transaction, the Resulting Issuer's principal business will be that of Pond. It is anticipated that the Resulting Issuer will seek to divest itself of the Pembina asset in the short-term after the completion of the Transaction, subject to favourable market conditions and pricing. See "*Information Concerning Pond – Narrative Description of the Business*" at Schedule B to the Circular.

Stated Business Objectives

The Resulting Issuer's objective, using the funds available to it on the Effective Date, is to fund capital expenditures relating to construction of bioreactors for the commercialization of the Resulting Issuer's nutraceutical and pollution abatement business, principal debt repayment and ongoing working capital purposes.

Milestones

The principal milestones that must occur in respect of the commercialization of the Resulting Issuer's nutraceutical and pollution abatement businesses are as follows:

Milestone	Target Commencement Date	Target Completion Date	Estimated Cost
Build and commence operations of initial set of nutraceutical bioreactors	January 2018	Q4 2018	$1,672,580 - $4,692,580
Improve internal equipment associated with pollution abatement technology to support 3rd party sales and commissioning.	January 2018	Ongoing	$100,000 - $200,000

Until such time as the Pembina asset is sold or is otherwise leveraged for financing, or project financing is obtained, the capitalizing and commercializing of the Resulting Issuer's nutraceutical business and the capitalization of its pollution abatement business will be limited.

Nutraceutical Business

In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted for its nutraceutical business to build at least one 40,000 to 60,000 litre photobioreactor (assuming $6,500,000 raised under the Financing) at an estimated cost of $1,672,580 and up to three 40,000 to 60,000 litre photobioreactors (assuming $10,500,000 raised under the Financing) at an estimated cost of approximately of $4,692,580. Pursuant to the Markham District MOU, these photobioreactors will be installed at the Warden Energy Centre owned by Markham District, with ownership of the photobioreactors retained by the Resulting Issuer. Once installed, the photobioreactors will draw upon the carbon dioxide emissions from the Warden Energy Centre to grow algae-based nutraceutical products.

The first phase of the Resulting Issuer's relationship with Markham District under the Markham District MOU will be focused on (i) testing the emissions for growth of different algae species; (ii) exploring the market opportunity for offtakes of the selected algae species and quality; and (iii) modelling capital and operational expenses to finalize the business case for application of the Resulting Issuer's technology for the Warden Energy Centre, other Markham District operations and similar industry participants. Construction of the Photobioreactor(s) will begin immediately upon completion of the Financing and expect to be deployed by the beginning of Q4 2018. It is anticipated that revenue will be generated from the sale of the algae-based nutraceutical products produced at the site (which are anticipated to include such products as chlorella powder, spirulina powder, and astaxanthin oil), with such revenue accruing to the benefit of the Resulting Issuer, subject to reimbursement to Markham District of its costs associated with providing the Warden Energy Centre site to the Resulting Issuer and the payment by the Resulting Issuer of any success fees that may be payable to Markham District under a strategic marketing agreement to be entered pursuant to which Markham District shall seek to secure new projects for the Resulting Issuer by leveraging Markham District's network and stature in the district energy and power industry.

Revenue will always be subject to the number of photobioreactors that the Resulting Issuer can build and commission, which will be dependent upon, among other things, its ability to either sell the Pembina asset or otherwise leverage it for third party financing. Assuming the sale of the Pembina asset, the Resulting Issuer has budgeted for the construction of a total of 11 photobioreactors for its nutraceutical business by the end of 2019, all of which would be installed at the Warden Energy Centre. See Schedule "B" – *Information Concerning Pond – Narrative Description of the Business*.

Pollution Abatement Business

In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted a range of only $100,000 to $200,000 in capital development costs (subject to amounts raised under the Financing) towards improving its internal equipment associated with its pollution abatement technology. In light of the significant capital costs associated with operating an algae plant designed to abate several hundred thousand metric tonnes of carbon and as noted in the Circular, Pond's strategy for the pollution abatement market is to license its technology to large engineering and construction firms that have the capacity and expertise to handle large construction projects. Pond would supply the license, as well as proprietary equipment to these firms. Pond has engaged SNC-Lavalin as a strategic partner and executed the SNC-Lavalin MOU, which has collaborative marketing and project development for specified projects. The Resulting Issuer has budgeted to build and sell by the end of 2019 two 1,000,000L bioreactors. See Schedule "B" – *Information Concerning Pond – Narrative Description of the Business* and Schedule "B" – *Information Concerning Pond – General Development of the Business*.

Description of the Securities

Prior to completion of the Transaction, all of the Ironhorse Shares will be consolidated on the basis of one post-Ironhorse Consolidation Ironhorse Share for every 6.9 existing Ironhorse Shares. See "*Particulars of Matters to be Acted Upon at the Ironhorse Meeting – The Ironhorse Consolidation Resolution*" in the attached Circular.

Holders of Resulting Issuer Shares will be entitled to: (i) receive notice of and to attend all annual and special meetings of shareholders of the Resulting Issuer and to one vote in respect of each Resulting Issuer Share held at all such meetings; (ii) subject to the rights of the holders of any other class of shares of the Resulting Issuer entitled to receive dividends in prior to or concurrently with the Resulting Issuer Shareholders, receive dividends if, as and when declared by the Resulting Issuer Board out of the assets of the Resulting Issuer properly applicable to the payment of dividends in such amounts and payable in such manner as the Resulting Issuer Board may from time to time determine; and (iii) in the event of the liquidation, dissolution or winding up of the Resulting Issuer or other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, subject to the rights of the holders of any other class of shares of the Resulting Issuer entitled to receive assets of the Resulting Issuer upon such a distribution in priority to or concurrently with the Resulting Issuer Shareholders, participate in the distribution. Such distribution shall be made in equal amounts per share on all the Resulting Issuer Shares at the time outstanding without preference or distinction.

Pro Forma Consolidated Capitalization

The following table summarizes the Resulting Issuer's consolidated capitalization as at November 17, 2017, after giving effect to the Transaction. The table should be read in conjunction with the financial statements of Ironhorse, Pond and the pro-forma financial statements of the Resulting Issuer, including the notes thereto, included at Schedules J, K and M to this Circular, respectively along with the Ironhorse annual consolidated financial statements for the years ended December 31, 2016 and 2015 incorporated by reference herein.

Description	Amount Authorized	Number outstanding after to giving effect to the Transaction, assuming minimum $6.5 million Financing[(1)] (unaudited)	Number outstanding after to giving effect to the Transaction, assuming maximum $10 million Financing[(1)] (unaudited)
Resulting Issuer Shares	Unlimited	18,481,001	19,939,335

Resulting Issuer Warrants[2]	-	1,437,340	1,437,340
Resulting Issuer Agent Warrants[3]	-	216,667	333,333
Pond Agent Units[4]	-	82,000	82,000
Resulting Issuer Options[5]	-	1,085,000	1085,000

Notes:

(1) Assuming the over-allotment option is not exercised. See "*Description of the Transaction – The Financing*" in the Circular for more information on the Financing.

(2) Each Resulting Issuer Warrant is issuable upon the exchange of Pond Warrants pursuant to the applicable Exchange Agreement and entitles the holder to purchase one Resulting Issuer Share at a price of $2.50 per share. The Resulting Issuer Warrants have expiry dates ranging from December 1, 2018 to September 23, 2019.

(3) Each Resulting Issuer Agent Warrant is issuable upon the exchange of Pond Agent Warrants issued under the Financing pursuant to the applicable Exchange Agreement and entitles the Agents to purchase one Resulting Issuer Share at a price of $2.40 at any time prior to the date that is 24 months from the closing date of the Financing, which is anticipated to occur on or about December 19, 2017.

(4) Pursuant to the terms of the Pond Agent Units, upon completion of the Amalgamation, each Pond Agent Unit entitles the Agents to purchase one unit ("**Unit**") for $2.00 per Unit, each Unit consisting of one Resulting Issuer Share and one Resulting Issuer Warrant, exercisable to purchase one Resulting Issuer Share at a price of $2.50 per Resulting Issuer Share.

(5) Each Resulting Issuer Option is issuable upon the exchange of Pond Options pursuant to the applicable Exchange Agreement. Each Resulting Issuer Option has an exercise price of $2.00 and expiry dates range from July 3, 2021 to May 25, 2022.

Fully Diluted Share Capital

The following table summarizes the number and percentage of securities of the Resulting Issuer to be outstanding on a fully diluted basis after giving effect to the Transaction:

	Number of Resulting Issuer Shares, assuming minimum $6.5 million Financing[1]	**Percentage, assuming minimum $6.5 million Financing[1]**	**Number of Resulting Issuer Shares, assuming maximum $10 million Financing[1]**	**Percentage, assuming maximum $10 million Financing[1]**
Held by existing Ironhorse Shareholders[2]	4,041,423	18.9%	4,041,423	17.6%
Held by Former Pond Shareholders[3]	14,439,577	67.5%	15,897,910	69.2%
Resulting Issuer Shares issuable upon exercise of existing Pond Options[4]	1,085,000	5.1%	1,085,000	4.7%
Resulting Issuer Shares issuable upon exercise of existing Pond Warrants[4]	1,437,340	6.7%	1,437,340	6.3%
Resulting Issuer Shares issuable upon exercise of existing Pond Agent Warrants[4]	216,667	1.0%	333,333	1.5%
Resulting Issuer	164,000	0.8%	164,000	0.7%

Shares issuable upon exercise of existing Pond Agent Units[(4)(5)]				
Fully-Diluted Total	21,384,007	100%	22,959,006	100%

Notes:

(1) Assuming the over-allotment option is not exercised. See "*Description of the Transaction – The Financing*" in the Circular for more information on the Financing.

(2) After giving effect to the Ironhorse Consolidation.

(3) Numbers include holders of Subscription Receipts, which will convert to Pond Shares immediately prior to effecting the Amalgamation.

(4) All Pond Options, Pond Warrants and Pond Agent Warrants outstanding immediately prior to effecting the Transaction will be cancelled and holders thereof shall receive in exchange the identical number of Resulting Issuer Options, Resulting Issuer Warrants and Resulting Issuer Agent Warrants, respectively, as such holder previously held and on the same terms and conditions.

(5) Pursuant to the terms of the Pond Agent Units, upon completion of the Amalgamation, each Pond Agent Unit entitles the Agents to purchase one Unit for $2.00 per Unit, each Unit consisting of one Resulting Issuer Share and one Resulting Issuer Warrant, exercisable to purchase one Resulting Issuer Share at a price of $2.50 per Resulting Issuer Share. Numbers include the exercise of the underlying Resulting Issuer Warrant.

Available Funds and Principal Purposes

Funds Available

The following tables set out information respecting the Resulting Issuer's sources of funds and intended uses of such funds upon completion of the Transaction. The amounts shown in the tables are estimates only and are based upon the information available to Pond as of the date hereof. The intended uses of such funds and/or the Resulting Issuer's development capital needs may vary based upon a number of factors. See "*Risk Factors – Risks Relating to the Business to be Carried on by the Reporting Issuer*".

Sources[(4)]	**Assuming Completion of the Minimum Financing Amount of $6.5 million ($)**	**Assuming Completion of the Maximum Financing Amount of $10 million ($)**
Estimated working capital of the Resulting Issuer as at October 31, 2017[(1)]	316,654	316,654
Net proceeds of the Financing[(2)]	5,885,000	9,105,000
Estimated net revenue of the Pembina asset for the next 12 months[(3)]	750,000	750,000
Estimated funds available to the Resulting Issuer upon completion of the Transaction	**6,951,654**	**10,171,654**

Notes:

(1) Based on estimated working capital deficiency of Pond of approximately $2,536,394 as of October 31, 2017 and estimated working capital of Ironhorse of $2,853,003 as of October 31, 2017.

(2) Pursuant to the Financing, the Agents shall receive, in addition to that number of Resulting Issuer Warrants that equals 8% of the Subscription Receipts sold under the Financing, a cash commission equal to 8% of the gross proceeds raised under the Financing, a work fee in the amount of $35,000 (plus HST) and reimbursement of out-out-pocket expenses, not to exceed $60,000 plus applicable taxes and disbursements unless first approved by Pond. See "*Description of the Transaction – The Financing*" in the Circular.

(3) The Resulting Issuer's net revenue figure assumes the Pembina asset will not be sold in 2018 and with average net revenue per month of approximately $62,500, based on 2018 current estimated production, commodity pricing, royalties rates and operating expenses. It is the intention of the Resulting Issuer to sell the Pembina asset as soon as it is able to do so after completion of the Transaction. Pond values the Pembina asset at approximately $5,000,000, and, if sold, the net proceeds of such sale would represent a source of funds to Pond, which would be used primarily to increase its capitalization and commercializing efforts in its nutraceutical business for the next 12 months, enabling the Resulting Issuer to build two additional 40,000 L to 60,000 L bioreactors. See "*Risks Relating to the Business to be Carried on by the Resulting Issuer - Retention of Pembina oil and gas asset*" in the Circular.

(4) Pond has and continues to receive government grant funding. However, this table does not reflect anticipated government grants to the Resulting Issuer as they are dependent upon the Resulting Issuer incurring certain eligible expenses or dependent upon renewal of government contracts. For example, the NRC currently provides Pond with $18,000 per month ($216,000 per year) in respect of Pond employees seconded to NRC under the Collaborative Research Agreement and other project related expenses, with such funding, together with other potential funds, subject to renewal in April 2018. In addition, the OCE has awarded Pond $833,333 in government

grants in respect of Pond's XPRIZE competition with Markham District and the NRC, of which $394,973 remains available to be claimed by Pond, subject to Pond incurring the requisite eligible expenses. Pond anticipates claiming approximately $120,000 under the remaining OCE award for eligible expenses anticipated to have been incurred by December 31, 2017, with the balance of the remaining OCE award claimed in Q1 2018. See "*Schedule "A" – Information Concerning Pond – General Development of the Business – General Development and Product*s and *"Schedule "A" - Information Concerning Pond – Material Contracts*".

Principal Purposes of Funds

The following tables set out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds on completion of the Transaction. See "*Stated Business Objectives*".

Use of Funds	**Assuming Completion of the Minimum Financing Amount of $6.5 million ($)**	**Assuming Completion of the Maximum Financing Amount of $10 million ($)**
Estimated Transactions Costs	500,000	500,000
Crystal Wealth debt and interest repayment(1)	1,621,891	1,621,891
Payment to GRL(2)	457,183	457,183
Research and development and general and administrative expenses for the next 12 months(3)	2,500,000	2,500,000
Capitalizing and commercializing nutraceutical business for the next 12 months(4)	1,672,580	4,692,580
Capitalizing pollution abatement business for the next 12 months(5)	100,000	200,000
Working capital	100,000	200,000
Total	**6,951,654**	**10,171,654**

Notes:

(1) Pursuant to the terms of the Crystal Wealth Loan Agreement, $581,399 of interest accrued to November 30, 2017, together with an extension fee of $10,000, is due on December 21, 2017 and $1,000,000 of the principal amount owing to Crystal Wealth, together with an additional $30,492 of interest accrued for the month of December 2017, is payable by December 31, 2017. See "*Material Contracts – Crystal Wealth Loan Agreement*" in the Circular.

(2) At closing of the Transaction, Ironhorse shall transfer its interest in the Ironhorse Kotcho property, the Ironhorse Dawson property and the Ironhorse Balsam property to GRL for nominal consideration and GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to GRL. See "*Description of the Transaction – Covenants*" in the Circular.

(3) These estimated expenses include: salaries and benefits of $1,900,000; rents and utilities of $100,000; expensed materials and equipment of $200,000; travel expense of $100,000; legal, tax, audit and professional fees of $200,000; and TSXV fees of $100,000. These expenses do not reflect anticipated cash recoveries from government project grants.

(4) Until such time as the Pembina asset is sold or is otherwise leveraged for financing, the capitalizing and commercializing of the Resulting Issuer's nutraceutical business and the capitalization of its pollution abatement business will be limited. In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted to build one 40,000 L to 60,000 L photobioreactor (assuming $6,500,000 raised under the Financing) and up to three 40,000 L to 60,000 L photobioreactors (assuming $10,500,000 raised under the Financing), which are budgeted to be included in the Markham District project contemplated in the Markham District MOU. See "*Material Contracts – Markham District MOU*" in the Circular.

(5) Until such time as the Pembina asset is sold or is otherwise leveraged for third party financing, the capitalizing of its pollution abatement business will be limited. In the event the Pembina asset is not sold in 2018, the Resulting Issuer has budgeted a range of $100,000 to $200,000 (subject to amounts raised under the Financing) towards improving its internal equipment associated with its pollution abatement technology.

The Resulting Issuer's commercialization plan involves scaling up its technology to the point where revenue from the sale of biodiesel and biomass pellets derived from an algae plant using the Resulting Issuer's photobioreactors exceeds operating costs. The Resulting Issuer anticipates that an algae plant with capacity greater than 1,000,000 L (1,000 m^3) would achieve profitability in the Resulting Issuer's pollution abatement business. In respect of its nutraceutical business, the Resulting Issuer anticipates that profitability can be achieved through the use of 40,000 L to 60,000 L bioreactors, with revenue increasing as additional photobioreactors are built and installed to clean sources of CO_2 (each as natural gas cogeneration plants) and, in connection therewith, the Resulting Issuer benefitting from such increased economies of scale.

There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds, including in the event the Resulting Issuer is unable to sell the Pembina asset at a price and on terms acceptable to the Resulting Issuer, or at all. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required. See "*Risk Factors - Risks Relating to the Business to be Carried on by the Resulting Issuer – Dilution*" and "*Risks Relating to the Business to be Carried on by the Resulting Issuer - Retention of Pembina oil and gas asset*" in the Circular.

Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Resulting Issuer Shares. The Resulting Issuer has no restrictions on paying dividends except as it relates to the solvency tests under applicable corporate law (it being noted that, pursuant to the Crystal Wealth Loan Agreement, Amalco shall not declare or pay any dividend without the consent of Crystal Wealth), but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to pay down indebtedness and to finance growth, if any. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

Principal Securityholders

To the knowledge of the directors and senior officers of Ironhorse and Pond, as of the date of this Circular and after giving effect to the Transaction, no person will beneficially own, control or direct, directly or indirectly, any Resulting Issuer Shares carrying more than 10% of the voting rights attached to all outstanding Resulting Issuer Shares, except for the following:

Name of Shareholder and Municipality of Residence	Number of Resulting Issuer Shares owned after giving effect to the Transaction	Percentage of Resulting Issuer Shares, assuming minimum $6.5 million Financing(1)	Percentage of Resulting Issuer Shares, assuming maximum $10 million Financing(1)	Owed of record only, beneficially only, or both of record and beneficially
St. Marys Cement Inc. Toronto, Ontario	3,042,571	16.5%(2)	15.3%(3)	Record and beneficially

Notes:

(1) Assuming the over-allotment option is not exercised. See "*Description of the Transaction – The Financing*" in the Circular for more information on the Financing.

(2) 14.1% on a fully-diluted basis.

(3) 13.3% on a fully-diluted basis.

Directors, Officers and Promoters of the Resulting Issuer

The following table provides the names of the proposed directors and officers of the Resulting Issuer following completion of the Transaction, their municipalities of residence, position, principal occupations and the number of Resulting Issuer Shares that each of the individuals will beneficially own, control or direct, directly or indirectly as of the date of the Circular (after giving effect to the Consolidation and Transaction).

Name and Municipality of Residence and Position(s) Held	Director or Officer of Ironhorse or Pond Since	Principal Occupation Over the Past 5 Years	Resulting Issuer Shares Outstanding at Closing	
			Number of Shares(1)	Percentage (%)(2)
Steven Martin, Director, Chief Executive Officer and Chief Technology Officer Toronto, Ontario	Director of Pond since 2008 and Officer of Pond since 2014	Chief Executive Officer and Chief Technology Officer of Pond (2009 to present); Lead, Special Projects at Interlink Contract Services (1996 to present)	1,603,119	8.7%
Thomas Masney, Chief Financial Officer and Corporate Secretary Mississauga, Ontario	Officer of Pond since 2013	Chief Financial Officer at Pond (2013 to present); Chief Financial Officer at Industrial SkyWorks (2016 to present); Chief Financial Officer at Melior Resources Inc. (2012 to 2016)	12,500	0.07%
Peter Howard, Vice President, Corporate Sustainability Toronto, Ontario	Officer of Pond since 2013	Vice President, Sustainability at Pond (2013 to present); Senior Policy Advisor at Ontario Ministry of the Environment (2009 to 2013)	Nil	Nil
Emidio Di Pietro, Vice President, Engineering Georgetown, Ontario	Officer of Pond since 2010	Vice President, Engineering at Pond (2010 to present)	Nil	Nil
Dr. Geraldine Kenney-Wallace, Director London, United Kingdom	Director of Pond since 2012	Consultant at CHI3 Photonics Synergies Ltd. (2009 to present)	Nil	Nil
J. William Asselstine, Director Oakville, Ontario	Director of Pond since 2015	Vice President, Sustainability and Cement Sales Canada at SMC (2015 to present); Vice President, Logistics at SMC (2009 to present); Vice President, Promotion and Marketing Services (2005 to present)	Nil	Nil

Name and Municipality of Residence and Position(s) Held	Director or Officer of Ironhorse or Pond Since	Principal Occupation Over the Past 5 Years	Resulting Issuer Shares Outstanding at Closing	
			Number of Shares(1)	Percentage (%)(2)
Robert McLeese, Director Toronto, Ontario	Director of Pond since 2016	President and Director at Access Capital Corp. (1990 to present); President and Chair at Georgian Villas Corp. (2004 to present); President and Chair at Colmac Holdings Ltd. (2011 to present); Director at EDC (2015 to present) Director at Rand Capital Corp. (2015 to 2016)	338,729(3)	1.8%
Gerry Quinn, Director Mississauga, Ontario	Director of Ironhorse since 2004	President of The Erin Mills Investment Corporation, a private venture capital company (1989 to present); Director of Ironhorse (2004 to present); Director of Yangaroo Inc. (2012 to 2015)	221,855	1.2%

Notes:

(1) On an undiluted basis.

(2) Percentage assumes completion of the $6.5 million minimum Financing amount and that the over-allotment option is not exercised. In the event the $10 million maximum Financing amount is completed, assuming the over-allotment option is not exercised, percentage holdings will be as follows: Steven Martin – 8.0%; Thomas Masney – 0.06%; Peter Howard - nil; Emidio Di Pietro - nil; Dr. Geraldine Kenney-Wallace – nil; J. William Asselstine - nil; Robert McLeese – 1.7%; Gerry Quinn – 1.1%. See "Description of the Transaction – The Financing" in the Circular for more information on the Financing.

(3) Including 338,729 Resulting Issuer Shares held by Colmac Holdings Ltd., an entity of which Mr. McLeese is a principal.

Directors will be appointed to the Compensation Committee and the Corporate Governance and Nominating Committee following completion of the Transaction in accordance with regulatory guidelines.

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected.

The Audit Committee will be comprised of Gerry Quinn, Steve Martin and Rob McLeese. As defined by NI 52-110, each of Gerry Quinn and Rob McLeese are "independent" within the meaning of NI 52-110. Each Audit Committee member is "financially literate", within the meaning of NI 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as an Audit Committee member.

As at the date of this Circular, after giving effect to the Transaction and assuming the minimum Financing amount of $6.5 million is completed, the proposed directors and officers of the Resulting Issuer, as a group, will beneficially own, or control or direct, directly or indirectly, 2,176,203 Resulting Issuer Shares, representing approximately 11.8% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis) assuming no Dissent Rights are exercised with respect to the Pond Resolution and no Resulting Issuer Options, Resulting Issuer Warrants, Resulting Issuer Agent Warrants or Pond Agent Units are exercised.

As at the date of this Circular, after giving effect to the Transaction and assuming the maximum Financing amount of $10 million is completed, the proposed directors and officers of the Resulting Issuer, as a group, will beneficially own, or control or direct, directly or indirectly, 2,176,203 Resulting Issuer Shares, representing approximately 10.9% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis) assuming no Dissent Rights are exercised with respect to the Pond Resolution and no Resulting Issuer Options, Resulting Issuer Warrants, Resulting Issuer Agent Warrants or Pond Agent Units are exercised.

Management

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

Steven Martin, 50, Director, Chief Executive Officer and Chief Technology Officer – Mr. Martin is Pond's Chief Executive Officer and a founder of Pond. Mr. Martin has past experience with companies relevant to the Resulting Issuer's industry, including working as a Senior Scientist at EXFO Photonics Solutions, a company involved in the development of optical fibre test and measurement and as a Director ot Opto-Electronic Research at Efos Inc., where he led the development of new optical imaging systems, illuminators and polymer based photonics solutions. Mr. Martin is a past director of the Jeffrey Skoll MBA program offered through the Rotman School of Management at the University of Toronto and a former director of the Professional Development Centre in the Faculty of Applied Science and Engineering at the University of Toronto. He has also held the position of director of the Centre for Advanced Microelectronics and was the founding director of the Centre for Advanced Engineering Technologies at George Brown College. Mr. Martin holds an H.B.Sc. in Chemical Physics and a B.A.Sc. in Mechanical Engineering, both from the University of Toronto.

Mr. Martin will be a full-time employee of the Resulting Issuer. Mr. Martin has entered into a non-disclosure agreement with Pond and will enter into a non-disclosure agreement with the Resulting Issuer.

Thomas Masney, 64, Chief Financial Officer – Mr. Masney is Pond's Chief Financial Officer and has global financial, audit and regulatory reporting experience spanning North America, Europe and Asia. Mr. Masney is also currently Chief Financial Officer of Industrial SkyWorks, which provides aerial drone site inspections for building and industrial plant applications. Mr. Masney was previously Chief Financial Officer of Melior Resources Inc., a TSXV listed company focused on assessing, developing and operating resource projects. He has worked with Goldman Sachs and General Electric in venture capital, mergers and acquisitions, and for both Ernst & Young and PricewaterhouseCoopers in audit and corporate recovery. Mr. Masney brings with him a strong understanding of the mining, construction, manufacturing, technology, and ecommerce industries. Mr. Masney is a Chartered Accounted and received his B. Comm. from McMaster University in 1977.

Mr. Masney will be an employee of the Resulting Issuer and will work approximately 75% of the time with the Resulting Issuer. Mr. Masney has entered into a non-disclosure agreement with Pond and will enter into a non-disclosure agreement with the Resulting Issuer.

Emidio Di Pietro, 45, Vice President, Engineering – Mr. DiPietro is Pond's Vice President, Engineering and has experience as a manufacturing manager with a Tesma division of Magna, an automotive supply company. He has extensive experience in areas of program management, from receipt of order to steady state production including design, validation, production launch, and in-house/customer production process validation. He brings a wealth of experience from many different aspects of engineering that is critical in the development and deployment of the Resulting Issuer's technology. Mr. Di Pietro received his Bachelor of Engineering Degree (Mechanical) from Ryerson University in 1995.

Mr. Di Pietro will be a full-time employee of the Resulting Issuer. Mr. Di Pietro has entered into a non-disclosure agreement with Pond and will enter into a non-disclosure agreement with the Resulting Issuer.

Peter Howard, 38, Vice President, Corporate Sustainability – Mr. Howard previously worked as a management consultant, holding the position of Manager, Climate Change and Sustainability in PricewaterhouseCoopers' sustainable business practice. He also worked as Business Development Director for Zerofootprint Carbon, a carbon consulting and offsetting company and as a Senior Policy Advisor on climate change with the Ontario Ministry of the Environment and Climate Change, where he helped develop Ontario's greenhouse gas emission policies and programs for transitioning to a low carbon economy. Mr. Howard received his Masters of Environmental Studies degree from York University, and a B. Sc. (Hons) in Marine Biology and Contemporary Studies from the University of Kings College in Halifax, Nova Scotia.

Mr. Howard will be a full-time employee of the Resulting Issuer. Mr. Howard has entered into a non-disclosure agreement with Pond and will enter into a non-disclosure agreement with the Resulting Issuer.

Dr. Geraldine Kenney-Wallace, 74, Director – Dr. Kenney-Wallace is a past President and Vice-Chancellor of McMaster University and has extensive board experience, serving as a former director of the Bank of Montreal, Dofasco Inc., DMR Inc., General Motors (Canada), Northern Telecom Ltd, Ontario Hydro and Pharmacia & Upjohn Company LLC. In addition, she later was appointed to Managing Director at BAESYSTEMS reporting to the CEO in the United Kingdom. Dr. Kenney-Wallace received her Masters degree and Ph.D. in Physics at the University of British Columbia and is a Fellow at the Royal Society of Canada and the Institute of Physics, Worldwide.

Dr. Kenney-Wallace expects to devote the time necessary to perform the work required in connection with acting as a Director of the Resulting Issuer. Dr. Kenney-Wallace has entered into a non-disclosure agreement with Pond and management anticipates that she will enter into a noncompetition or non-disclosure agreement with the Resulting Issuer.

J. William Asselstine, 60, Director – Mr. Asselstine is Vice President, Sustainability and Cement Sales Canada at St. Marys Cement Inc., a major producer of cementitious materials in the Great Lakes Region, where he has worked for over three decades in various capacities. He oversees procedures and programs to minimize environmental risks and to ensure regulatory compliance. He directs the management of all of St. Marys' properties and is also responsible for Canadian cement sales. Mr. Asselstine received his B.A., Sc. in engineering from the University of Toronto in 1979 and a degree in management and marketing from the University of Western Ontario in 1988.

Mr. Asselstine expects to devote the time necessary to perform the work required in connection with acting as a director of the Resulting Issuer. Management anticipates that he will enter into a noncompetition or non-disclosure agreement with the Resulting Issuer.

Robert McLeese, 64, Director – Mr. McLeese is on Export Development Canada's Board of Directors and is the founder and President of Access Capital Corp., a financial advisory firm specializing in the independent power industry established in 1990. Mr.McLeese is also the President (since 2004) and Chair (since 2011) of Georgian Villas Inc. as well as the Chairman and President of ACI Energy, Inc., which owns and operates two waste coal fueled power plants in the United States, and is the recipient of the 2011 Probyn Prize for innovation in sustainable energy finance and the 2012 Queen Elizabeth II Diamond Jubilee Medal. Mr. McLeese has been a director of a number of public and private companies in diverse industries, including his current role as director at Export Development Canada as well as director at Rand Capital Corp. from 2015 to 2016. Mr. McLeese received his Chartered Accountancy designation from Peat Marwick in 1978, was awarded an MBA from McMaster University in 1977 and received his B.Sc. from the University of Western Ontario in 1974.

Mr. McLeese expects to devote the time necessary to perform the work required in connection with acting as a Director of the Resulting Issuer. Management anticipates that he will enter into a noncompetition or non-disclosure agreement with the Resulting Issuer.

Gerry Quinn, 68, Director – Mr. Quinn is a current member of the Ironhorse Board, having served in such capacity since 2004,and has been the President of The Erin Mills Investment Corporation (a venture capital firm) since September 1989. Prior to joining Erin Mills, Mr. Quinn served as a senior officer in Magna International Inc. and Barrincorp, both publicly traded companies, and as a partner in the public accounting firm of Ernst & Young. Mr. Quinn has been a director of a number of public and private companies in diverse industries. Mr. Qunn has been a director at iLOOKABOUT Corp. since June 2013 and served as a director of Yangaroo Inc. from November 1, 2012 to December 24, 2015. Mr. Quinn acts as an investment advisor to emerging businesses. Mr. Quinn has a Bachelor of Science in Chemistry from the University of Waterloo.

Mr. Quinn expects to devote the time necessary to perform the work required in connection with acting as a Director of the Resulting Issuer. Management anticipates that he will enter into a noncompetition or non-disclosure agreement with the Resulting Issuer.

Cease Trade Orders or Bankruptcies

To the knowledge of Ironhorse, Pond or the Resulting Issuer, no proposed director, officer or promoter of the Resulting Issuer 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 Pond or Ironhorse) that:

(a) was subject to 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, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) 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 director, chief executive officer or chief financial officer of such company.

To the knowledge of Ironhorse, Pond or the Resulting Issuer, no proposed director, officer or promoter of the Resulting Issuer:

(a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Pond or Ironhorse) 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 except Thomas Masney, who was a director of Pan Pacific Aggregates PLC from November 2008 to November 2012, which made a proposal to its creditors that was approved on June 7, 2011 and a director of Pumptown Quarry Inc. from November 2008 to August 2012, which made a proposal to its creditors that was approved by the Supreme Court of British Columbia on July 21, 2009; or

(b) has, within 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 his assets.

Penalties or Sanctions

Other than as disclosed below, no proposed director, officer or promoter of the Resulting Issuer, or shareholder anticipated to hold a sufficient number of Resulting Issuer Shares to affect materially the control of the Resulting Issuer following completion of the Transaction, has been subject to:

(a) 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; or

(b) has been subject to any 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.

In Robert McLeese's capacity as an exempt market dealer, Mr. McLeese was required to make nominal payments to the Ontario Securities Commission for certain past due financial statement and administrative form filings in 2011, 2015 and 2017.

The foregoing information, not being within the knowledge of Ironhorse, Pond or the Resulting Issuer, has been furnished by the respective proposed directors, officers and shareholders of the Resulting Issuer.

Conflicts of Interest

The proposed directors and officers of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors of the Resulting Issuer, any director in a conflict will be required to disclose his or her interest and abstain from voting on such matter.

To the best of Ironhorse, Pond and the Resulting Issuer's knowledge, other than as disclosed herein, there are no known existing or potential conflicts of interest among the Resulting Issuer, any subsidiaries of the Resulting Issuer, and the proposed directors and officers as a result of their outside business interests except that certain of the proposed directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

Other Reporting Issuer Experience

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Thomas Masney	Melior Resources Inc. Ontario, Canada	TSXV	Chief Financial Officer	October 2012	November 2016
	Pan Pacific Aggregates PLC London, United Kingdom	LSE – AIM	Chief Financial Officer	November 2008	November 2012
Robert McLeese	Rand Capital Corp. New York, USA	NASDAQ	Director	January 2015	December 2016
Gerry Quinn	Yangaroo Inc. Ontario, Canada	TSXV	Director	November 2012	December 2015
	iLOOKABOUT Corp. Ontario, Canada	TSXV	Director	June 2013	Present

Executive Compensation

Following completion of the Transaction, the Resulting Issuer's approach to executive compensation will be to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Resulting Issuer will attempt to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Resulting Issuer.

The Resulting Issuer's compensation arrangements for its officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of stock options. The compensation policy of the Resulting Issuer may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses with a reduced reliance on option awards, depending upon the future development of Pond and other factors which may be considered relevant by the Resulting Issuer Board, from time to time.

It is contemplated that directors of the Resulting Issuer may also receive cash bonuses from time to time, which the Resulting Issuer may award to directors for serving in their capacity as a member of the Resulting Issuer Board. In addition, directors will be entitled to participate in the Ironhorse Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants will be determined based on an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Resulting Issuer.

Executive officers who also act as directors of the Resulting Issuer will not receive any additional compensation for services rendered in their capacity as directors.

The compensation for each NEO of the Resulting Issuer for the 12 month period following completion of the Transaction shall be finalized subsequent to closing of the Transaction. The Resulting Issuer will disclose the terms of any agreements entered into with any NEOs at the time such agreements are entered into.

It is currently anticipated that the following individuals will be NEOs of the Resulting Issuer: Steven Martin and Thomas Masney.

Risk Management Disclosure

The Resulting Issuer Board intends to identify any risks arising from the Resulting Issuer's compensation policies and practices that could reasonably be expected to have a material adverse effect on the Resulting Issuer as well as the practices used to mitigate any such risks.

Restrictions on Purchase of Financial Instruments

Following completion of the Transaction, it is not anticipated that the Resulting Issuer will have adopted a formal policy forbidding an NEO or director from purchasing financial instruments 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.

Compensation Governance

Following completion of the Transaction, the Resulting Issuer Board will not have adopted any specific policies or practices to determine the compensation for the Resulting Issuer directors and officers, other than disclosed above. The Resulting Issuer's approach to executive compensation is expected to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Resulting Issuer will attempt to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Resulting Issuer.

The Resulting Issuer expects to establish a compensation committee comprised of Gerry Quinn (Chair), who will be considered independent of the Resulting Issuer, Dr. Geraldine Kenney-Wallace, who will be considered independent of the Resulting Issuer, and Steve Martin, who will not be considered independent of the Resulting Issuer.

Summary Compensation Table

The Resulting Issuer expects to pay compensation to its NEOs upon completion of the Transaction, however the details of such compensation will not be determined until a meeting of the board of directors of the Resulting Issuer subsequent to the completion of the Transaction.

NEO Name and principal position	Salary ($)[(1)]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value ($)	All other Comp. ($)	Total Comp. ($)
				Annual Incentive Plans	Long-term incentive plans			
Steven Martin, Director, Chief Financial Officer and Chief Technology Officer	192,000	Nil	Nil	Nil	Nil	Nil	Nil	192,000
Thomas Masney, Chief Financial Officer	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000

Note:

(1) Based on current compensation provided for under their respective employment agreements with Pond.

Incentive Plan Awards (NEOs)

As set out in the Amalgamation Agreement, in connection with the completion of the Transaction, each Pond Option held by Mr. Martin and Mr. Masney will be cancelled and Mr. Martin and Mr. Masney will each receive one Resulting Issuer Option for each Pond Option previously held, having the same terms and conditions as the cancelled Pond Options, including the term to expiry, vesting conditions and manner of exercise. See "*Description of the Transaction – Amalgamation – Outstanding Pond Options, Pond Warrants and Agent Warrants*" in the Circular.

Upon completion of the Transaction, Resulting Issuer Options may be granted by the Resulting Issuer to NEOs; however, the terms and intended recipients have yet to be determined.

Compensation of Directors

No determination has been made regarding the compensation of any directors of the Resulting Issuer who are not also NEOs. Any such compensation will be determined once the board of directors of the Resulting Issuer is formally constituted, at which time consideration will be given to potentially compensating the directors under the following arrangements:

(a) standard arrangements for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangements, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

(c) arrangements for the compensation of directors for services as consultants or experts.

Incentive Plan Awards (Directors who are not also NEOs)

Upon completion of the Transaction, it is expected that Resulting Issuer Options will be granted by the Resulting Issuer to directors who are not also NEOs; however, the terms and intended recipients have yet to be determined.

Indebtedness of Directors and Officers

None of the current directors or officers (or persons who have been directors and officers during the most recent completed financing year) of Ironhorse or Pond and none of the proposed directors or officers of the Resulting Issuer following completion of the Transaction, or any associates any of such persons, are indebted to Ironhorse, Pond or any of their respective subsidiaries, or are indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Ironhorse, Pond or any of their respective subsidiaries.

Investor Relations Arrangements

There are currently no investor relations arrangements in place for the Resulting Issuer following completion of the Transaction.

Options to Purchase Securities

Outstanding Options of the Resulting Issuer

The following table sets forth details regarding the options of the Resulting Issuer that will be outstanding under the amended Ironhorse Stock Option Plan. Following completion of the Transaction, the Resulting Issuer will adopt the amended Ironhorse Stock Option Plan (the "**Resulting Issuer Stock Option Plan**") and the currently outstanding Pond Options will be cancelled and reissued under the Resulting Issuer Stock Option Plan. As there are currently no Ironhorse Options issued and outstanding, all of the Resulting Issuer Options will be issued in exchange for Pond Options outstanding immediately prior to the Transaction. Amounts set forth below are as at the date of the Circular after giving effect to the Ironhorse Consolidation.

Resulting Issuer[(1)]	No. of Options	Grant Date	Expiry Date	Exercise Price per Resulting Issuer Share
All proposed officers of the Resulting Issuer				
Steven Martin	100,000	July 4, 2016	July 3, 2021	$2.00
Thomas Masney	150,000	July 4, 2016	July 3, 2021	$2.00
	250,000			
All proposed directors of the Resulting Issuer (other than directors who are also officers of the Resulting Issuer)				
Dr. Geraldine Kenney-Wallace	100,000	July 4, 2016	July 3, 2021	$2.00
Robert McLeese	90,000	May 26, 2017	May 25, 2019	$2.00
	190,000			
All officers of subsidiaries of the Resulting Issuer (other than officers of the Resulting Issuer)	Nil	-	-	-
All directors of subsidiaries of the	Nil	-	-	-

Resulting Issuer[(1)]	No. of Options	Grant Date	Expiry Date	Exercise Price per Resulting Issuer Share
Resulting Issuer (other than officers of the Resulting Issuer)				
All other employees of the Resulting Issuer	495,000	July 4, 2016	July 3, 2021	$2.00
All consultants of the Resulting Issuer	150,000	May 26, 2017	May 25, 2022	$2.00
TOTAL	1,085,000			

Note:

(1) As there are currently no Ironhorse Options issued and outstanding, all of the Resulting Issuer Options will be issued to former holders of Pond Options outstanding immediately prior to the Transaction.

The Resulting Issuer Options will be governed by the Resulting Issuer Stock Option Plan. Following completion of the Transaction, there will be 1,085,000 Resulting Issuer Options outstanding, each entitling the holder thereof to purchase one Resulting Issuer Share at an exercise price of $2.00, being the market price of the options on the day of their grant.

In addition to the above Resulting Issuer Options, Thomas Masney and Steven Martin each hold 12,500 Pond Warrants and 25,000 Pond Warrants, respectively. Each of such Pond Warrants was granted on December 1, 2016 and, pursuant to Exchange Agreements in respect of same to be entered into at closing of the Transaction, will be exchanged for Resulting Issuer Warrants exercisable into one Resulting Issuer Share at a price of $2.50 until December 1, 2018. In addition to the Pond Warrants held by Messrs. Martin and Masney, 1,399,840 Pond Warrants are outstanding, which have expiry dates ranging from **December 1, 2018** to **September 23, 2019** and, pursuant to Exchange Agreements in respect of same to be entered into at closing of the Transaction, will be exchanged for Resulting Issuer Warrants exercisable into one Resulting Issuer Share at a price of $2.50.

Additionally, the Agents hold 82,000 Pond Agent Units. Pursuant to the terms of the Pond Agent Units, upon completion of the Amalgamation, each Pond Agent Unit entitles the Agents to purchase one Unit for $2.00 per Unit, each Unit consisting of one Resulting Issuer Share and one Resulting Issuer Warrant, exercisable to purchase one Resulting Issuer Share at a price of $2.50 per Resulting Issuer Share, with expiry dates ranging from December 1, 2018 to September 23, 2019.

Stock Option Plan

Assuming it is approved at the Ironhorse Meeting, the Resulting Issuer will maintain the amended Ironhorse Stock Option Plan as described above under the heading "*Particulars of Matters to be Acted Upon at the Ironhorse Meeting — The Ironhorse AGM Resolutions*".

Escrowed Securities

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP 46-201**") and TSXV Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* ("**TSXV Policy 5.4**"), all securities of an issuer owned or controlled by its Principals (as such term is defined by NP 46-201) will be subject to escrow unless the securities held by a Principal or issuable to such Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding Resulting Issuer Shares after giving effect to the Transaction.

The Resulting Issuer will be classified as an "emerging issuer" under NP 46-201. An "emerging issuer" is an issuer that after its initial public offering is not an "exempt issuer" or an "established issuer" (as such terms are defined in NP 46-201). Based on the Resulting Issuer being an "emerging issuer", unless otherwise noted, the escrowed securities held by the Principals will be subject to a 36 month " tier 2 surplus escrow". Five percent of each Principal's escrowed securities will be exempt from escrow effective on the receipt of notice confirming the listing of the Resulting Issuer Shares on the TSXV. Thereafter, the balance of the escrowed securities will be released over 36 months in six month intervals in increasing tranches of 5%, 10%, 10%, 15%, 15% and 40% from the date of the listing of the Resulting Issuer Shares on the TSXV.

To the knowledge of Ironhorse and Pond, as of the date of this Circular, the following are the securityholders and the number and percentage of each class of securities of the Resulting Issuer to be held by such securityholder that are anticipated to be held in escrow after giving effect to the Transaction.

		After Giving Effect to the Transaction		
Name and Municipality of Residence of Securityholder	**Designation of class**	**Number of securities to be held in escrow**	**Percentage of class, assuming minimum \$6.5 million Financing (undiluted)(1)**	**Percentage of class, assuming maximum \$10 million Financing (undiluted)(1)**
Steven Martin Toronto, Ontario	Resulting Issuer Shares	1,603,119	8.67%	8.04%
	Resulting Issuer Options	100,000	9.22%	9.22%
	Resulting Issuer Warrants	25,000	1.74%	1.74%
Thomas Masney Mississauga, Ontario	Resulting Issuer Shares	12,500	0.07%	0.06%
	Resulting Issuer Options	150,000	13.82%	13.82%
	Resulting Issuer Warrants	12,500	0.87%	0.87%
Gerry Quinn Mississauga, Ontario	Resulting Issuer Shares	221,855	1.20%	1.11%
Dr. Geraldine Kenney-Wallace London, United Kingdom	Resulting Issuer Options	100,000	9.22%	9.22%
Robert McLeese Toronto, Ontario	Resulting Issuer Options	90,000	8.29%	8.29%

Note:

(1) See "*Description of the Transaction – The Financing*" in the Circular for more information on the Financing.

In addition to the foregoing table, certain existing shareholders of Pond (the "**SSRR Securityholders**") will be subject to the seed share resale restrictions (the "**SSRRs**") as set out in TSXV Policy 5.4. The SSRR Securityholders will also be subject to the "tier 2 value escrow". Ten percent of each SSRR Securityholder's escrowed securities will be exempt from escrow effective on the receipt of notice confirming the listing of the Resulting Issuer Shares on the TSXV. Thereafter, the balance of the escrowed securities will be released over 36 months in six equal tranches at six month intervals from the date of the listing of the Resulting Issuer Shares on the TSXV. To the knowledge of Ironhorse and Pond, as of the date of this Circular, the following are the number and percentage of each class of securities of the Resulting Issuer that are anticipated to be held in escrow pursuant to the SSRRs after giving effect to the Transaction.

		After Giving Effect to the Transaction		
Securityholder	**Designation of class**	**Number of securities to be held in escrow**	**Percentage of class, assuming minimum $6.5 million Financing (undiluted)(1)**	**Percentage of class, assuming maximum $10 million Financing (undiluted)(1)**
SSRR Securityholders	Resulting Issuer Shares	3,648,800	19.74%	18.30%

Note:

(1) See "*Description of the Transaction – The Financing*" in the Circular for more information on the Financing.

The escrowed securities may not be transferred or otherwise dealt with during the term of the escrow agreement unless the transfers or dealings with the escrow are: transfers to continuing or, upon their appointment, incoming directors and senior officers of the Resulting Issuer or of a material operating subsidiary, with the approval of the board of directors; transfers to other Principals; transfers to a registered retirement savings plan or similar trust plan provided that the only beneficiaries are the transferor or the transferor's spouse, children or parents; transfers upon bankruptcy to the trustee in bankruptcy; and pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the escrowed securities remain subject to escrow.

Tenders of escrowed securities to a take-over bid are permitted provided that, if the tenderer is a principal (as such term is defined in NP 46-201) of the successor company upon completion of the take-over bid, securities received in exchange for tendered escrowed securities are submitted in escrow on the basis of the successor company's escrow classification.

The TSXV also has discretion pursuant to TSXV Policy 5.4 to impose escrow or hold period requirements on issuers in connection with transactions, where it deems appropriate.

Legal Proceedings

Other than the Sinopec Litigation (the liabilities of which shall be assumed by GRL in connection with the closing of the Transaction), to the best of management's knowledge, there are no material pending legal proceedings to which Ironhorse, Pond or the Resulting Issuer is or is likely to be a party, or of which any of its property is the subject matter. See "*Description of the Transaction –Amalgamation Agreement – Covenants*" in the Circular.

Material Contracts

The only material contracts to which the Resulting Issuer will be a party are described under the sections entitled, "*Information Concerning Ironhorse - Material Contracts*" at Schedule A of this Circular and "*Information Concerning Pond - Material Contracts*" at Schedule B of this Circular.

Auditor, Transfer Agent and Registrar

Auditor

It is expected that Collins Barrow Toronto LLP, who are currently the auditors for Pond, will be the auditors of the Resulting Issuer, located at 11 King St W #700, Toronto, ON M5H 4C7.

Transfer Agent and Registrar

It is expected that Computershare, who is currently Ironhorse's registrar and transfer agent, will serve as the Resulting Issuer's registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at registers maintained by Computershare at its offices in Calgary, Alberta at 530 8 Ave. SW, Calgary, Alberta T2P 3S8.

Schedule D

AMALGAMATION AGREEMENT

See attached.

AMALGAMATION AGREEMENT

among

POND TECHNOLOGIES INC.

and

IRONHORSE OIL & GAS INC.

and

2597905 ONTARIO INC.

Dated as of October 4, 2017

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT (this "**Agreement**") is made effective as of the 4th day of October, 2017.

AMONG:

POND TECHNOLOGIES INC., a company existing under the laws of the Province of Ontario

("**Pond**")

AND:

IRONHORSE OIL & GAS INC., a company incorporated under the laws of the Province of Alberta

("**Ironhorse**")

AND:

2597905 Ontario Inc., a company incorporated under the laws of the Province of Ontario

("**Newco**")

WHEREAS:

A. Ironhorse is a public company, with its Ironhorse Shares listed on the TSX Venture Exchange under the symbol "IOG";

B. Pond is a privately held company which has developed proprietary photobioreactors and control systems to use carbon dioxide in the production of bio-products;

C. Newco is a wholly-owned subsidiary of Ironhorse;

D. Ironhorse, Pond and Newco propose a business combination whereby Pond and Newco will amalgamate under Section 174 of the OBCA on the terms described in this Agreement, and will continue as Amalco, a wholly-owned subsidiary of Ironhorse;

E. Ironhorse proposes to issue Ironhorse Shares to the Pond Shareholders as hereinafter provided in connection with the Amalgamation;

F. Following completion of the Amalgamation, Ironhorse will carry on, through Amalco, the business presently carried on by Pond;

G. Pond and Newco will each require the approval of their respective shareholders for the Amalgamation and this Agreement pursuant to the requirements of the OBCA;

H. The Transaction will constitute a Reverse Takeover and a Change of Business of Ironhorse, as such terms are defined in TSX Venture Exchange Policy 5.2, and will require the approval of the Ironhorse Shareholders pursuant to such policy;

I. As part of the Transaction, Ironhorse will: (i) change its name to "Pond Technologies Holdings Inc." or such other name as Pond may determine in its sole discretion; and (ii) consolidate the Ironhorse Shares on the basis of 6.9 pre-consolidation Ironhorse Shares for each one post-consolidation Ironhorse Share, each of which will require the approval of the Ironhorse Shareholders pursuant to the requirements of the ABCA;

J. Concurrently with the execution and delivery of this Agreement, Ironhorse has entered into the Pond Support Agreements, pursuant to which the Pond Support Shareholders have agreed to vote the Pond Shares beneficially owned or controlled by them in favour of the Pond Resolution and to otherwise support the Transaction, all on the terms and subject to the conditions of the Pond Support Agreements;

K. Concurrently with the execution and delivery of this Agreement, Pond has entered into the Ironhorse Support Agreements, pursuant to which the Ironhorse Support Shareholders have agreed to vote the Ironhorse Shares beneficially owned or controlled by them in favour of the Ironhorse Resolutions and to otherwise support the Transaction, all on the terms and subject to the conditions of the Ironhorse Support Agreements;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties (as defined herein), the Parties hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Definitions

In this Agreement including the preamble hereof, unless the context otherwise requires, the following words shall have the following meanings:

"**1933 Act**" means the United States *Securities Act of 1933*;

"**1940 Act**" means the United States *Investment Company Act* of 1940;

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**affiliate**" shall have the meaning ascribed to such term under the OBCA;

"**Agent Warrants**" means the unit purchase warrants of Pond held by the Agents, each Agent Warrant being exercisable for one unit consisting of one Pond Share and one Pond Warrant;

"**Agents**" means Hampton Securities Limited and Industrial Alliance Securities Inc.;

"**Agreement**" means this amalgamation agreement, together with the schedules attached hereto, as amended, restated or supplemented from time to time;

"**Alternative Proposal**" means any inquiry or the making of any proposal from any Person or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take Over Bids and Issuer Bids*) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) an acquisition or purchase of 20% or more of the voting securities of Ironhorse or Pond, as applicable; (b) any acquisition of a substantial amount of assets of Ironhorse or Pond, as applicable, taken as a whole; (c) an amalgamation, arrangement, merger, business combination, or consolidation involving Ironhorse or Pond, as applicable; (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving Ironhorse or Pond, as applicable; or (e) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Transaction, provided, however, that the transactions set forth in Section 4.1(f), shall not constitute an "Acquisition Proposal";

"**Amalco**" means the company resulting from the amalgamation of Pond and Newco pursuant to the Amalgamation;

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

"**Amalgamation**" means the amalgamation of Pond and Newco pursuant to Section 174 of the OBCA on the terms and conditions set forth in this Agreement, subject to any amendment thereto in accordance herewith;

"**Articles of Amalco**" means the articles of Amalco in the form to be mutually agreed to by the Parties, acting reasonably;

"**Articles of Amendment**" means the articles of amendment of Ironhorse to be filed with the Registrar after the Ironhorse Consolidation Resolution and the Ironhorse Change of Name Resolution have been passed, giving effect to the Ironhorse Consolidation and the Ironhorse Change of Name;

"**Break Fee**" means either the Ironhorse Break Fee or the Pond Break Fee, as applicable;

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the City of Calgary, Alberta and the City of Toronto, Ontario are open for business;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation in accordance with Section 178(4) of the OBCA;

"**Change of Business**" has the meaning ascribed to it in TSXV Policy 5.2;

"**Claim**" means any claim, demand, complaint, action, proceeding, investigation, suit, cause of action, assessment or reassessment, charge, judgment, order, writ, injunction, decree, debt, liability, expense, cost, damage or loss, contingent or otherwise, judicial, administrative or otherwise (including legal fees on a solicitor and his or her own client basis and other professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding);

"**Completion Deadline**" means the latest date by which the Transaction is to be completed, which date shall be January 31, 2018 or such later date as the Parties may mutually agree;

"**Contract**" means any note, mortgage, indenture, non-governmental permit or license, franchise, lease or other contract, agreement, commitment or arrangement binding upon Ironhorse or Pond, as the case may be;

"**CW Loan**" means the commitment letter dated February 19, 2016 between Ironhorse and Crystal Wealth Management Systems Ltd., as amended pursuant to the amending agreement dated August 11, 2017, as amended from time to time;

"**Depositary**" means any trust company, bank or financial institution agreed to in writing between Ironhorse and Pond for the purpose of, among other things, exchanging certificates representing Pond Shares for certificates representing Ironhorse Shares relating to the Amalgamation;

"**Directed Selling Efforts**" has the meaning ascribed thereto in Regulation S;

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

"**Dissent Rights**" means the rights of dissent of Pond Shareholders in respect of the Pond Resolution under Section 185 of the OBCA;

"**Dissenting Shareholder**" means a Pond Shareholder who exercises Dissent Rights in connection with the Pond Resolution and complied with the dissent provisions in the OBCA;

"**Effective Date**" means the date shown on the Certificate of Amalgamation;

"**Effective Time**" means the earliest moment on the Effective Date or such other time on the Effective Date as the Parties may agree in writing;

"**Encumbrance**" means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"**Environmental Approvals**" means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Laws;

"**Environmental Laws**" means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes Environmental Approvals;

"**Exchange Agreements"** means the agreements to be entered into by Pond and each of the holders of Pond Options, Pond Warrants and Agent Warrants as well as holders of Subscription Receipts, in form satisfactory to Ironhorse, acting reasonably, pursuant to which holders of Pond Options, Pond Warrants, Agent Warrants and Subscription Receipts, as applicable, agree to: (a) be bound by the steps outlined in Section 2.2; and (b) surrender effectively immediately before the Effective Date all Pond Options, Pond Warrants and Agent Warrants for cancellation in exchange for equivalent securities of Ironhorse;

"**Exchange Ratio**" means one Ironhorse Share (on a post-Ironhorse Consolidation basis) for each Pond Share;

"**Financing**" means the private placement financing of Subscription Receipts at a minimum price of $2.00 per Subscription Receipt for gross proceeds of a minimum of $6,500,000 and a maximum of $15,000,000 or such greater amount as Ironhorse and Pond may agree;

"**Governmental Entity**" means any applicable:

(a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;

(b) subdivision, agent, commission, board or authority of any of the foregoing;

(c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or

(d) stock exchange, including the TSXV;

"**GRL**" means Grizzly Resources Limited;

"**Growth Platform**" means the mechanical, electrical and functional design of Pond's bioreactors, including but not limited to their illumination subsystem, gas injection subsystem, nutrient dosing subsystem, and related control software, whether patentable or not in whole or in separate parts;

"**Growth Protocols**" mean the processes used to grow algae in bioreactors, including but not limited to illumination profiles (spectrum, modulation, intensity, time), nutrient profiles (nature, quantity, concentration etc), temperature, harvest rates, and gas injection profiles, regardless of the form of their expression, including their capture in software;

"**Information Circular**" means the joint information circular, and any amendments thereto, to be provided to the Ironhorse Shareholders in respect of the Ironhorse Resolutions and the Pond Shareholders in respect of the Pond Resolution, and such other matters to be considered at the Ironhorse Meeting and the Pond Meeting, respectively, prepared in accordance with Form 3D1 "Information Required in an Information Circular for a Reverse Takeover or Change of Business" and Form 51-102F5 *Information Circular*;

"**IFRS**" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time;

"**Intellectual Property**" means any and all intellectual property (whether foreign or domestic, registered or unregistered) owned by Pond or used in the operation, conduct or maintenance of Pond's business, as it is currently and has historically been operated, conducted or maintained, including, without limitation, relating to the Growth Platform and Growth Protocols, including without limitation: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), and all patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (b) all trade-marks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (d) all industrial designs and all applications, registrations and renewals in connection therewith; (e) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein, together with all business and financial information relating to Pond; and (f) all computer software (including all source code, object code and related documentation), together with: (i) all copies and tangible embodiments of the foregoing (in whatever form or medium); (ii) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (iii) all Intellectual Property Rights related thereto;

"**Intellectual Property Rights**" means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law, trade-mark law, trade-name law, unfair competition law or other similar laws and includes legislation by competent governmental authorities and judicial decisions under common law or equity;

"**Ironhorse**" has the meaning ascribed thereto on the first page of this Agreement;

"**Ironhorse AGM Resolutions**" means the ordinary resolutions of the Ironhorse Shareholders authorizing the election of directors, appointment of auditors and the other ancillary matters, substantially in the form set forth in Schedule A;

"**Ironhorse Assets**" means the petroleum and natural gas properties, interests and related assets of Ironhorse;

"**Ironhorse Board**" means the board of directors of Ironhorse;

"**Ironhorse Break Fee**" has the meaning ascribed to it in Section 4.4(g);

"**Ironhorse Change of Name**" means the change of name of Ironhorse to "Pond Technologies Holdings Inc.";

"**Ironhorse Change of Name Resolution**" means the special resolution of the Ironhorse Shareholders authorizing the Ironhorse Change of Name, substantially in the form set forth in Schedule A;

"**Ironhorse Consolidation**" means the consolidation of the outstanding Ironhorse Shares on the basis of 6.9 pre-Ironhorse Consolidation Ironhorse Shares for each 1 post-Ironhorse Consolidation Ironhorse Share;

"**Ironhorse Consolidation Resolution**" means the special resolution of the Ironhorse Shareholders authorizing the Ironhorse Consolidation;

"**Ironhorse Financial Statements**" has the meaning ascribed thereto in Section 3.1(k) of this Agreement;

"**Ironhorse Meeting**" means the annual and special meeting of the Ironhorse Shareholders, and any adjournments or postponements thereof, to be held to approve, among other things, the Ironhorse Resolutions;

"**Ironhorse Proposed Agreement**" has the meaning ascribed to it in Section 4.4(e);

"**Ironhorse Public Documents**" means the public documents filed by Ironhorse on SEDAR under Ironhorse's SEDAR profile;

"**Ironhorse Resolutions**" means together, the Ironhorse Consolidation Resolution, the Ironhorse Change of Name Resolution, the Ironhorse AGM Resolutions and the Ironhorse RTO Resolution, substantially in the forms attached hereto as Schedule A;

"**Ironhorse RTO Resolution**" means the ordinary resolution of the Ironhorse Shareholders approving the Amalgamation and this Agreement, substantially in the form set forth in Schedule A;

"**Ironhorse Shareholder Approval**" means the approval of the Ironhorse Shareholders in respect of the Ironhorse Resolutions;

"**Ironhorse Shareholders**" means, at any time, the holders of outstanding Ironhorse Shares;

"**Ironhorse Shares**" means the authorized common shares in the capital of Ironhorse;

"**Ironhorse Support Agreements**" means agreements between Pond and each of the Ironhorse Support Shareholders pursuant to which the Ironhorse Support Shareholders agree to vote the Ironhorse Shares beneficially owned or controlled by the Ironhorse Support Shareholders in favour of the Ironhorse Resolutions and to otherwise support the Ironhorse

Change of Name, the Ironhorse Consolidation, the Amalgamation, this Agreement and the Transaction, as provided therein;

"**Ironhorse Support Shareholders**" means those Ironhorse directors and officers that have entered into, concurrently with this Agreement, Ironhorse Support Agreements;

"**Ironhorse Superior Proposal**" has the meaning ascribed to it in Section 4.4(b);

"**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities;

"**LOI**" means the non-binding letter of intent dated August 14, 2017 between Pond and Ironhorse, as amended;

"**Mailing Date**" means the date that the Information Circular is mailed to the Ironhorse Shareholders and the Pond Shareholders;

"**Material Adverse Change**" means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on Ironhorse or Pond, as applicable, on a consolidated basis;

"**Material Adverse Effect**" means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of Ironhorse or Pond on a consolidated basis, except any change, effect, event, occurrence or state of facts resulting from or relating to:

(a) the announcement of the execution of this Agreement or any transactions contemplated herein, or communication by the applicable Party of its plans or intentions with respect to the other Party and/or any of its subsidiaries;

(b) changes in the United States and Canadian economies in general or the United States and Canadian capital or currency markets in general;

(c) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism;

(d) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;

(e) any change in IFRS;

(f) any natural disaster;

(g) any change relating to foreign currency exchange rates; or

(h) changes affecting the Party's industry generally,

provided that, in the case of any changes referred to in clauses (b) to (h) above, such changes do not have a materially disproportionate effect on the applicable Party relative to comparable companies;

"**Material Contracts**" means all Contracts or other obligations or rights (and all amendments, modifications, side letters and supplements thereto to which Ironhorse or Pond, as applicable, is a party, affecting the obligations of any party thereunder) to which Ironhorse or Pond, as applicable, is a party or by which any of their respective properties or assets are bound that are material to the business, properties or assets of Ironhorse or Pond taken, as applicable, as a whole, including to the extent any of the following are material to the business, properties or assets of Ironhorse or Pond, as applicable, taken as a whole, all:

(a) employment, severance, personal services, consulting, non-competition or indemnification contracts (including any Contract involving employees);

(b) Contracts granting a right of first refusal or first negotiation;

(c) partnership or joint venture agreements;

(d) Contracts for the acquisition, sale or lease of material properties or assets, by purchase or sale of assets or shares or otherwise;

(e) Contracts with any Governmental Entity;

(f) loan or credit agreements, mortgages, indentures or other Contracts or instruments evidencing indebtedness for borrowed money by Ironhorse or Pond, as the case may be, or any such agreement pursuant to which indebtedness for borrowed money may be incurred;

(g) Contracts that purport to limit, curtail or restrict the ability of Ironhorse or Pond, as the case may be, to compete in any geographic area or line of business;

(h) commitments and agreements to enter into any of the foregoing; and

(i) all Contracts that provide for annual payments to or from Ironhorse or Pond, as the case may be, in excess of $25,000 per annum;

"**Newco**" has the meaning ascribed thereto on the first page of this Agreement;

"**Newco Shares**" means the authorized common shares in the capital of Newco;

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

"**Party**" means, as the context requires, either Pond, Ironhorse or Newco, and "**Parties**" means two or more of them, as applicable;

"**Person**" means any individual, firm, partnership, joint venture, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"**Pond**" has the meaning ascribed thereto on the first page of this Agreement;

"**Pond Board**" means the board of directors of Pond;

"**Pond Break Fee**" has the meaning ascribed to it in Section 4.4(h);

"**Pond Disclosure Letter**" means the disclosure letter of Pond to be signed and delivered by Pond to Ironhorse at the time of execution of this Agreement and on the Effective Date, with information updated as of the Effective Date;

"**Pond Financial Statements**" has the meaning ascribed thereto in Section 3.2(l);

"**Pond Meeting**" means the special meeting of the Pond Shareholders, and any adjournment or postponement thereof, to be held to approve, among other things, the Pond Resolution;

"**Pond Options**" means the outstanding options under Pond's stock option plan, each Pond Option being exercisable for one Pond Share;

"**Pond Proposed Agreement**" has the meaning ascribed to it in Section 4.4(f);

"**Pond Resolution**" means the special resolution of the Pond Shareholders approving the Amalgamation and this Agreement, substantially in the form attached hereto as Schedule B;

"**Pond Shareholder Approval**" means approval of 66⅔% of the Pond Shareholders in respect of the Pond Resolution;

"**Pond Shareholders**" means, at any time, the holders of Pond Shares;

"**Pond Shares**" means the authorized common shares in the capital of Pond;

"**Pond Superior Proposal**" has the meaning ascribed to it in Section 4.4(c);

"**Pond Support Agreements**" means agreements between Ironhorse and each of the Pond Support Shareholders pursuant to which the Pond Support Shareholders agree to vote the Pond Shares beneficially owned or controlled by the Pond Support Shareholders in favour of the Pond Resolution and to otherwise support the Transaction, as provided therein;

"**Pond Support Shareholders**" means those Pond directors and officers that have entered into, concurrently with this Agreement, Pond Support Agreements;

"**Pond Warrants**" means the outstanding Pond Share purchase warrants, each Pond Warrant being exercisable for one Pond Share;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

"**Regulation D**" means Regulation D adopted by the SEC under the 1933 Act;

"**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act;

"**Reverse Takeover**" has the meaning ascribed to it in the TSXV Policy 5.2;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Authorities**" means the securities commissions and/or other securities regulatory authorities in the provinces and territories of Canada, and any stock exchanges or other self-regulatory agencies having authority over Ironhorse and Pond, including the TSXV;

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

"**Sinopec Litigation**" has the meaning set forth in Section 4.1(e);

"**Sinopec Litigation Assignment and Assumption Agreement**" has the meaning set forth in Section 4.1(e);

"**Subscription Receipts**" means the subscription receipts for Pond Shares, each such Subscription Receipt being exercisable to receive one Pond Share and such other securities, as may be agreed by Ironhorse, for no additional consideration and evidencing rights provided in the Subscription Receipt Agreement in respect of the Subscription Receipts;

"Subscription Receipt Agreement" means the agreement to be entered into between Pond, the Agents and the escrow agent governing the terms of the Subscription Receipts;

"**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Regulation S;

"**Tax**" and "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Returns**" means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes;

"**Transaction**" means the Amalgamation and all related transactions incidental thereto as contemplated by this Agreement, which are collectively intended to constitute a Reverse Takeover and Change of Business of Ironhorse in accordance with TSXV policies;

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

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

In addition, words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA unless the context otherwise requires.

1.2 Headings, etc.

(a) The preamble forms an integral part hereof and is not mere recitals.

(b) The division of this Agreement into articles, sections and subsections and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

1.3 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder by any Party is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references in this Agreement to dollar amounts are expressed in Canadian currency.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under, and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with, IFRS.

1.9 Knowledge

Where the phrase "to the knowledge of" is used in respect of any Party, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of management of such Party after appropriate inquiries and investigations.

1.10 Meaning of "Ordinary and Regular Course of Business"

In this Agreement the phrase "in the ordinary and regular course of business" shall mean and refer to those activities that are normally conducted by corporations engaged in the businesses of Pond or Ironhorse, as applicable.

1.11 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

Schedule A – Forms of Ironhorse Resolutions
Schedule B – Form of Pond Resolution

ARTICLE 2
THE AMALGAMATION

2.1 Terms of Amalgamation

Ironhorse, Newco and Pond hereby covenant and agree to implement the Transaction in accordance with the terms and subject to the conditions of this Agreement, as follows:

(a) as soon as reasonably practicable following the execution and delivery of this Agreement: (i) Ironhorse shall call and hold the Ironhorse Meeting for the purpose of approving the Ironhorse Resolutions; (ii) Pond shall call and hold the Pond Meeting for the purpose of approving the Pond Resolution; and (iii) Ironhorse and Pond shall jointly prepare and mail the Information Circular to the Ironhorse Shareholders and the Pond Shareholders;

(b) following approval of the Pond Resolution by the Pond Shareholders and the approval of the Ironhorse Resolutions by the Ironhorse Shareholders, and prior to the filing of the Articles of Amalco in accordance with Section 2.1(c)), Ironhorse shall complete and file Articles of Amendment, in the prescribed form, giving effect to the Ironhorse Consolidation and the Ironhorse Change of Name upon and subject to the terms of this Agreement;

(c) following approval of the Pond Resolution by the Pond Shareholders and the Ironhorse Resolutions by the Ironhorse Shareholders, in accordance with the requirements of the OBCA and ABCA, as applicable, Newco and Pond shall jointly complete and file the Articles of Amalgamation, in duplicate, substantially in the form agreed to by the Parties, acting reasonably, with the Director, together with such other documents as may be required under the OBCA, giving effect to the Amalgamation;

(d) at the Effective Time, Newco and Pond shall amalgamate and continue as one company, being Amalco, pursuant to the provisions of Section 174 of the OBCA;

(e) at the Effective Time:

(i) all of the Pond Shares outstanding immediately prior to the Effective Time (except for Pond Shares held by Dissenting Shareholders) shall be cancelled, and holders of Pond Shares outstanding immediately prior to the Effective Time, other than Ironhorse and Newco, shall receive, subject to subsection 2.1(h) hereof, in exchange for their Pond Shares so cancelled, that number of Ironhorse Shares equal to the product of:

(A) the number of Pond Shares so cancelled; and

(B) the Exchange Ratio,

(ii) neither Pond nor Newco shall receive any repayment of capital in respect of any Pond Shares held by them that are cancelled pursuant to this subsection 2.1(e);

(iii) all of the common shares of Newco outstanding immediately prior to the Effective Time shall be cancelled and replaced with an equal number of common shares of Amalco issued by Amalco; and

(iv) as consideration for the issuance of Ironhorse Shares pursuant to the Amalgamation, Amalco shall issue to Ironhorse one common share of Amalco for each Ironhorse Share issued;

(f) Pond Shares which are held by a Dissenting Shareholder shall not be exchanged for Ironhorse Shares. However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim for Dissent Rights under the OBCA or forfeits its right to make a claim under the OBCA, or if its rights as a shareholder of Pond are otherwise reinstated, such Pond Shares shall be deemed to have been exchanged as of the Effective Date for Ironhorse Shares as prescribed in Section 2.1(e);

(g) as a result of the foregoing:

(i) in accordance with Section 179 of the OBCA, among other things, the property, rights, privileges and franchises of each of Pond and Newco will continue to be the property, rights, privileges and franchises of Amalco, and Amalco will continue to be liable for the obligations of each of Pond and Newco; and

(ii) Amalco will be a wholly-owned subsidiary of Ironhorse;

(h) no fractional Ironhorse Shares will be issued under the Amalgamation. Where the aggregate number of Ironhorse Shares to be issued to any former Pond Shareholders under the Amalgamation would result in a fraction of an Ironhorse Share being issuable, the number of Ironhorse Shares to be issued to such holder shall be rounded down to the next whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction of an Ironhorse Share;

(i) the by-laws of Amalco shall be the by-laws of Newco and may be viewed at the registered office set forth in Section 2.7 hereof;

(j) the Ironhorse Shares to be delivered pursuant to the Amalgamation shall have been deposited with the Depositary together with an irrevocable direction authorizing and directing the Depositary to deliver Ironhorse Shares pursuant to the Amalgamation, to the Pond Shareholders who are entitled to receive such consideration in accordance with Section 2.1(e)(i) and upon completion of the Amalgamation.

2.2 Outstanding Pond Options, Pond Warrants and Agent Warrants

At the Effective Time:

(a) each Pond Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one Ironhorse Share purchase warrant, having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Pond Warrant for which it was exchanged;

(b) each Agent Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one unit purchase warrant of Ironhorse having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Agent Warrant for which it was exchanged; and

(c) each Pond Option which is outstanding prior to the Effective Time shall be cancelled and in its place its holder shall receive in exchange therefor one Ironhorse Share purchase option, having the same terms and conditions as the cancelled Pond Options, including the term to expiry, vesting conditions and manner of exercising.

2.3 Effective Date

The Amalgamation shall be completed on the Effective Date and shall be effective at the Effective Time.

2.4 Closing

Unless this Agreement is terminated pursuant to the provisions hereof, Pond, Newco and Ironhorse shall meet at the offices of Osler, Hoskin & Harcourt LLP, Suite 2500 – 450- 1st Street

S.W. Calgary, Alberta at 10:00 a.m., Calgary time, on the Business Day prior to the Effective Date, or at such other time, date or place as they may mutually agree upon, and each of them shall deliver to the other Parties:

(a) the documents required or contemplated to be delivered by it hereunder in order to complete, or necessary or reasonably requested to be delivered by it by the other Parties in order to effect, the Transaction, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Amalgamation becoming effective; and

(b) written confirmation as to the satisfaction or waiver of all of the conditions in its favour contained in Article 5 hereof, as applicable.

2.5 Effecting the Amalgamation

Subject to the rights of termination contained in Article 6, upon both the Ironhorse Shareholder Approval and the Pond Shareholder Approval being obtained, and the other conditions contained in Article 5 being complied with or waived, Pond and Newco shall file with the Director the Articles of Amalco, the statements of each of Pond and Newco prescribed under Section 178(2) of the OBCA and such other documents as may be required in order to effect the Amalgamation, within two Business Days, or such other date as the Parties may agree, of the later of the Ironhorse Shareholder Approval or the Pond Shareholder Approval, as applicable, being obtained.

2.6 Name of Amalco

The Parties agree that the name of Amalco shall be "Pond Technologies Inc.".

2.7 Registered Office of Amalco

The Parties agree that the address of the registered and records office of Amalco shall be 250 Shields Court, Unit 8 Markham, Ontario L3R 9W7.

2.8 Authorized Capital of Amalco

The Parties agree that Amalco shall be authorized to issue an unlimited number of common shares (being the Amalco Shares) and an unlimited number of preferred shares. At the Effective Time, the capital account in the records of Amalco for the Amalco Shares shall be equal to the capital attributed to the Pond Shares (other than any Pond Shares held by Ironhorse or Newco) and the Newco Shares.

2.9 Initial Directors of Amalco

The Parties agree that the first directors of Amalco shall be Steven Martin, Geraldine Kenney-Wallace, Bill Asselstine, Rob McLeese and Gerry Quinn.

2.10 Articles of Amalco

The Parties agree that the Articles of Amalco shall be signed by one (1) director of Amalco referred to in Section 2.9 hereof.

2.11 Treatment of Restricted Securities under the U.S. *Securities Act*

The Parties agree that the Ironhorse Shares issued to the former Pond Shareholders resident in or subject to the laws of the United States in connection with the Transaction will be "restricted securities" within the meaning of Rule 144 of the 1933 Act. Each certificate representing the Ironhorse Shares issued to holders resident in or subject to the laws of the United States will bear a legend in substantially the form that follows:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR UNDER ANY STATE SECURITIES LAWS AND ARE "RESTRICTED SECURITIES" AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF POND TECHNOLOGIES HOLDINGS INC. (THE "ISSUER") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE UNITED STATES STATE LAWS AND REGULATIONS AND APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT."

Pond agrees that it will obtain from each Pond Shareholder resident in the United States a certificate that such shareholder is an "accredited investor" as such term is defined in Regulation D.

2.12 Consultation

Pond and Ironhorse will consult with each other in issuing any press release or otherwise making any public statement with respect to this Agreement or the Transaction and in making any filing with any Governmental Entity or Securities Authority with respect thereto. Each of Pond and Ironhorse shall use its commercially reasonable efforts to enable the other of them to review and comment on all such press releases and filings prior to the release or filing, respectively, thereof, provided, however, that the obligations herein will not prevent a Party from making, after consultation with the other Party, such disclosure as is required by applicable Laws or the rules and policies of any applicable stock exchange.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Ironhorse

Ironhorse hereby represents and warrants to Pond and hereby acknowledges that Pond is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transaction, as follows:

(a) Organization. Ironhorse has been incorporated and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Ironhorse is registered, licensed or otherwise qualified as a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Ironhorse.

Capitalization. Ironhorse is authorized to issue an unlimited number of Ironhorse Shares and an unlimited number of first preferred shares of which 27,885,824 Ironhorse Shares and nil first preferred shares are issued and outstanding, prior to giving effect to the Transaction and the Ironhorse Consolidation. There are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Ironhorse to issue or sell any Ironhorse Shares or any securities or obligations of any kind convertible into or exercisable or exchangeable for any Ironhorse Shares other than as contemplated herein. All outstanding Ironhorse Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Ironhorse. There are no outstanding contractual obligations of Ironhorse to repurchase, redeem or otherwise acquire any outstanding Ironhorse Shares or with respect to the voting or disposition of any outstanding Ironhorse Shares.

(b) Subsidiaries. Ironhorse, GRL and Copper Island Resources Ltd. are considered related by virtue of common management. Ironhorse and GRL are also joint venture partners in Ironhorse's Pembina and Kotcho properties. Ironhorse has entered into a management contract with GRL to provide technical and administrative services in connection such operating assets. Ironhorse has no subsidiaries (other than Newco) and does not hold any shares or securities of any other entity and is not affiliated with, nor is it a holding corporation of, any other body corporate nor is Ironhorse a partner in any partnership. Newco was formed solely for the purposes of effecting the Amalgamation and has never conducted any business activities.

(c) Authority and Conflict. Ironhorse has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Ironhorse as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Ironhorse and the completion by Ironhorse of the transactions contemplated hereby have been authorized by the Ironhorse Board and, subject to obtaining the Ironhorse Shareholder Approval in the manner contemplated herein, no other corporate proceedings on the part of Ironhorse are necessary to authorize this Agreement or the completion by Ironhorse of the transactions contemplated hereby other than the filing of the Articles of Amendment and the filing of the Articles of Amalco with the Director. This Agreement has been executed and delivered by Ironhorse and constitutes a legal, valid and binding obligation of Ironhorse, enforceable against Ironhorse in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Ironhorse of this Agreement and the performance by Ironhorse of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

(i) result in a violation, contravention or breach or constitute a default under, or entitle any third party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) the articles of incorporation and by-laws of Ironhorse;

(B) any applicable Law or rule or policy of the TSXV (except that the approval of the TSXV, which is required for the completion by Ironhorse of the transactions contemplated hereby, will be applied for by Ironhorse but has not been obtained as of the date hereof); or

(C) any Contract to which Ironhorse is bound or is subject to or of which Ironhorse is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Ironhorse;

(ii) cause any indebtedness owing by Ironhorse to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Ironhorse;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Ironhorse or give any Person the right to acquire any of Ironhorse's assets, or restrict, hinder, impair or limit the ability of Ironhorse to conduct the business of Ironhorse as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Ironhorse;

(iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Ironhorse or increase any benefits otherwise payable under any pension or benefits plan of Ironhorse or result in the acceleration of the time of payment or vesting of any such benefits; or

(v) result in the revocation, suspension, cancellation, variation or non-renewal of any claims, concessions, licenses, leases or other instruments, conferring rights in respect of the Ironhorse Assets.

(d) Consents and Approvals. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Ironhorse in connection with the execution and delivery of this Agreement or the consummation by Ironhorse of the transactions contemplated hereby other than:

(i) the Ironhorse Shareholder Approval;

(ii) filings required under the ABCA and the OBCA;

(iii) filings with and approvals required by the Securities Authorities; and

(iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Ironhorse.

(e) Directors' Approvals. The Ironhorse Board has unanimously:

(i) determined that the Transaction is in the best interests of Ironhorse;

(ii) determined to recommend that the Ironhorse Shareholders vote in favour of the Ironhorse Resolutions; and

(iii) authorized the entering into of this Agreement, and the performance of Ironhorse's obligations hereunder.

(f) Contracts. Each of the Material Contracts to which Ironhorse is a party constitutes a valid and legally binding obligation of Ironhorse, as applicable, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(g) Waivers and Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from other parties to the Material Contracts of Ironhorse.

(h) No Defaults. Ironhorse is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Ironhorse under, any Contract or other instrument that is material to the conduct of the business of Ironhorse to which either of them is a party or by which either of them is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Ironhorse. No party to any Contract of Ironhorse has given written notice to Ironhorse of, or made a Claim against Ironhorse with respect to, any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Ironhorse.

(i) Absence of Changes. Except as disclosed in the Ironhorse Public Documents, since June 30, 2017:

(i) Ironhorse has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Ironhorse has not incurred or suffered a Material Adverse Change;

(iii) other than the proposed transactions contemplated in Section 4.1(f), there has not been any acquisition or sale by Ironhorse of any material property or assets thereof;

(iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Ironhorse of any debt for borrowed money, any creation or assumption by Ironhorse of any Encumbrance, any making by Ironhorse of any loan, advance or capital contribution to, or investment in, any other Person, or any entering into, amendment of, relinquishment, termination or non-renewal by Ironhorse of any Contract or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Ironhorse;

(v) Ironhorse has not declared or paid any dividends or made any other distribution in respect of any of the Ironhorse Shares;

(vi) other than the proposed Ironhorse Consolidation, Ironhorse has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Ironhorse Shares;

(vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Ironhorse to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay, or any increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors, officers, employees or consultants;

(viii) Ironhorse has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Ironhorse Financial Statements; and

(ix) Ironhorse has not adopted or amended any collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.

(j) Employment Agreements. Ironhorse:

(i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Ironhorse that would be triggered by Ironhorse's entering into this Agreement or the completion of the Transaction;

(ii) has no employees or consultants whose employment or contract with Ironhorse cannot be terminated by Ironhorse in accordance with the provisions of such employment or consultant contract following the completion of the Amalgamation;

(iii) is not a party to any collective bargaining agreement;

(iv) is not, to the knowledge of Ironhorse, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or

(v) is not subject to any current, or, to the knowledge of Ironhorse, pending or threatened strike or lockout.

(k) Financial Matters. Each of the audited annual comparative financial statements of Ironhorse for the years ended December 31, 2016 and 2015, the unaudited financial statements of Ironhorse for the three and six month periods ended June 30, 2017 and the respective notes thereto (collectively, the "**Ironhorse Financial Statements**") were prepared in accordance with IFRS consistently applied, and fairly present in all material respects the financial condition of Ironhorse at the respective dates indicated and the results of operations of Ironhorse for the periods covered. Except as disclosed in the Ironhorse Financial Statements, as of the date hereof, Ironhorse does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or production program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the Ironhorse Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business (including the business of operating, developing, constructing and exploring Ironhorse's projects) since June 30, 2017, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Ironhorse.

(l) Oil and Gas Reserves Data. All Ironhorse Public Documents, including without limitation any reserve reports filed on SEDAR, have been prepared in all material respects in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

(m) Books and Records. The corporate records and minute books of Ironhorse have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Ironhorse. Financial books and records and accounts of Ironhorse in all material respects:

(i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice;

(ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Ironhorse; and

(iii) accurately and fairly reflect the basis for the Ironhorse Financial Statements.

(n) Litigation. Except for the Sinopec Litigation, there is no Claim pending or in progress or, to the knowledge of Ironhorse, threatened against or relating to Ironhorse, or affecting any of its properties or assets, before any Governmental Entity which, individually or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect on Ironhorse, and Ironhorse is not aware of any existing ground on which any such Claim might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Ironhorse, threatened against or relating to Ironhorse before any

Governmental Entity. Neither Ironhorse nor any of its properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Ironhorse to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Ironhorse.

(o) Title to Properties and Operational Matters. Subject to the proposed transactions contemplated in Section 4.1(f), all agreements by which Ironhorse holds an interest in the Ironhorse Assets are in good standing according to their respective terms and the Ironhorse Assets are in good standing under applicable Laws and all filings and work commitments required by Ironhorse to maintain the Ironhorse Assets in good standing have been properly recorded and filed in a timely manner with the appropriate Governmental Entity or third party and there are no material Encumbrances or any other material interests in or on such Ironhorse Assets except as disclosed by Ironhorse in the Ironhorse Public Documents. To the knowledge of Ironhorse, there are no adverse Claims against or challenges to the title or ownership of any of the Ironhorse Assets nor, are there any defects, failures or impairments in the title of Ironhorse to its oil and gas properties or facilities, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which could have a Material Adverse Effect on Ironhorse or the Ironhorse Assets or the anticipated cash-flow of Ironhorse. Ironhorse has conducted and is conducting its business in accordance with good oilfield practices and in material compliance with all applicable Laws, including all applicable Laws and all Governmental Entity authorizations and instructions, whether in writing or oral, relating to the Ironhorse Assets and, to the knowledge of Ironhorse, any and all operations by third parties, on or in respect of the Ironhorse Assets have been conducted in compliance with good oilfield practices. Ironhorse has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the permits, claims, concessions, licenses, leases or other instruments conferring petroleum and natural gas rights in respect of the Ironhorse Assets that would, individually or in the aggregate, result in a Material Adverse Effect on Ironhorse. Without limiting the generality of the foregoing, Ironhorse has obtained all material licences and permits necessary for the operation of the business of Ironhorse as presently conducted, and has not taken any action which would impair the ability of Ironhorse to obtain necessary licences or permits in the future for the continued operation of such business, in accordance with applicable Laws and requirements of all Governmental Entities. None of the material licenses and permits of Ironhorse contain any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on Ironhorse or the Ironhorse Assets. Ironhorse has duly and timely satisfied all of the obligations required to be satisfied, performed or observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Ironhorse under any of the leases, documents, instruments or any other agreement pertaining to the Ironhorse Assets and to the knowledge of Ironhorse, none of the counterparties to such leases, documents, instruments or any other agreements pertaining to the Ironhorse Assets are in default thereunder except to the extent such that such defaults would not result in a Material Adverse Effect.

(p) Expropriation. No property or asset of Ironhorse has been taken or expropriated by any Governmental Entity and no notice or proceeding in respect of any such expropriation has been given or commenced or, to the knowledge of Ironhorse, is there any intent or proposal to give any such notice or commence any such proceeding.

(q) Royalty Payments and Other Interests. Except as disclosed in the Ironhorse Public Documents, there are no landowner's royalties, overriding royalties, net profits interests or similar interests or any other rights or interests whatsoever of third parties by which Ironhorse is bound on or in relation to the Ironhorse Assets. To the knowledge of Ironhorse, none of the Ironhorse Assets are subject to forfeiture or reduction by reference to payout of or production penalty on any well or otherwise or, to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Ironhorse, except to the extent that all such reductions or changes to an interest would not result in a Material Adverse Effect on Ironhorse.

(r) Assets. Ironhorse has good and marketable title to its assets free and clear of any Encumbrances.

(s) Insurance. Ironhorse maintains policies of insurance naming Ironhorse as insured in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and such policies are in full force and effect as of the date hereof and shall not be cancelled or otherwise terminated as a result of the Transaction.

(t) Environmental. To the knowledge of Ironhorse:

(i) Ironhorse is in compliance in all material respects with Environmental Laws;

(ii) Ironhorse has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes which have not been rectified or are in the process of being rectified on any of the real property owned or leased by Ironhorse or under its control;

(iv) there have been no releases, deposits or discharges, in violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Ironhorse;

(v) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Ironhorse;

(vi) Ironhorse has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Laws; and

(vii) there is no Claim pending or in progress or, threatened against or relating to Ironhorse, which may affect Ironhorse or any of the properties or assets of Ironhorse relating to or alleging any violation of Environmental Laws;

(viii) Ironhorse holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business as presently conducted and the ownership and use of its assets, other than those which the failure to hold would not reasonably be expected to have a Material Adverse Effect on Ironhorse, all such licenses, permits and approvals of Ironhorse are in full force and effect, and except for (A) notifications and conditions of general application to assets of the type owned by Ironhorse, and (B) notification relating to reclamation obligations under Environmental Laws, Ironhorse has not, to the knowledge of Ironhorse, received any notification pursuant to any Environmental Laws that any work, repairs, construction or capital expenditures are required to be made by it as a condition of continued compliance with Environmental Laws, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated, and neither Ironhorse nor any of its assets is the subject of any investigation, evaluation, audit or review not in the ordinary and regular course of business by any Governmental Entity to determine whether any violation of Environmental Laws has occurred or is occurring, and Ironhorse is not subject to any known environmental liabilities; and

(ix) all wells located on any lands in which Ironhorse has an interest, or lands with which such lands have been pooled or unitized, which have been abandoned have been abandoned in accordance with all application Law regarding the abandonment of wells.

(u) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Ironhorse:

(i) Ironhorse has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity, and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;

(ii) Ironhorse has:

(A) duly and timely paid all Taxes due and payable by it including all property, production, severance and similar taxes and assessments based on, or measured by, the ownership of the petroleum and natural gas interest of Ironhorse or the production of petroleum substances from the petroleum and natural gas interest of Ironhorse, or the receipt of proceeds from them;

(B) duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it, and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and

(C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it, and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Ironhorse Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Ironhorse, adequate under IFRS to cover Taxes with respect to Ironhorse accruing through the date hereof;

(iv) there are no Claims now pending or, to the knowledge of Ironhorse, threatened against Ironhorse that propose to assess Taxes in addition to those reported in the Tax Returns; and

(v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Ironhorse.

(v) <u>Pension and Employee Benefits.</u> Ironhorse has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Ironhorse, including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Ironhorse other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Ironhorse.

(w) <u>Reporting Status.</u> Ironhorse is a reporting issuer in good standing in the provinces of British Columbia and Alberta. The Ironhorse Shares are listed on the TSXV and Ironhorse is in material compliance with the rules and regulations of the TSXV.

(x) <u>Reports</u>.

(i) To the knowledge of Ironhorse, Ironhorse has filed with the Securities Authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including the Ironhorse Public Documents.

(ii) Ironhorse has not filed any confidential material change or other report or other document with any Securities Authorities which at the date hereof remains confidential.

(iii) Each of the Ironhorse Public Documents, at the time filed or, if amended, as of the date of such amendment:

(A) did not contain any misrepresentation (as defined in the *Securities Act* (Alberta)) and did not contain any untrue statement of any material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(B) complied in all material respects with the requirements of applicable securities Laws and the rules, policies and instruments of all Securities Authorities, except where such non-compliance has not had, or would not reasonably be expected to have, a Material Adverse Effect on Ironhorse.

(y) No Cease Trade. Other than the trading halt imposed on the Ironhorse Shares in connection with the execution of the LOI as required under TSXV Policy 5.2, Ironhorse is not subject to any cease trade or other order of any applicable Securities Authority and, to the knowledge of Ironhorse, no investigation or other proceedings involving Ironhorse that may operate to prevent or restrict trading of any securities of Ironhorse are currently in progress or pending before any applicable Securities Authority.

(z) Compliance with Laws. Ironhorse has complied with and is not in violation of any applicable Laws, other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Ironhorse.

(aa) No Option on Assets. No Person has any agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase from Ironhorse of any of the material assets of Ironhorse.

(bb) Certain Contracts. Ironhorse is not a party to or bound by any non-competition Contract or any other Contract, obligation, judgment, injunction, order or decree that purports to:

(i) limit the manner or the localities in which all or any material portion of the business of Ironhorse are conducted;

(ii) limit any business practice of Ironhorse in any material respect; or

(iii) restrict any acquisition or disposition of any property or assets by Ironhorse in any material respect.

(cc) No Broker's Commission. Ironhorse has not entered into any Contract that would entitle any Person to any valid claim against it for a broker's commission, finder's fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement.

(dd) Vote Required. The only votes of the holders of any class or series of securities of Ironhorse necessary to approve this Agreement, the Transaction and the transactions contemplated hereby is the Ironhorse Shareholder Approval.

(ee) U.S. Securities Law Matters.

(i) Ironhorse is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Ironhorse Shares.

(ii) Ironhorse is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.

(iii) Except with respect to offers and sales to Accredited Investors who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D thereunder, neither

Ironhorse nor any of its affiliates, nor any person acting on its or their behalf, has made or will make:

(A) any offer to sell, or any solicitation of an offer to buy, any Ironhorse Shares to any person in the United States; or

(B) any sale of Ironhorse Shares unless, at the time the buy order was or will have been originated, the purchaser is (I) outside the United States or (II) Ironhorse, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.

(iv) Neither Ironhorse nor any of its affiliates or any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Ironhorse Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Ironhorse Shares in the United States.

(ff) No Shareholdings in Pond. Ironhorse does not, legally or beneficially, own, directly or indirectly, any securities of Pond and does not have any right, agreement or obligation to purchase any securities of Pond or any securities or obligations of any kind convertible into or exchangeable for any securities of Pond.

(gg) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Ironhorse that has, or could be reasonably expected to have, the effect of prohibiting, restricting or materially impairing: (i) any business practice of Ironhorse; (ii) any acquisition of property by Ironhorse; or (iii) the conduct of business by Ironhorse as currently conducted.

(hh) Solvency of Ironhorse. There are reasonable grounds for believing that Ironhorse is able to pay its liabilities as they become due and, at the Effective Time, will be able to pay its liabilities as they become due.

(ii) Creditors of Ironhorse. Ironhorse has reasonable grounds for believing that no creditor of Ironhorse will be prejudiced by the Amalgamation.

(jj) Right to Use Personal Information. All personal information in the possession of Ironhorse has been collected, used and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Ironhorse conducts, or Ironhorse is deemed by operation of law in those jurisdictions to conduct, its business. Ironhorse has disclosed to Pond all Contracts and facts concerning the collection, use, retention, destruction and disclosure of personal information, and there are no other Contracts or facts which, on completion of the Transaction, would restrict or interfere with the use of any personal information by Pond in the operation of its business as conducted by Ironhorse before the Effective Time. There are no Claims pending or, to the knowledge of Ironhorse, threatened, with respect to Ironhorse's collection, use or disclosure of personal information.

3.2 Representations and Warranties of Pond

Except as set forth in the Pond Disclosure Letter, Pond hereby represents and warrants to Ironhorse, and hereby acknowledges that Ironhorse is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transaction, as follows:

(a) Organization. Pond has been continued and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Pond is registered, licensed or otherwise qualified in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Pond.

(b) Capitalization. As of the date hereof: (i) the authorized share capital of Pond consists of an unlimited number of Pond Shares and an unlimited number of preferred shares, issuable in series, of which 11,731,245 Pond Shares and nil preferred shares are issued and outstanding; (ii) 1,097,500 Pond Shares are issuable pursuant to the exercise of outstanding Pond Options; (iii) 1,437,340 Pond Shares are issuable pursuant to the exercise of outstanding Pond Warrants; and (iv) 164,000 Pond Shares are issuable pursuant to the exercise of outstanding Agent Warrants, including the exercise of the Pond Warrants issuable pursuant to the exercise of outstanding Agent Warrants.

Except as set forth above, and except as contemplated by this Agreement, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Pond to issue or sell any Pond Shares or any securities or obligations of any kind convertible into or exercisable or exchangeable for any Pond Shares. All outstanding Pond Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Pond. There are no outstanding contractual obligations of Pond to repurchase, redeem or otherwise acquire any outstanding Pond Shares or with respect to the voting or disposition of any outstanding Pond Shares.

(c) Subsidiaries. Pond has no subsidiaries and does not hold any shares or securities of any other entity and is not Affiliated with, nor is it a holding corporation of, any other body corporate.

(d) Authority and Conflict. Pond has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Pond as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Pond and the completion by Pond of the transactions contemplated by this Agreement have been authorized by the Pond Board, and subject to obtaining the Pond Shareholder Approval in the manner contemplated herein, no other corporate proceedings on the part of Pond are necessary to authorize this Agreement or the completion by Pond of the transactions contemplated hereby, other than approval by

Securities Authorities. This Agreement has been executed and delivered by Pond and constitutes a legal, valid and binding obligation of Pond, enforceable against Pond in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Pond of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

(i) result in a violation, contravention or breach, or constitute a default under, or entitle any third party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:

(A) the articles of continuance, articles of amendment and by-laws of Pond,

(B) any applicable Law or rule or policy of the TSXV (except that the approval of the TSXV, which is required for the completion by Pond of the transactions contemplated hereby, will be applied for by Pond but has not been obtained as of the date hereof); or

(C) any Contract to which Pond is bound or is subject to or of which Pond is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Pond;

(ii) cause any indebtedness owing by Pond or the to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Pond;

(iii) result in the imposition of any Encumbrance upon any of the property or assets of Pond, or give any Person the right to acquire any of Pond' assets, or restrict, hinder, impair or limit the ability of Pond to conduct the business of Pond as and where it is now being conducted, which would, individually or in the aggregate, have a Material Adverse Effect on Pond;

(iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Pond or increase any benefits otherwise payable under any pension or benefits plan of Pond or result in the acceleration of the time of payment or vesting of any such benefits; or

(v) result in the revocation, suspension, cancellation, variation or non-renewal of any claims, concessions, licenses, leases or other instruments, conferring rights in respect of the material properties in which Pond has an interest.

(e) Consents and Approvals. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Pond in connection with the execution and delivery of this Agreement or the consummation by Pond of the transactions contemplated hereby other than:

(i) the Pond Shareholder Approval;

(ii) filings required under the OBCA;

(iii) filings with and approvals required by the Securities Authorities; and

(iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Pond.

(f) Directors' Approvals. The Pond Board has unanimously:

(i) determined that the Transaction is in the best interests of Pond;

(ii) determined to recommend that the Pond Shareholders vote in favour of the Pond Resolution; and

(iii) authorized the entering into of this Agreement, and the performance of Pond's obligations hereunder.

(g) Contracts. Each of the Material Contracts to which Pond is a party constitutes a valid and legally binding obligation of Pond enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(h) Waivers and Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from other parties to the Material Contracts of Pond.

(i) No Defaults. Pond is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Pond under any Contract or other instrument that is material to the conduct of the business of Pond to which it is a party or by which it is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Pond. No party to any Contract of Pond has given written notice to Pond of, or made a claim against Pond with respect to, any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Pond.

(j) Absence of Changes. Since June 30, 2017:

(i) Pond has conducted its business only in the ordinary and regular course of business consistent with past practice;

(ii) Pond has not incurred or suffered a Material Adverse Change;

(iii) there has not been any acquisition or sale by Pond of any material property or assets thereof;

(iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Pond of any debt for borrowed money, any creation or assumption by Pond of any Encumbrance, any making by Pond of any loan, advance or capital contribution to or investment in any other Person, or any entering into, amendment of, relinquishment, termination or non-renewal by Pond, of any Contract or other right or obligation that would, individually or in the aggregate, have a Material Adverse Effect on Pond;

(v) Pond has not declared or paid any dividends or made any other distribution in respect of any of the Pond Shares;

(vi) Pond has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Pond Shares;

(vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Pond to any of its directors, officers, employees or consultants, or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay, or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of Pond Options) made to, for or with any of such directors, officers, employees or consultants;

(viii) Pond has not effected any material change in its accounting methods, principles or practices, other than as disclosed in the Pond Financial Statements; and

(ix) Pond has not adopted or amended any collective bargaining agreement, bonus, pension, profit-sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.

(k) Employment Agreements. Pond:

(i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Pond that would be triggered by Pond's entering into this Agreement or the completion of the Transaction;

(ii) has no employee or consultant whose employment or contract with Pond cannot be terminated by Pond in accordance with the provisions of such employment or consultant contract following the completion of the Amalgamation;

(iii) is not a party to any collective bargaining agreement;

(iv) is, to the knowledge of Pond, not subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or

(v) is not subject to any current, or to the knowledge of Pond, pending or threatened strike or lockout.

(l) Financial Matters. Each of the audited financial statements of Pond for the year ended December 31, 2016, the unaudited condensed financial statements of Ironhorse for the three and six month periods ended June 30, 2017, and the respective notes thereto (collectively, the "**Pond Financial Statements**") were prepared in accordance with IFRS consistently applied, and fairly present in all material respects the consolidated financial condition of Pond at the respective dates indicated and the results of operations of Pond for the periods covered on a consolidated basis. Except as disclosed in the Pond Financial Statements, as of the date hereof, Pond does not have any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the Pond Financial Statements, except liabilities and obligations incurred in the ordinary and regular course of business since June 30, 2017, which liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Pond.

(m) Books and Records. The corporate records and minute books of Pond have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Pond. Financial books and records and accounts of Pond, in all material respects:

(i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice;

(ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Pond; and

(iii) accurately and fairly reflect the basis for the Pond Financial Statements.

(n) Litigation. There is no Claim pending or in progress or, to the knowledge of Pond, threatened against or relating to Pond or affecting any of their respective properties or assets before any Governmental Entity which, individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect on Pond, and Pond is not aware of any existing ground on which any such Claim might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Pond, threatened against or relating to Pond before any Governmental Entity. Neither Pond nor any of its properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Pond to conduct their respective business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Pond.

(o) Assets, Property and Licences.

(i) Pond has good and marketable title to its assets free and clear of any Encumbrances;

(ii) all machinery and equipment owned or used by Pond have been properly maintained and are in good working order for the purposes of on-going operation, subject to ordinary wear and tear for machinery and equipment of comparable age;

(iii) all of the inventories of Pond are of merchantable quality and reasonably fit for their usual purpose. The inventory does not include any items which are below standard quality or of a quality or quantity which results in such items not being usable in the ordinary course of business. The inventory levels have been maintained at levels sufficient for the continuation of Pond's business in the ordinary course. All inventory has been determined, valued and recorded in accordance with IFRS;

(iv) with respect to the leased real property: (A) Pond has good and marketable leasehold title to all material leased real property; (B) each of the material leases is valid, legally binding, enforceable in accordance with its terms and in full force and effect unamended by oral or written agreement except as disclosed in writing; (C) Pond is not in material breach of or material default under any of the material leases; and (D) all rental and other payments and other material obligations required to be paid and performed by Pond pursuant to the leases have been duly paid and performed;

(v) Pond does not have any subsidiaries or any agreements, options or commitments to acquire any securities of any corporation or to acquire or lease any real property or assets other than, in the latter case, those assets that are to be used in the usual and ordinary course of business;

(vi) Pond is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other similar association of any kind and is not a party to any agreement under which it agrees to carry on any part of a business or any other activity in such manner or by which it agrees to share any revenue or profit with any other Person; and

(vii) all of the permits, certificates, certificates of authorization, approvals, orders, licenses or other authorizations of Pond are valid and subsisting. Pond is in compliance with all terms and conditions of all such authorizations. There are no proceedings in progress pending or threatened, that could result in the revocation, cancellation or suspension of any such authorizations.

(p) <u>Intellectual Property.</u>

(i) Pond directly owns and has the exclusive legal and beneficial right, title and interest in and to the Intellectual Property in its own name, free and clear of any Encumbrances, and, other than as disclosed in writing by Pond to Ironhorse, none of the Intellectual Property has been licensed from or to a third party;

(ii) Pond directly or indirectly owns or possesses the right to use all of the Intellectual Property necessary for the current operation, conduct and maintenance of Pond's business as such business is currently and has historically been operated, conducted or maintained and each item of the Intellectual Property will be owned or available for use by Pond on identical terms and conditions immediately after, and after giving effect to, the Transaction without the need for any further right, license, permission or consent in respect thereof and the consummation of the Transaction contemplated herein will not impair, alter or limit in any way such ownership or rights;

(iii) there are no royalty payments, license fees or other sums payable to or by Pond in respect of the Intellectual Property, or to maintain or renew any registrations or applications for registration in relation thereto;

(iv) Pond has the exclusive right to use and otherwise exploit the Intellectual Property in all jurisdictions in which it is currently or has historically been used or otherwise exploited and there are no prohibitions or restrictions on the use or other exploitation by Pond of the Intellectual Property;

(v) complete and correct copies of all material licenses, agreements or arrangements to which Pond is a party, whether as licensor, licensee or otherwise, and whether written or oral, with respect to the Intellectual Property have been provided or made available to Ironhorse prior to the date hereof;

(vi) Pond has not received any written notice from any Person, nor acted in any manner that would give rise to a Claim that: (A) the past or present conduct by Pond or the use of the Intellectual Property has resulted or shall result in the infringement or violation of any intellectual property owned by any person; or (B) challenging the validity or ownership of the Intellectual Property;

(vii) to the knowledge of Pond, the Intellectual Property is not being and has not been infringed, violated or misappropriated by any other Person; and

(viii) Pond reasonably believes that all commercially reasonable steps, given the nature and value of the applicable Intellectual Property, have been taken to protect and maintain the Intellectual Property (including any trade secrets or confidential information therein).

(q) Insurance. Pond maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and such policies are in full force and effect as of the date hereof.

(r) Environmental. To the knowledge of Pond:

(i) Pond is in compliance in all material respects with Environmental Laws;

(ii) Pond has operated their respective businesses at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there is no material Claim which may affect either Pond or any of the properties or assets of Pond relating to or alleging any violation of Environmental Laws; and

(iv) Pond holds all permits, certificates, certificates of authorization, approvals, orders, licenses or other authorizations required under any Environmental Laws in connection with the operation of its businesses as presently conducted and the ownership and use of its assets, other than those which the failure to hold would not reasonably be expected to have a Material Adverse Effect on Pond, and neither Pond nor any of its assets is the subject of any investigation, evaluation, audit or review not in the ordinary and regular course of business by any Governmental Entity to determine whether any violation of Environmental Laws has occurred or is occurring, and Pond is subject to any known environmental liabilities.

(s) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Pond:

(i) Pond has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;

(ii) Pond has:

(A) duly and timely paid all Taxes due and payable by it;

(B) duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and

(C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;

(iii) the charges, accruals and reserves for Taxes reflected on the Pond Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Pond, adequate under IFRS, as applicable, to cover Taxes with respect to Pond accruing through the date hereof;

(iv) there are no Claims now pending or, to the knowledge of Pond, threatened against Pond that propose to assess Taxes in addition to those reported in the Tax Returns; and

(v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Pond.

(t) Pension and Employee Benefits. Pond has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Pond including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Pond, other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Pond.

(u) <u>Compliance with Laws.</u> Pond has complied with, and is not in violation of, any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Pond.

(v) <u>No Option on Assets.</u> No Person has any agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase from Pond of any of the material assets of Pond.

(w) <u>Private Issuer.</u> Pond is not a reporting issuer in any jurisdiction in Canada and there is no published market in respect of the Pond Shares.

(x) <u>Certain Contracts.</u> Pond is not a party to or bound by any non-competition Contract or any other Contract, obligation, judgment, injunction, order or decree that purports to:

(i) limit the manner or the localities in which all or any material portion of the business of Pond is conducted;

(ii) limit any business practice of Pond in any material respect; or

(iii) restrict any acquisition or disposition of any property by Pond in any material respect.

(y) <u>No Broker's Commission.</u> Pond has not entered into any Contract that would entitle any Person to any valid claim against Pond for a broker's commission, finder's fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement, except that Pond may prior to closing of the Transaction enter into an engagement letter providing for the broker's commission payable by Pond to the Agents in connection with the Financing in the aggregate amount agreed to between Ironhorse and Pond.

(z) <u>Vote Required.</u> The only votes of the holders of any class or series of securities of Pond necessary to approve this Agreement, the Transaction and the transactions contemplated hereby is the Pond Shareholder Approval.

(aa) <u>U.S. Securities Law Matters</u>.

(i) Pond is a "foreign issuer" within the meaning of Regulation S and reasonably believes that there is no Substantial U.S. Market Interest in the Pond Shares.

(ii) Pond is not now, and is not registered, or required to be registered, as an "investment company" as defined in the 1940 Act.

(iii) Except with respect to offers and sales to Accredited Investors who are in the United States in reliance upon the exemption from the registration requirements of the 1933 Act provided by Rule 506 of Regulation D thereunder, neither Pond nor any of its affiliates, nor any person acting on its or their behalf, has made or will make:

(A) any offer to sell, or any solicitation of an offer to buy, any Pond Shares to any person in the United States; or

(B) any sale of Pond Shares unless, at the time the buy order was or will have been originated, the purchaser is (I) outside the United States or (II) Pond, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.

(iv) None of Pond, any of its affiliates nor any person acting on its or their behalf has made or will make any Directed Selling Efforts in the United States with respect to the Pond Shares, or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising in connection with the offer or exchange of the Pond Shares in the United States.

(bb) <u>No Shareholdings in Ironhorse.</u> Pond does not, legally or beneficially, own, directly or indirectly, any securities of Ironhorse and does not have any right, agreement or obligation to purchase any securities of Ironhorse or any securities or obligations of any kind convertible into or exchangeable for any securities of Ironhorse, except as otherwise set out in this Agreement.

(cc) <u>Restrictions on Business Activities.</u> There is no agreement, judgment, injunction, order or decree binding upon Pond or that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of Pond, any acquisition of property by Pond, or the conduct of business by Pond as currently conducted.

(dd) <u>Solvency of Pond.</u> There are reasonable grounds for believing that Pond is able to pay its liabilities as they become due and, at the Effective Time, will be able to pay its liabilities as they become due.

(ee) <u>Creditors of Pond.</u> Pond has reasonable grounds for believing that no creditor of Pond will be prejudiced by the Amalgamation.

(ff) <u>Right to Use Personal Information.</u> All personal information in the possession of Pond has been collected, used and disclosed in compliance with all applicable privacy Laws in those jurisdictions in which Pond conducts, or Pond is deemed by operation of law in those jurisdictions to conduct, its business. Pond has disclosed to Ironhorse all Contracts and facts concerning the collection, use, retention, destruction and disclosure of personal information, and there are no other Contracts or facts which, on completion of the Transaction, would restrict or interfere with the use of any personal information by Pond in the operation of its business as conducted before the Effective Time. There are no Claims pending or, to the knowledge of Pond, threatened, with respect to Pond's collection, use or disclosure of personal information.

3.3 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the Effective Time.

ARTICLE 4
COVENANTS

4.1 Covenants of Ironhorse

Ironhorse hereby covenants and agrees with Pond as follows:

(a) Ironhorse Meeting. As promptly as practicable after the date hereof, Ironhorse shall, in accordance with the applicable provisions of the ABCA and its charter documents, duly call, give notice of, convene and hold the Ironhorse Meeting.

(b) Copy of Documents. Ironhorse shall furnish promptly to Pond a copy of any dealings or communications with any Governmental Entity or Securities Authority in connection with, or in any way affecting, the transactions contemplated by this Agreement.

(c) Certain Actions Prohibited. Other than in contemplation of, or as required to give effect to, the transactions contemplated by this Agreement, or as otherwise permitted pursuant to this Agreement, Ironhorse shall not, without the prior written consent of Pond, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:

(i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Ironhorse, other than the Ironhorse Shares issuable in connection with the Amalgamation;

(ii) incur or commit to incur any debt, except in the ordinary and regular course of business, to finance its working capital requirements or as otherwise contemplated in connection with the transactions contemplated in this Agreement;

(iii) declare or pay any dividends or distribute any of its properties or assets to the Ironhorse Shareholders;

(iv) enter into any Material Contracts without the consent of Pond, other than in connection with the Transaction or as otherwise contemplated herein;

(v) alter or amend its articles or by-laws, other than as may be required in connection with the transactions contemplated herein, including the Ironhorse Consolidation and the Ironhorse Change of Name;

(vi) engage in any business enterprise or other activity different from that carried on or contemplated by it as of the date hereof;

(vii) other than in the ordinary and regular course of business or in connection with the transactions contemplated in Section (f), sell, pledge, lease, dispose of, grant any interest in, encumber, or agree to sell, pledge, lease, dispose of, grant any interest in or encumber, any of its assets, except where to do so would not have a Material Adverse Effect on Ironhorse;

(viii) redeem, purchase or offer to purchase any of the Ironhorse Shares or any of its other securities; or

(ix) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the ordinary and regular course of business.

(d) Certain Actions. Ironhorse shall:

(i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification) inconsistent with the provisions of this Agreement, or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Ironhorse in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made, or that would or could have a Material Adverse Effect on Ironhorse; and

(ii) promptly notify Pond of:

(A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Ironhorse;

(B) any material Governmental Entity or third person notices, complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(C) any breach by Ironhorse of any covenant or agreement contained in this Agreement; and

(D) any event occurring subsequent to the date hereof that would render any representation or warranty of Ironhorse contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

(e) Sinopec Litigation. Concurrent with the closing of the Transaction: (i) Ironhorse shall assign all of its rights and interests in all Claims made by Ironhorse in the existing litigation with Sinopec Daylight Energy Ltd. (the "**Sinopec Litigation**") to GRL or a third party acceptable to Pond; and (ii) GRL or the third party, as applicable, shall assume and agree to indemnify Ironhorse from and against all of Ironhorse's liabilities in respect of the Claims made by Sinopec in the Sinopec Litigation and all future costs associated therewith by an assignment and assumption agreement, in a form acceptable to the

Parties, acting reasonably (the "**Sinopec Litigation Assignment and Assumption Agreement**").

(f) Ironhorse Assets. Concurrent with the closing of the Transaction, and pursuant to one or more agreements acceptable to the Parties, acting reasonably: (i) Ironhorse shall transfer its interest in the Kotcho property, the Dawson property and the Balsam property to GRL for nominal consideration; and (ii) GRL shall assume abandonment and reclamation obligations for these properties in consideration for the payment by Ironhorse to GRL in the amount equal to the abandonment and reclamation costs actually incurred by GRL plus 15%, to a maximum aggregate amount of not more than $457,183, which amount shall be funded in advance by Ironhorse to Grizzly;

(g) Satisfaction of Conditions. Ironhorse shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

(i) obtain the Ironhorse Shareholder Approval in accordance with the provisions of the TSXV and the ABCA and the requirements of any applicable regulatory authority;

(ii) obtain all other consents, approvals and authorizations as are required to be obtained by Ironhorse under any applicable Laws or from any Governmental Entity or Security Authority that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Ironhorse;

(iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any Party hereto before any Governmental Entity;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement or the transactions contemplated hereby or seeking to enjoin or delay, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby, subject to the Ironhorse Board determining in good faith after receiving advice from outside legal counsel (which may include written opinions or advice) that taking such action would be inconsistent with the fiduciary duties of such directors under applicable Laws, and provided that, immediately upon receipt of such advice, Ironhorse advises Pond in writing that it has received such advice and provides written details thereof to Pond;

(v) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Ironhorse; and

(vi) co-operate with Pond in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Ironhorse to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement.

(h) Keep Fully Informed. Subject to applicable Laws, Ironhorse shall use commercially reasonable efforts to conduct itself so as to keep Pond fully informed as to the material decisions or actions required to be made with respect to the operation of its business.

(i) Co-operation. Ironhorse shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

(j) Representations. Ironhorse shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Ironhorse contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

(k) Closing Documents. Ironhorse shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by Pond, all in form satisfactory to Pond, acting reasonably.

(l) Newco. In its capacity as the sole shareholder of Newco, Ironhorse shall:

(i) take all such action as is necessary or desirable to cause Newco to satisfy its obligations hereunder, including without limitation, passing a resolution approving the Transaction, on or prior to the Effective Date, or such other date as may be agreed to by Ironhorse and Pond, acting reasonably; and

(ii) prior to the Effective Date, not cause or permit Newco to issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of Newco Shares to Ironhorse, or carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the Amalgamation, unless previously consented to in writing by Pond; and

(iii) after the Effective Date, cause Amalco to satisfy any obligations which Amalco may have to a Pond Shareholder who exercises Dissent Rights.

(m) Shares. Ironhorse will issue, at the Effective Time, post-Ironhorse Consolidation Ironhorse Shares, in accordance with the terms hereof, to those Pond Shareholders who are entitled to receive Ironhorse Shares pursuant to the Transaction.

(n) Listing of Shares. Until the earlier of: (i) the Effective Time; and (ii) the termination of this Agreement in accordance with Section 6.2, Ironhorse shall use its commercially reasonable efforts to:

(i) ensure that the Ironhorse Shares are continuously listed and posted for trading on the TSXV; and

(ii) obtain conditional approval of the TSXV for listing the Ironhorse Shares to be issued: (A) to Pond Shareholders pursuant to and in accordance with the terms of this Agreement; and (B) upon the conversion of the Subscription Receipts pursuant to and in accordance with the terms of the Subscription Receipt Agreement.

(o) Ironhorse Directors and Officers. Prior to the completion of the Amalgamation, the Ironhorse Board shall procure duly executed resignations and mutual releases, in form and substance satisfactory to Pond, acting reasonably, from each director and officer of Ironhorse who will no longer be serving in such capacity or capacities following completion of the Transaction such that, upon the Effective Date, the directors and officers of Ironhorse will be as follows:

Name	Position
Steven Martin	Director, Chief Executive Officer and Chief Technology Officer
Geraldine Kenney-Wallace	Director
Bill Asselstine	Director
Rob McLeese	Director
Gerry Quinn	Director
Thomas Masney	Chief Financial Officer and Corporate Secretary
Peter Howard	Vice President, Corporate Sustainability
Emidio Di Pietro	Vice President, Engineering

(p) Name. Ironhorse shall change its name to "Pond Technologies Holdings Inc." as of the Effective Date.

4.2 Covenants of Pond

Pond hereby covenants and agrees with Ironhorse as follows:

(a) Pond Meeting. As promptly as practicable after the date hereof, Pond shall, in accordance with the applicable provisions of the OBCA and its charter documents, duly call, give notice of, convene and hold the Pond Meeting.

(b) Pond Options, Pond Warrants and Agent Warrants. Pond shall use its reasonable commercial efforts to ensure that the holders of all of the Pond Options, Pond Warrants and Agent Warrants surrender the certificates representing such securities, which will be exchanged for equivalent securities of Ironhorse pursuant to the Transaction along with duly completed Exchange Agreements. Pond shall use its reasonable commercial efforts to ensure that holders of all Subscription Receipts also enter into Exchange Agreements.

(c) Copy of Documents. Pond shall furnish promptly to Ironhorse a copy of any filing under any applicable Laws and any dealings or communications with any Governmental Entity or Securities Authority in connection with, or in any way affecting, the transactions contemplated by this Agreement.

(d) Financing. Pond shall use its reasonable commercial efforts to close the funding of the Financing by November 30, 2017, on such terms and conditions acceptable to Ironhorse and to close the Financing concurrent with the closing of the Transaction.

(e) Certain Actions Prohibited. Other than in contemplation of, or as required to give effect to, the transactions contemplated by this Agreement, or as otherwise permitted pursuant to this Agreement, Pond shall not, without the prior written consent of Ironhorse, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:

(i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on, or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Pond, other than in connection with the Financing;

(ii) incur or commit to incur any debt, except in the ordinary and regular course of business, or to finance its working capital requirements, or as otherwise contemplated herein in connection with the transactions contemplated by this Agreement;

(iii) declare or pay any dividends or distribute any of its properties or assets to the Pond Shareholders;

(iv) enter into Material Contracts without the consent of Ironhorse, other than in connection with the Transaction or as otherwise contemplated herein;

(v) alter or amend its articles or by-laws, other than as may be required in connection with the transactions contemplated herein, including the Amalgamation;

(vi) engage in any business enterprise or other activity different from that carried on or contemplated by it as of the date hereof;

(vii) other than in the ordinary and regular course of business, sell, pledge, lease, dispose of, grant any interest in, encumber, or agree to sell, pledge, lease, dispose of, grant any interest in or encumber, any of its assets except where to do so would not have a Material Adverse Effect on Pond;

(viii) redeem, purchase or offer to purchase any of the Pond Shares, Pond Options, Pond Warrants, Agent Warrants or any of its other securities; or

(ix) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the ordinary and regular course of business.

(f) Certain Actions. Pond shall:

(i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Pond in this Agreement untrue or inaccurate in any material respect at any time on or before the Effective Date if then made or that would or could have a Material Adverse Effect on Pond; and

(ii) promptly notify Ironhorse of:

(A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Pond;

(B) any material Governmental Entity or third person notices, complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(C) any breach by Pond of any covenant or agreement contained in this Agreement; and

(D) any event occurring subsequent to the date hereof that would render any representation or warranty of Pond contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

(g) Satisfaction of Conditions. Pond shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

(i) obtain the Pond Shareholder Approval in accordance with the OBCA and the requirements of any applicable regulatory authority;

(ii) obtain all other consents, approvals and authorizations as are required to be obtained by Pond under any applicable Laws or from any Governmental Entity or Security Authority that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Pond;

(iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party hereto before any Governmental Entity;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement or the transactions contemplated hereby, or seeking to enjoin or delay, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby, subject to the Pond Board determining in good faith after receiving advice from outside legal counsel (which may include written opinions or advice) that taking such action would be inconsistent with the fiduciary duties of such directors under applicable Laws, and provided that, immediately upon receipt of such advice, Pond advises Ironhorse in writing that it has received such advice and provides written details thereof to Ironhorse;

(v) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Pond; and

(vi) co-operate with Ironhorse in connection with the performance by Ironhorse of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Pond to pay or cause to be paid any monies to cause such performance to occur, other than as contemplated in this Agreement.

(h) Keep Fully Informed. Subject to applicable Laws, Pond shall use commercially reasonable efforts to conduct itself so as to keep Ironhorse fully informed as to the material decisions or actions required to be made with respect to the operation of its business.

(i) Co-operation. Pond shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

(j) Representations. Pond shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Pond contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

(k) Closing Documents. Pond shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by Ironhorse, all in form satisfactory to Ironhorse, acting reasonably.

4.3 Mutual Covenants of Pond and Ironhorse

(a) Information Circular.

(i) Each of Pond and Ironhorse shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Information Circular, together with any other documents required under securities Laws in connection with the Pond Meeting and the Ironhorse Meeting.

(ii) The Information Circular shall include, inter alia, the unanimous recommendation of the Pond Board that the Pond Shareholders vote in favour of approval of the Pond Resolution, subject to any required abstentions, and the unanimous recommendation of the Ironhorse Board that the Ironhorse Shareholders vote in favour of approval of the Ironhorse Resolutions.

(iii) Ironhorse covenants that the Information Circular will comply as to form in all material respects with securities Laws and that none of the information to be supplied by Ironhorse for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Ironhorse, its officers and directors or Newco shall occur that is required to be described in the Information Circular, Ironhorse shall give prompt notice to Pond of such event.

(iv) Pond covenants that the Information Circular will comply as to form in all material respects with securities Laws and that none of the information to be supplied by Pond for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Pond or its officers and directors shall occur that is required to be described in the Information Circular, Pond shall give prompt notice to Ironhorse of such event.

(v) The Information Circular shall contain language notifying each Pond Shareholder resident in or otherwise subject to the laws of the United States of the following:

(A) the Ironhorse Shares issued in connection with the Amalgamation are or will be "restricted securities" as defined in Rule 144 under the 1933 Act, and the holders may dispose of the Ironhorse Shares only pursuant to an effective registration statement under the 1933 Act or an exemption from the registration requirements of the 1933 Act. Ironhorse is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the Ironhorse Shares in the United States. Accordingly, holders of the Ironhorse Shares may be required to hold the Ironhorse Shares indefinitely; and

(B) Ironhorse:

I. is not obligated to remain a "foreign issuer" within the meaning of Regulation S under the 1933 Act,

II. may not, at the time the Ironhorse Shares are resold or otherwise transferred by it or at any other time, be a foreign issuer, and

III. may engage in one or more transactions that could cause Ironhorse not to be a foreign issuer, and if Ironhorse is not a foreign issuer at the time of any sale or other transfer of the Ironhorse Shares pursuant to Rule 904 of Regulation S under the

1933 Act, a holder of the Pond Shares may be required to hold the Ironhorse Shares indefinitely.

(vi) In a timely and expeditious manner, each of Ironhorse and Pond shall provide the other with information as requested, acting reasonably, in order to prepare any amendments or supplements to the Information Circular (which amendments or supplements shall be in a form satisfactory to each of the Parties, acting reasonably).

(b) Completion of Transaction.

(i) Each of the Parties agrees that, it shall complete the Transaction as soon as practicable following receipt of the later of the Ironhorse Shareholder Approval or the Pond Shareholder Approval.

(ii) Each of the Parties shall comply with the policies of the TSXV and, if required by the TSXV in connection with the approval of the Transaction, the Parties will obtain sponsorship of the Transaction under TSXV Policy 5.2 and Policy 2.2. In such event, the sponsor shall be a member firm of the TSXV acceptable to each of Ironhorse and Pond, each acting reasonably.

(iii) The Ironhorse Board shall approve resolutions, to be effective as of the Effective Time, to:

(A) accept the resignations of the directors and officers of Ironhorse that will no longer be serving in such capacity following the completion of the Transaction;

(B) change the composition of the Ironhorse Board such that it will be comprised of the individuals listed in Section 4.1(o); and

(C) appoint the officers listed in Section 4.1(o).

(c) Confidential Information. Each of Pond and Ironhorse agrees that any information as to the other Party's financial condition, business, properties, title, assets and affairs (including any material contracts) received from the other Party as part of its due diligence investigations in connection with the transactions contemplated in this Agreement, including information which, at the time of receipt had not become generally available to the public, was not available to a Party or its representatives on a non-confidential basis before the date of the LOI or does not become available to a Party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the Party or its representatives ("**confidential information**"), will be kept confidential by such Party for a period of two (2) years from the date hereof. Prior to releasing any confidential information, Pond or Ironhorse, as applicable, may require the recipient of the confidential information to enter into a mutually acceptable confidentiality agreement. No confidential information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents. The provisions of this Section 4.3(c) shall survive the termination of this Agreement.

4.4 No Alternative Transactions

(a) Commencing immediately, and except as contemplated herein, the Parties hereto and their respective agents will not, and will not permit any of their respective directors, officers, employees or agents, to directly or indirectly, solicit, discuss, encourage or accept an Alternative Proposal, subject to their fiduciary duties at law. The Parties hereto will with reasonable diligence do all such things and provide all such reasonable assurances as may be required to obtain the approval of applicable regulatory authorities, including the TSXV, to the transactions contemplated in this Agreement, and each Party will provide such further documents or instruments as may be necessary to effect the purposes of this Agreement. Each Party shall use all commercially reasonably effort to cause each of the condition precedents to be satisfied as soon as reasonably possible.

(b) Notwithstanding the preceding Section 4.4(a) and any other provisions of this Agreement, the Ironhorse Board may, prior to the approval of the Ironhorse Resolutions by the Ironhorse Shareholders, consider, participate in any discussions or negotiations with, or provide information to, any person who has delivered or issued a bona fide Alternative Proposal which was not solicited or encouraged after the date of this Agreement and did not otherwise result from a breach of this Section 4.4(a) and that the Ironhorse Board determines in good faith, after consultation with its outside legal counsel, would, if consummated in accordance with its terms, result in a transaction more favourable to the Ironhorse Shareholders from a financial point of view, than the terms of the Transaction (any such Alternative Proposal, an "**Ironhorse Superior Proposal**"), provided that any such determination shall only be made if the Ironhorse Board has received advice of outside legal counsel to the effect that the board of directors is required to do so in order to properly discharge its fiduciary duties, and provided further that, immediately upon receipt of such advice, Ironhorse advises Pond in writing that it has received such advice and provides written details thereof.

(c) Notwithstanding the preceding Section 4.4(a) and any other provisions of this Agreement, the Pond Board may, prior to the approval of the Pond Resolution by the Pond Shareholders, consider, participate in any discussions or negotiations with, or provide information to, any person who has delivered or issued a bona fide Alternative Proposal which was not solicited or encouraged after the date of this Agreement and did not otherwise result from a breach of this Section 4.4(a) and that the Pond Board determines in good faith, after consultation with its outside legal counsel, would, if consummated in accordance with its terms, result in a transaction more favourable to the Pond Shareholders from a financial point of view, than the terms of the Transaction (any such Alternative Proposal, a "**Pond Superior Proposal**"), provided that any such determination shall only be made if the Pond Board has received advice of outside legal counsel to the effect that the board of directors is required to do so in order to properly discharge its fiduciary duties, and provided further that, immediately upon receipt of such advice, Pond advises Ironhorse in writing that it has received such advice and provides written details thereof.

(d) Notwithstanding the preceding Sections 4.4(a), 4.4(b) and 4.4(c), Ironhorse and Pond may respond to an Alternative Proposal that is not an Ironhorse Superior Proposal or a

Pond Superior Proposal, as applicable, provided that such proposal has not been solicited or initiated by Ironhorse or Pond, respectively.

(e) Notwithstanding any other provision of this Agreement, Ironhorse agrees that it will not enter into any agreement (other than a confidentiality agreement) regarding an Ironhorse Superior Proposal (an "**Ironhorse Proposed Agreement**") or release the person making the Ironhorse Superior Proposal from any standstill agreements without providing Pond with an opportunity of not less than three (3) Business Days to amend this Agreement to provide at least as favourable terms as those to be included in the Ironhorse Proposed Agreement. In particular, Ironhorse covenants to provide Pond with all material terms and conditions of any Ironhorse Proposed Agreement at least three (3) Business Days prior to the proposed date of execution of such Ironhorse Proposed Agreement by Ironhorse. The Ironhorse Board will review any offer by Pond to amend the terms of this Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether Pond's offer, upon acceptance by Ironhorse, would result in the Ironhorse Proposed Agreement not being an Ironhorse Superior Proposal. If the Ironhorse Board so determines, it will enter into an amended Agreement with Pond reflecting Pond's amended proposal. In the event Ironhorse agrees to amend this Agreement as provided above within such three (3) Business Day period, Ironhorse covenants to not enter into the Ironhorse Proposed Agreement or release the party making the Ironhorse Superior Proposal from any standstill agreements. If upon expiry of the three (3) Business Day period, Pond has either not provided an offer to amend this Agreement or such offer would not render the Ironhorse Proposed Agreement not an Ironhorse Superior Proposal, Ironhorse may proceed with the Ironhorse Proposed Agreement and terminate this Agreement subject to the provisions of Section 4.4(g).

(f) Notwithstanding any other provision of this Agreement, Pond agrees that it will not enter into any agreement (other than a confidentiality agreement) regarding a Pond Superior Proposal (a "**Pond Proposed Agreement**") or release the person making the Pond Superior Proposal from any standstill agreements without providing Ironhorse with an opportunity of not less than three (3) Business Days to amend this Agreement to provide at least as favourable terms as those to be included in the Pond Proposed Agreement. In particular, Pond covenants to provide Ironhorse with all material terms and conditions of any Pond Proposed Agreement at least three (3) Business Days prior to the proposed date of execution of such Pond Proposed Agreement by Pond. The Pond Board will review any offer by Ironhorse to amend the terms of this Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether Ironhorse's offer, upon acceptance by Pond, would result in the Pond Proposed Agreement not being a Pond Superior Proposal. If the Pond Board so determines, it will enter into an amended Agreement with Ironhorse reflecting Ironhorse's amended proposal. In the event Pond agrees to amend this Agreement as provided above within such three (3) Business Day period, Pond covenants to not enter into the Pond Proposed Agreement or release the party making the Pond Superior Proposal from any standstill agreements. If upon expiry of the three (3) Business Day period, Ironhorse has either not provided an offer to amend this Agreement or such offer would not render the Pond Proposed Agreement not a Pond Superior Proposal, Pond may proceed with the Pond Proposed Agreement and terminate this Agreement subject to the provisions of Section 4.4(h).

(g) If this Agreement is terminated by Ironhorse after receipt of an Ironhorse Superior Proposal, whether accepted by Ironhorse or not, as a condition to the right of Ironhorse to terminate this Agreement, Ironhorse shall pay to Pond a cash payment equal to $250,000 (the "**Ironhorse Break Fee**"), all in immediately available Canadian funds within two (2) Business Days of such termination. The obligation of Ironhorse to pay the Ironhorse Break Fee pursuant to this Section 4.4(g) shall survive the termination of this Agreement.

(h) If this Agreement is terminated by Pond after receipt of a Pond Superior Proposal, whether accepted by Pond or not, as a condition to the right of Pond to terminate this Agreement, Pond shall pay to Ironhorse a cash payment equal to $250,000 (the "**Pond Break Fee**"), all in immediately available Canadian funds within two (2) Business Days of such termination. The obligation of Pond to pay the Pond Break Fee pursuant to this Section 4.4(h) shall survive the termination of this Agreement.

ARTICLE 5
CONDITIONS

5.1 Mutual Conditions in Favour of Pond and Ironhorse

The respective obligations of Ironhorse and Pond to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

(a) the Ironhorse Shareholder Approval shall have been obtained in accordance with the provisions of the ABCA and the requirements of any applicable regulatory authority, including the requirements of the TSXV;

(b) the Pond Shareholder Approval shall have been obtained in accordance with the provisions of the OBCA and the requirements of any applicable regulatory authority, including the requirements of the TSXV;

(c) each of the Ironhorse Board and the Pond Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Ironhorse, Newco and Pond, to permit the consummation of the Transaction and all other matters contemplated in this Agreement;

(d) the TSXV shall have accepted notice for filing of and approved the Transaction, subject only to compliance with the usual requirements of the TSXV, as applicable;

(e) the TSXV shall have conditionally approved the listing on the TSXV of the Ironhorse Shares to be issued pursuant to the Transaction and the Financing, on terms and conditions acceptable to each of the Parties, acting reasonably;

(f) Newco shall not have engaged in any business enterprise or other activity or had any assets or liabilities;

(g) the Financing shall have been funded on before November 30, 2017 for minimum aggregate gross proceeds of $6,500,000 and maximum gross proceeds of $15,000,000 on terms and conditions acceptable to each of the Parties, acting reasonably and shall have been completed;

(h) the Exchange Agreements shall have been completed by the holders of Pond Options, Pond Warrants, Agent Warrants and Subscription Receipts, as applicable, on terms and conditions acceptable to the Parties, acting reasonably;

(i) Ironhorse shall have entered into an amended management agreement with GRL, providing for a $7,500 per month management fee in relation to management of the Pembina property, in a form acceptable to the Parties, acting reasonably;

(j) Ironhorse shall have entered into the agreements contemplated by Section 4.1(f) with GRL, in a form acceptable to the Parties, acting reasonably;

(k) the Ironhorse Shares to be issued to persons in the United States pursuant to the Transaction shall be exempt from registration requirements under the 1933 Act pursuant to Rule 506 of Regulation D under the 1933 Act; and

(l) the distribution of the Ironhorse Shares pursuant to the Transaction shall be exempt from prospectus and registration requirements under applicable securities Laws of Canada and, except with respect to persons deemed to be "control persons" of Ironhorse under such securities Laws, such Ironhorse Shares shall not be subject to any resale restrictions in Canada under such securities Laws.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by mutual consent of Pond and Ironhorse in writing at any time. No such waiver shall be of any effect unless it is in writing signed by both Parties. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, any Party may terminate this Agreement by written notice to the others in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating Party.

5.2 Ironhorse Conditions

The obligation of Ironhorse to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) the representations and warranties made by Pond in this Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Pond in this Agreement which are not so qualified shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and Pond shall have provided to Ironhorse a certificate of two officers thereof certifying the same as of the Effective Date. No representation or warranty made by Pond hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;

(b) the Pond Shares held by Dissenting Shareholders is less than 5% of the issued and outstanding Pond Shares;

(c) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Pond;

(d) Pond shall have complied in all material respects with its covenants herein and Pond shall have provided to Ironhorse a certificate of two officers thereof, certifying that, as of the Effective Date, it has so complied with their covenants herein;

(e) Pond shall not be in default of the performance of any term or obligation to be performed by it under the CW Loan; and

(f) the Pond Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Pond and Ironhorse to permit the consummation of the Transaction and the transactions to be completed by Pond pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Ironhorse and may be waived, in whole or in part, by Ironhorse in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Ironhorse. If any of such conditions shall not be complied with or waived by Ironhorse on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, Ironhorse may terminate this Agreement by written notice to Pond in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Ironhorse.

5.3 Pond Conditions

The obligation of Pond to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) the Ironhorse Board shall have procured duly executed resignations and mutual releases, effective at the Effective Time, from each director and executive officer of Ironhorse who will no longer be serving in such capacity or capacities following completion of the Transaction;

(b) Ironhorse shall have issued equivalent securities of Ironhorse, in forms acceptable to Pond, acting reasonably, in respect of the Pond Options, Pons Warrants and Agent Warrants that are the subject of the Exchange Agreements;

(c) the representations and warranties made by Ironhorse in this Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Ironhorse in this Agreement which are not so qualified shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and Ironhorse shall have provided to Pond a certificate of two officers thereof certifying the same as of the Effective Date. No representation or warranty made by Ironhorse hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;

(d) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Ironhorse;

(e) Ironhorse shall have complied in all material respects with its covenants herein and Ironhorse shall have provided to Pond a certificate of two officers thereof certifying that, as of the Effective Date, Ironhorse has so complied with its covenants herein; and

(f) the Ironhorse Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Ironhorse to permit the consummation of the Transaction and the transactions to be completed by Ironhorse pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Pond and may be waived, in whole or in part, by Pond in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Pond. If any of such conditions shall not be complied with or waived by Pond on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4, Pond may terminate this Agreement by written notice to Ironhorse in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Pond.

5.4 Notice and Cure Provisions

Each of Pond and Ironhorse shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

(a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;

(b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party on or before the Effective Date; or

(c) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 5.1, 5.2 or 5.3, as the case may be.

Except as otherwise herein provided, each of Pond and Ironhorse may:

(d) elect not to complete the transactions contemplated hereby by virtue of any of the conditions for its benefit contained in Section 5.1, 5.2 or 5.3 not being satisfied or waived; or

(e) exercise any termination right arising therefrom; provided, however, that:

(i) promptly and in any event prior to the Effective Date, the Party hereto intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be; and

(ii) if any such notice is delivered, and a Party proceeds diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured prior to the Completion Deadline to the satisfaction of the Party delivering such notice, acting reasonably, no party may terminate this Agreement until the earlier of: (A) ten (10) Business Days from the date of delivery of such notice; and (B) the Completion Deadline, if such matter has not been cured by such date (except that, in each case and for greater certainty) no cure period shall be provided for a breach which by its nature cannot be cured.

5.5 Merger of Conditions

If no notice has been sent by either Party pursuant to Section 5.4 prior to the Effective Date, the conditions set out in Section 5.1, 5.2 or 5.3 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 6
AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement may, at any time and from time to time, before or after the receipt of the Ironhorse Shareholder Approval or the Pond Shareholder Approval, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of the Ironhorse Shareholders or the Pond Shareholders, and any such amendment may, without limitation:

(a) change the time for the performance of any of the obligations or acts of any of the Parties;

(b) waive any inaccuracies in, or modify, any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with, or modify, any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the parties hereto; and

(d) waive compliance with, or modify, any condition herein contained,

provided, however, that, notwithstanding the foregoing, following the receipt of the Ironhorse Shareholder Approval, the Exchange Ratio shall not be amended without the approval of the Ironhorse Shareholders given in the same manner as required for the approval of the Amalgamation.

6.2 Termination

This Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual written agreement by Ironhorse, Pond and Newco;

(b) subject to Section 5.4:

(i) by Ironhorse, if any condition in Section 5.2 is not satisfied or waived in accordance with such section,

(ii) by Pond, if any condition in Section 5.3 is not satisfied or waived in accordance with such section, or

(iii) by Ironhorse or by Pond, if any of the conditions in Section 5.1 for the benefit of the terminating party is not satisfied or waived in accordance with such Section 5.1;

(c) by Pond if there is an intentional breach of the covenants of Ironhorse contained herein by Ironhorse or any of its directors, officers, employees, agents, consultants or other representatives, in each case on or before the Effective Date;

(d) by Ironhorse or by Pond in accordance with Section 4.4;

(e) by Ironhorse if there is an intentional breach of the covenants of Pond contained herein by Pond or any of its directors, officers, employees, agents, consultants or other representatives, in each case on or before the Effective Date; or

(f) by Pond or by Ironhorse if the Transaction shall not have been completed by the Completion Deadline,

provided that any termination by a Party in accordance with the paragraphs above shall be made by such Party delivering written notice thereof to the other Parties prior to the earlier of the Effective Date and the Completion Deadline and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

ARTICLE 7
GENERAL

7.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party or Parties to which the notice is to be given at the following address or sent by electronic means to the following numbers or to such other address or email address as shall be specified by such other Party or Parties by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by electronic means be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding

Business Day) unless actually received after 5:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

(a) if to Ironhorse or Newco:

Ironhorse Oil & Gas Inc.
1000, 324 - 8th Avenue S.W.
Calgary, Alberta T2P 2Z2

Attention: Larry Parks
Email: lparks@grizzlyresources.com

with a copy (which shall not constitute notice) to:

Osler, Hoskin & Harcourt LLP
440 – 1st Street S.W.
Calgary, Alberta T2P 5H1

Attention: Andrea Whyte
Email: awhyte@osler.com

(b) if to Pond:

Pond Technologies Inc.
250 Shields Court, Unit 8
Markham, Ontario L3R 9W7

Attention: Steven Martin
Email: steve.m@pondtechnologiesinc.com

with a copy (which shall not constitute notice) to:

Cassels Brock & Blackwell LLP
Suite 1250, Millennium Tower
440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Attention: Evan Low
Email: elow@casselsbrock.com

7.2 Remedies

Upon termination of this Agreement under circumstances where a Party is entitled to a Break Fee and such fee has been paid in full, the Party receiving such fee shall be precluded from any other remedy against the other Party, at law or in equity or otherwise and such Party shall not seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against the other Party or any of its directors, officers, employees, partners, managers, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby; provided that, the foregoing is subject to the following:

(a) nothing in Section 4.4 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of fraud or an intentional or wilful breach of this Agreement; and

(b) the Parties acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any Party or its representatives and advisors and that such breach may cause the non-breaching Parties irreparable harm. Accordingly, the Parties agree that, in the event of any such breach or threatened breach of this Agreement, Ironhorse (if Pond is the breaching Party) or Pond (if Ironhorse or Newco is the breaching Party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Other than as set forth above, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties.

7.3 Expenses

The Parties agree that each Party shall pay for its costs incurred in connection with this Agreement and the transactions contemplated hereby and the preparation and mailing of the Information Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses, whether or not the Transaction is completed. The provisions of this Section 7.3 shall survive the termination of this Agreement.

7.4 Time of the Essence

Time shall be of the essence in this Agreement.

7.5 Entire Agreement

This Agreement together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the LOI. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

7.6 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation.

7.7 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Alberta. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

7.8 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile, email or other functionally equivalent electronic means of transmission shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by facsimile, email or other functionally equivalent electronic means of transmission to any other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

7.9 Waiver

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 6.1.

7.10 No Personal Liability

No director, officer or employee of Ironhorse shall have any personal liability to Pond under this Agreement. No director, officer or employee of Pond shall have any personal liability to Ironhorse under this Agreement.

7.11 Enurement and Assignment

This Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

POND TECHNOLOGIES INC.

Per: (signed) "*Steven Martin*"
Steven Martin
President and CEO

IRONHORSE OIL & GAS INC.

Per: (signed) "*Larry J. Parks*"
Larry J. Parks
President and CEO

2597905 ONTARIO INC.

Per: (signed) "*Larry J. Parks*"
Larry J. Parks
President

SCHEDULE A

FORMS OF IRONHORSE RESOLUTIONS

IRONHORSE RTO RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. the amalgamation (the "**Amalgamation**") under Section 174 of the *Business Corporations Act* (Ontario) (the "**OBCA**") of Pond Technologies Inc. ("**Pond**") and 2597905 Ontario Ltd., a wholly-owned subsidiary of Ironhorse Oil & Gas Inc. (the "**Company**"), to effect, among other things, the business combination of the Company and Pond, pursuant to the terms and conditions contained in the amalgamation agreement (the "**Amalgamation Agreement**") dated October 4th, 2017 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D in the Company's information circular is hereby authorized and approved;

2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule D in the Company's information circular, is hereby authorized and approved, and the Amalgamation is hereby adopted;

3. notwithstanding that this resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and

4. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

IRONHORSE CONSOLIDATION RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the issued and outstanding common shares in the capital of Ironhorse Oil & Gas Inc. (the "**Company**") be consolidated on the basis of 1 post-consolidation common share for every 6.9 common shares currently issued and outstanding (the "**Consolidation**");

2. no fractional shares shall be issued upon the Consolidation, and each fractional common share that is less than one (1) post-Consolidation common share will be rounded down to the next whole number and no cash or other consideration shall be paid or payable in lieu of such fraction;

3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not proceed with the Consolidation or otherwise give effect to these resolutions;

4. the effective date of such Consolidation shall be the date shown in the certificate of amendment; and

5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the forgoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

IRONHORSE CHANGE OF NAME RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the board of directors be and is hereby authorized to change the name of Ironhorse Oil & Gas Inc. (the "**Company**") to "Pond Technologies Holdings Inc. " or whatever name that it in its sole discretion determines is appropriate and which any regulatory body having jurisdiction may accept;

2. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not give effect to these resolutions; and

3. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the forgoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

IRONHORSE AGM RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. the number of directors to be elected be fixed at five (5) members;

2. Larry J. Parks, Robert Desbarats, Michael A. Royan, Gerry C. Quinn and Wayne W. Chow are elected as directors of Ironhorse, to hold office until the next annual general meeting of Ironhorse or until their successors are elected or appointed;

3. Kenway Mack Slusarchuk Stewart LLP be appointed as auditors of the Corporation and the directors of the Corporation are authorized to fix their remuneration.

4. the employee stock option plan set forth in Schedule ● to the Company's information circular is approved;

5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

SCHEDULE B

FORM OF POND RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the amalgamation (the "**Amalgamation**") under Section 174 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Ironhorse Oil & Gas Inc. ("**Ironhorse**"), Pond Technologies Inc. (the "**Company**") and 2597905 Ontario Ltd., a wholly-owned subsidiary of Ironhorse, pursuant to the terms and conditions contained in the amalgamation agreement (the "**Amalgamation Agreement**") dated October 4th, 2017 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D to the Company's information circular is hereby authorized and approved;

2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule D to the Company's information circular is hereby authorized and approved, and the Amalgamation is hereby adopted;

3. any officer or director of the Company is hereby authorized and directed, on behalf of the Company, to execute and deliver the articles of the amalgamated entity to the director appointed under the OBCA with respect to the Amalgamation;

4. notwithstanding that this special resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and

5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

AMENDING AGREEMENT

Re: Amalgamation Agreement dated August 14, 2017 between Pond Technologies Inc., Ironhorse Oil & Gas Inc. and 2597905 Ontario Inc. ("Amalgamation Agreement")

IN CONSIDERATION of the respective agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and confirm as follows:

1. The Amalgamation Agreement is hereby amended as follows:

   (a) The words "Acquisition Proposal" in the definition of "Alternative Proposal" in Section 1.1 are deleted and replaced with the words "Alternative Proposal";

   (b) The definition of "Agent Warrants" in Section 1.1 is deleted in its entirety and replaced with the following:

   "“**Agent Warrants**” means common share purchase warrants of Pond issuable to the agents under the Financing, each Agent Warrant being exercisable for one Pond Share;";

   (c) The following defined term is alphabetically added to Section 1.1:

   "**Agent Units**" means the unit purchase warrants of Pond held by the Agents, each Agent Unit being exercisable for one unit consisting of one Pond Share and one Pond Warrant;";

   (d) The definition of "Exchange Agreements" in Section 1.1 is deleted in its entirety and replaced with the following:

   "“**Exchange Agreements**” means the agreements to be entered into by Pond and each of the holders of Pond Options, Pond Warrants and Agent Warrants, in form satisfactory to Ironhorse, acting reasonably, pursuant to which holders of Pond Options, Pond Warrants and Agent Warrants, as applicable, agree to: (a) be bound by the steps outlined in Section 2.2; and (b) surrender effectively immediately before the Effective Date all Pond Options, Pond Warrants and Agent Warrants for cancellation in exchange for equivalent securities of Ironhorse;";

   (e) The definition of "Financing" in Section 1.1 is deleted in its entirety and replaced with the following:

   "“**Financing**” means the private placement financing of Subscription Receipts at a price of $2.40 per Subscription Receipt for gross proceeds of a minimum of $6,500,000 and a maximum of $10,000,000 (not including any over-allotment option granted to the agents thereunder) or such greater amount as Ironhorse and Pond may agree;";

(f) Subsection 2.2(b) is deleted in its entirety and replaced with the following:

"each Agent Warrant which is outstanding prior to the Effective Time shall be cancelled and its holder shall receive in exchange therefor one common share purchase warrant of Ironhorse having the same terms and conditions, including the term to expiry, conditions to and manner of exercise, as the Agent Warrant for which it was exchanged; and";

(g) Clause 3.2(b)(iv) is deleted in its entirety and replaced with the following:

"164,000 Pond Shares are issuable pursuant to the exercise of outstanding Agent Units, including the exercise of the Pond Warrants issuable pursuant to the exercise of outstanding Agent Units.";

(h) The last sentence in Subsection 4.2(b) is deleted in its entirety.

(i) Subsection 4.2(d) is deleted in its entirety and replaced with the following:

"Financing. Pond shall use its reasonable commercial efforts to obtain by December 13, 2017 executed subscription agreements for aggregate gross proceeds of not less than $6,500,000 under the Financing, on such terms and conditions acceptable to Ironhorse, and to close the Financing concurrent with the closing of the Transaction.";

(j) Clause 4.2(e)(viii) is deleted in its entirety and replaced with the following:

"redeem, purchase or offer to purchase any of the Pond Shares, Pond Options, Pond Warrants, Agent Warrants, Agent Units or any of its other securities; or";

(k) Subsection 5.1(g) is deleted in its entirety and replaced with the following:

"subscription agreements for aggregate gross proceeds of not less than $6,500,000 under the Financing shall have been obtained by December 13, 2017 and the Financing shall have been completed for minimum aggregate gross proceeds of $6,500,000 and maximum gross proceeds of $10,000,000 (not including any over-allotment granted to the agents thereunder) on terms and conditions acceptable to each of the Parties, acting reasonably;"

(l) Subsection 5.1(h) is deleted in its entirety and replaced with the following:

"the Exchange Agreements shall have been completed by the holders of Pond Options, Pond Warrants and Agent Warrants, as applicable, on terms and conditions acceptable to the Parties, acting reasonably;"

2. Each of the parties acknowledges and agrees that the Amalgamation Agreement, as amended by this Amending Agreement, continues in full force and effect and is hereby confirmed.

3. This Amending Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Alberta. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

4. This Amending Agreement may be executed in counterparts (including counterparts executed and delivered by facsimile and other electronic delivery), and all such counterparts taken together will be deemed to constitute one and the same instrument.

Dated as of the 16th day of November, 2017.

IRONHORSE OIL & GAS INC.

By: (signed) "*Larry J. Parks*"
Name: Larry J. Parks
Title: President and CEO

POND TECHNOLOGIES INC.

By: (signed) "*Thomas Masney*"
Name: Thomas Masney
Title: Chief Financial Officer

2597905 ONTARIO INC.

By: (signed) "*Larry J. Parks*"
Name: Larry J. Parks
Title: President

Schedule E

IRONHORSE STOCK OPTION PLAN RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. the employee stock option plan of Ironhorse Oil & Gas Inc. (the "**Company**") set forth in Schedule N to the Company's information circular is approved;

2. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

Schedule F

IRONHORSE CONSOLIDATION RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the issued and outstanding common shares in the capital of Ironhorse Oil & Gas Inc. (the "**Company"**) be consolidated on the basis of 1 post-consolidation common share for every 6.9 common shares currently issued and outstanding (the "**Consolidation**");

2. no fractional shares shall be issued upon the Consolidation, and each fractional common share that is less than one (1) post-Consolidation common share will be rounded down to the next whole number and no cash or other consideration shall be paid or payable in lieu of such fraction;

3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not proceed with the Consolidation or otherwise give effect to these resolutions;

4. the effective date of such Consolidation shall be the date shown in the certificate of amendment; and

5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the forgoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

Schedule G

IRONHORSE CHANGE OF NAME RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the board of directors be and is hereby authorized to change the name of Ironhorse Oil & Gas Inc. (the "**Company**") to "Pond Technologies Holdings Inc." or whatever name that it in its sole discretion determines is appropriate and which any regulatory body having jurisdiction may accept;

2. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company, at any time prior to the Consolidation, to not give effect to these resolutions; and

3. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company, under the seal of the Company or otherwise, to execute and deliver articles of amendment to effect the foregoing resolutions with the Registrar of Corporations for the Province of Alberta and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the forgoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.

Schedule H

IRONHORSE RTO RESOLUTION

BE IT RESOLVED as an ordinary resolution that:

1. the amalgamation (the "**Amalgamation**") under Section 174 of the *Business Corporations Act* (Ontario) (the "**OBCA**") of Pond Technologies Inc. ("**Pond**") and 2597905 Ontario Inc., a wholly-owned subsidiary of Ironhorse Oil & Gas Inc. (the "**Company**"), to effect, among other things, the business combination of the Company and Pond, pursuant to the terms and conditions contained in the amalgamation agreement (the "**Amalgamation Agreement**") dated October 4, 2017 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D in the Company's information circular is hereby authorized and approved;

2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule D in the Company's information circular, is hereby ratified, confirmed, authorized and approved, and the Amalgamation is hereby adopted;

3. notwithstanding that this resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and

4. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

Schedule I

POND RESOLUTION

BE IT RESOLVED as a special resolution that:

1. the amalgamation (the "**Amalgamation**") under Section 174 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Ironhorse Oil & Gas Inc. ("**Ironhorse**"), Pond Technologies Inc. (the "**Company**") and 2597905 Ontario Ltd., a wholly-owned subsidiary of Ironhorse, pursuant to the terms and conditions contained in the amalgamation agreement (the "**Amalgamation Agreement**") dated October 4, 2017 (as the same may be or has been modified or amended), in substantially the form attached as Schedule D to the Company's information circular is hereby authorized and approved;

2. the execution and delivery by the Company of the Amalgamation Agreement, substantially in the form attached as Schedule D to the Company's information circular is hereby ratified, confirmed, authorized and approved, and the Amalgamation is hereby adopted;

3. any officer or director of the Company is hereby authorized and directed, on behalf of the Company, to execute and deliver the articles of the amalgamated entity to the director appointed under the OBCA with respect to the Amalgamation;

4. notwithstanding that this special resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the issuance by the director under the OBCA of a certificate of amalgamation in respect of the Amalgamation (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (ii) not to proceed with the Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and

5. any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things, including delivering such documents as are necessary or desirable to the director appointed under the OBCA for filing in accordance with the Amalgamation Agreement, as such officer or director, may deem necessary or desirable to implement the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

Schedule J

POND FINANCIAL STATEMENTS

See attached.

Pond Technologies Inc.
(Formerly Pond Biofuels Inc.)

Financial Statements

For the Year Ended December 31, 2016

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7

T: 416.480.0160
F: 416.480.2646

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pond Technologies Inc. (formerly Pond Biofuels Inc.)

We have audited the accompanying financial statements of Pond Technologies Inc. (formerly Pond Biofuels Inc.) which comprise the balance sheet as at December 31, 2016 and the statements of loss and comprehensive loss, changes in shareholders' (deficiency) equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pond Technologies Inc. as at December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on Pond Technologies Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
March 8, 2017
Toronto, Ontario

Collins Barrow

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pond Biofuels Inc.

We have audited the accompanying financial statements of Pond Biofuels Inc. which comprise the balance sheet as at December 31, 2015 and the statements of loss and comprehensive loss, changes in equity and of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pond Biofuels Inc. as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on Pond Biofuel Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
May 11, 2016
Toronto, Ontario

Pond Technologies Inc. (formerly Pond Biofuels Inc.)
Balance Sheet
As at December 31, 2016

	Note	2016	2015
		$	$
Assets			
Current assets			
Cash		**459,673**	139,274
Receivables		**70,491**	81,294
Prepaid expenses and other assets		**72,604**	50,991
		602,768	271,559
Patents	5	**1,935,744**	2,054,129
Capital assets	6	**1,184,603**	1,294,679
Total assets		**3,723,115**	3,620,367
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	**1,197,899**	677,007
Current portion of loans payable	8	**20,043**	164,496
Deferred revenue		**-**	50,000
		1,217,942	891,503
Long-term portion of loans payable	8	**5,171,577**	967,298
Total liabilities		**6,389,519**	1,858,801
Shareholders' (deficiency)			
Share capital	9	**10,668,295**	12,836,990
Contributed surplus		**1,421,170**	942,977
Deficit		**(14,755,869)**	(12,018,401)
Total shareholders' (deficiency) equity		**(2,666,404)**	1,761,566
Total liabilities and shareholders' (deficiency) equity		**3,723,115**	3,620,367

Description of business and going concern (Note 1)

Commitments and contingencies (Note 18)

Subsequent events (Note 19)

Approved on behalf of the Board of Directors:

"Geraldine Kenney-Wallace" Director

"Steve Martin" Director

See accompanying notes to the financial statements.

Pond Technologies Inc. (formerly Pond Biofuels Inc.)
Statement of Loss and Comprehensive Loss
For the year ended December 31, 2016

	Note	2016	2015
		$	$
Revenue			
Revenue from operations		**162,390**	451,858
Expenses			
Operating expenses	10	**881,585**	914,536
General and administrative expense	10	**669,194**	437,286
Stock-based compensation	9	**426,191**	12,197
		1,976,970	1,364,019
Operating loss		**(1,814,580)**	(912,161)
Other expenses			
Amortization		**413,307**	451,476
Financial expenses	11	**509,581**	110,889
Net loss and comprehensive loss	12	**(2,737,468)**	(1,474,526)
Weighted average number of common shares outstanding		**10,472,977**	12,073,451
Basic and diluted loss per common share		**(0.26)**	(0.12)

See accompanying notes to the financial statements.

Pond Technologies Inc. (formerly Pond Biofuels Inc.)
Statement of Changes in Shareholders' (Deficiency) Equity
For the year ended December 31, 2016

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	**Total**
			$	$	$	$
Balance, January 1, 2015		12,073,451	12,836,990	930,780	(10,543,875)	3,223,895
Net loss and comprehensive loss for the year		-	-	-	(1,474,526)	(1,474,526)
Stock-based compensation	9	-	-	12,197	-	12,197
Balance, December 31, 2015		12,073,451	12,836,990	942,977	(12,018,401)	1,761,566
Shares and warrants issued	9	702,340	1,286,909	117,771	-	1,404,680
Share issuance costs	9	-	(120,477)	-	-	(120,477)
Net loss and comprehensive loss for the year		-	-	-	(2,737,468)	(2,737,468)
Shares purchased for cancellation	9	(1,779,546)	(3,335,127)	(65,769)	-	(3,400,896)
Stock-based compensation	9	-	-	426,191	-	426,191
Balance, December 31, 2016		**10,996,245**	**10,668,295**	**1,421,170**	**(14,755,869)**	**(2,666,404)**

See accompanying notes to the financial statements.

Pond Technologies Inc. (formerly Pond Biofuels Inc.)
Statement of Cash Flows
For the year ended December 31

	Note	**2016**	2015
		$	$
Operating Activities			
Cash receipts from customers		**112,390**	589,873
Cash paid to suppliers and employees		**(1,359,340)**	(1,650,950)
Interest paid on loans		**(194,033)**	-
Interest received		**-**	1,432
Cash used in operating activities		**(1,440,983)**	(1,059,645)
Investing Activities			
Purchase of patents	5	**(16,019)**	(59,909)
Purchase of capital assets	6	**(168,826)**	(2,921)
Cash used in investing activities		**(184,845)**	(62,830)
Financing Activities			
Oustanding shares purchased for cancellation	9	**(3,400,896)**	-
Proceeds from issuance of shares, net of issuance costs		**1,049,203**	-
Proceeds from loans payable	8	**4,435,000**	650,000
Repayments of loans payable	8	**(137,080)**	-
Cash provided by financing activities		**1,946,227**	650,000
Net change in cash		**320,399**	(472,475)
Cash, beginning of year		**139,274**	611,749
Cash, end of year		**459,673**	139,274

See accompanying notes to the financial statements.

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Pond Biofuels Inc. was incorporated on May 27, 2008 under the laws of Canada, with the purpose of pursuing microalgal biomass production using raw stack gas emissions from industrial emitters. On May 4, 2016, Pond Biofuels Inc. changed its name to Pond Technologies Inc. (the "Company"). The Company's technology offers cement, steel, oil, chemicals, power producers, and all other heavy industrial emitters, an opportunity to generate significant revenue from their greenhouse gas emissions, through production of biomass and bio-oil as drop-in replacements for fossil fuels. These revenue streams may be further augmented by the potential generation and sale of carbon credits.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they come due in the normal course of business for the foreseeable future.

The Company is in the development stage, has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations.

For the year ended December 31, 2016, the Company recorded a net loss of $2,737,468 (2015 – $1,474,526) and has a working capital deficiency of $615,174 (2015 – $619,944) at that date. The Company's ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds and realization of profitable operations. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. These circumstances lend significant doubt and material uncertainty as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness, ultimately, of the use of accounting principles applicable to a going concern.

These financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

The Company's management prepared these financial statements in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. The Board of Directors approved these financial statements on March 8, 2017.

Basis of presentation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the year.

Such estimates include stock-based compensation, market interest rate assumptions in relation to government assistance and useful lives and valuations of capital assets and patents. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future years could be significant. Actual results could differ from those estimates.

Significant judgments

The preparation of the Company's financial statements in accordance with IFRS requires management to exercise judgment when applying accounting policies.

2. BASIS OF PREPARATION (Continued)

Significant judgments (Continued)

The area involving a higher degree of judgment or complexity which is significant to the financial statements are patents, which are intangible assets. Management uses judgment to determine whether its process patents meet the intangible asset recognition criteria and are eligible to be capitalized on the balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue recognition from product sales are recognized when persuasive evidence of an arrangement exists, the product is shipped, received or accepted by the customer, and there are no future performance obligations, the purchase price is fixed and determinable and collectability is reasonably assured. Installation revenue is recognized once installation of the unit is completed and accepted by the customer.

Revenue from sales arrangements that include multiple elements, such as products and installation, is allocated to the elements based on the relative value of the elements included in the arrangement. An element is separately identifiable if the product or service delivered has stand-alone value to the customer and the fair value can be measured reliably. The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole.

Revenue from licensing fees are recognized in the period in which it is earned once all the revenue conditions have been met.

Capital assets

Amounts recorded for amortization of capital assets are based on management's best estimate of their useful lives. Accordingly, those amounts are subject to measurement uncertainty. The Company uses the straight-line method for amortization, as follows:

Project equipment	5-20 years
Furniture, fixtures and equipment	5 years
Computer hardware and software	3 years

Intangible assets

Patents represent the costs incurred to file the patent application, primarily relating to legal expenses, and are capitalized when the costs meet the intangible asset recognition criteria. Patents are recorded at cost and amortized over 20 years, according to their expected useful lives.

Research and development expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized when the underlying activities meet the intangible asset recognition criteria. In order for costs to be capitalized, an intangible asset must meet the criteria under IAS 38: (i) demonstration of technical feasibility, (ii) intention to complete; (iii) ability to use or sell; (iv) the ability to generate future economic benefits; (v) the availability of technical, financial and other resources; and (vi) the ability to measure reliably. If these criteria are not met, the costs are expensed as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets

An impairment charge is recognized for long-lived assets, including intangible assets with definite lives, when an event or change in circumstances indicate that the asset's carrying value may not be recoverable. Long-lived assets are assessed for indications of impairment at the end of the reporting period. If such indications exist, then the recoverable amount of the cash generating unit ("CGU") is compared to the carrying value of the CGU. An impairment loss is recognized when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount of the CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses are recognized in operations for the period in which they are identified. This impairment test may be performed at any time during an annual period, provided it is performed at the same time every year.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a reduction of share capital. When the Company issues share capital for consideration other than cash, the transaction is recorded at the fair value of the share capital issued.

Where shares are issued in connection with warrants, the Company uses the Bank-Scholes pricing model to apportion the fair value of considerations receivable between share capital and warrants.

Stock-based compensation

The fair value of all stock options granted to employees (including directors and senior executives) is determined using the Black-Scholes opinion pricing model. The resulting value is charged to net comprehensive loss over the vesting period of the options. A corresponding increase to contributed surplus is recorded when employee stock options are expensed.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Where equity instruments are granted to non-employees, they are recorded at the fair value of goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the goods or services received are measured, indirectly, by reference to the fair value of equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders service.

For stock-based compensation with non-vesting conditions, the grant date fair value of stock-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes. When a stock option is exercised, share capital is recorded at the sum of proceeds received plus the amount previously recorded in contributed surplus relating to the options exercised.

Income taxes

Income taxes comprise current and deferred income taxes. Income taxes are recognized in the statement of loss and comprehensive loss, except to the extent that they relate to items recognized directly in equity, in which case, the income taxes are also recognized directly in equity.

Current income taxes are the expected income taxes payable on the taxable income for the year, using income tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to income taxes payable in respect of previous periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (continued)

In general, deferred income taxes are recognized in respect of temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined on a non-discounted basis using income tax rates and laws that have been enacted or substantively enacted as at the balance sheet dates and are expected to apply when the deferred income tax asset is realized or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are remeasured at each balance sheet date using the current discount rate. The increase in the provision due to passage of time is recognized as interest expense.

Investment tax credits and government grants

Government grants include funding for research and product development support. Research and product development funding is recognized when there is reasonable assurance that the Company has complied with the conditions attached to the funding arrangement and the funding will be received. Government assistance is recognized when receipt of the assistance is reasonably assured. Reasonable assurance is based on the Company's past experience with claims and collections. Research and product development funding and investment tax credits are presented as a reduction in research and development expenses, unless it is for reimbursement of an asset, in which case it is recognized as a reduction in the carrying amount of the applicable asset. Grants related to income are recorded through the statement of loss and comprehensive loss.

Comprehensive loss / loss per share

The basic comprehensive loss per share is computed by dividing the comprehensive income by the weighted average number of common shares outstanding during the year. The diluted loss per share reflect the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Financial assets and liabilities

All financial instruments, including derivatives, are included on the balance sheet and are measured either at fair market value or at cost or amortized cost. Subsequent measurement and recognition of the changes in fair value of financial instruments depends upon their initial classifications. Held-to-maturity assets, loans and receivables and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Available-for-sale financial assets are measured at fair value with subsequent gains and losses included in other comprehensive loss until the asset is removed from the balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

The following summarizes the Company's classification and measurement of those assets and liabilities:

	Classification	Measurement
Financial assets:		
Cash	Loans and receivables	Amortized cost
Receivables and other assets	Loans and receivables	Amortized cost
Financial liabilities:		
Loans payable	Other financial liabilities	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities, other than financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL"), are accounted for as part of the carrying amount of the respective asset or liability at inception. Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate over the anticipated life of the related instrument.

Transaction costs on financial assets and financial liabilities measured at FVTPL are expensed in the period incurred. Financial assets are derecognized when the contractual rights to the cash flows from financial assets expire or have been transferred. All derivative instruments, including embedded derivatives, are recorded in the financial statements at fair value, except for embedded derivatives exempted from derivative accounting treatment.

Direct and indirect financing costs that are attributable to the issue of financial liabilities are presented as a reduction from the carrying amount of the related debt and are amortized over the terms of the related debt. These costs include interest, discounts or premiums relating to borrowings, fees and commissions paid to lenders, agents, brokers, advisers and transfer taxes and duties that are incurred in connection with the arrangement of borrowings.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Standards, interpretations and amendments to published standards adopted

The following revised standards are effective for annual periods beginning on January 1, 2016, and their adoption did not have an impact on these financial statements, but may affect the accounting for future transactions or arrangements:

Presentation of Financial Statements ("IAS 1")

In December 2014, the IASB issued amendments to IAS 1 as part of its initiative to improve presentation and disclosure in financial reports. The amendments to IAS 1 clarify the existing presentation and disclosure requirements as they relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments also provide additional guidance on application of professional judgment to disclosure requirements when preparing the notes to the financial statements.

Property, Plant and Equipment ("IAS 16") and Intangible Assets ("IAS 38")

In May 2014, the IASB issued amendments to IAS 16 and IAS 38 to clarify that the use of revenue-based methods to calculate depreciation is not appropriate as revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the related asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption may be rebutted in certain limited circumstances.

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Standards, interpretations and amendments to published standards that are issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee ("IFRIC") that are mandatory at certain dates. The standards impacted that are applicable to the Company are as follows:

Statement of Cash Flows ("IAS 7")

IAS 7, Statement of Cash Flows, will require entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Company intends to adopt the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. The Company is currently assessing the impact of these amendments on its financial statements.

Share-Based Payment ("IFRS 2")

IFRS 2, Share-Based Payment, has been amended by the IASB to provide additional guidance on the classification and measurement of share-based payment transactions. The amendments clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features for withholding tax obligations, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The amendments to IFRS 2 are effective for annual periods beginning on or after January 1, 2018, and is to be applied prospectively; however, retrospective application is permitted in certain instances. Early adoption is permitted. The Company intends to adopt the amendments to IFRS 2 in its financial statements for annual period beginning on January 1, 2018. The extent and impact of the adoption of the standard has not yet been determined.

Financial Instruments ("IFRS 9")

IFRS 9, Financial Instruments, was issued by that IASB to cover classification and measurement as the first part of its project to replace IAS 39. In October 2010, the IASB also incorporated new accounting requirements for liabilities. The standard introduces a new requirement for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39.

There are new requirements for the accounting of financial liabilities as well as a carryover of requirements from IAS 39. In 2013, the IASB also incorporated new accounting requirements for hedging and introduced a new expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize a full lifetime of expected losses on a timelier basis.

The effective date of this pronouncement has been set to be for annual periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of this standard. The Company intends to adopt the amendments to IFRS 9 in its financial statements for the annual period beginning on January 1, 2017.

Revenue from Contracts with Customers ("IFRS 15")

IFRS 15, Revenue from Contracts with Customers, is a new standard issued by the IASB. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Fund expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced discloses about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements from the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Revenue from Contracts with Customers ("IFRS 15") (Continued)

In April 2016, the IASB issued amendments to IFRS 15, which provided additional guidance on the identification of performance obligations, on assessing principal versus agent considerations and on licensing revenue. The amendments also provided additional transitional relief upon initial adoption of IFRS 15 and have the same effective date as the IFRS 15 standard. IFRS 15 becomes effective for annual period beginning on or after January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on its financial statements.

Leases ("IFRS 16")

IFRS 16, Leases, which will replace IAS 17, Leases, introduces a single lessee accounting model for all leases by eliminating the distinction between operating and financing leases. IFRS 16 requires lessees to recognize right-of-use assets and lease liabilities for most leases. Lessees will also recognize depreciation expense on the right-of-use asset and interest expense on the lease liability in the statement of loss and comprehensive loss. Short-term leases, which are defined as those that have a lease term of 12 months or less; and leases of low-value assets are exempt. Lessor accounting remains substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted only if aligned with or after the adoption of IFRS 15. The Company is in the process of reviewing the standard to determine the impact on its financial statements.

5. PATENTS

	Cost	Accumulated amortization	Net carrying amount
	$	$	$
Balance, January 1, 2015	2,614,819	(488,224)	2,126,595
Additions	59,909	(132,375)	(72,466)
Balance, December 31, 2015	2,674,728	(620,599)	2,054,129
Additions	16,019	(134,403)	(118,385)
Balance, December 31, 2016	**2,690,747**	**(755,002)**	**1,935,744**

6. CAPITAL ASSETS

	Project equipment	Furniture, fixtures and equipment	Computer hardware and software	Total
	$	$	$	$
Cost				
1-Jan-15	2,279,450	84,499	74,418	2,438,367
Additions	2,921	-	-	2,921
Disposals	(40,389)	(3,415)	-	(43,804)
31-Dec-15	2,241,982	81,084	74,418	2,397,484
Additions	168,826	-	-	168,826
31-Dec-16	2,410,808	81,084	74,418	2,566,310
Accumulated amortization				
1-Jan-15	728,467	27,063	43,583	799,113
Amortization	300,620	8,668	9,812	319,100
Disposals	(14,315)	(1,093)	-	(15,408)
31-Dec-15	1,014,772	34,638	53,395	1,102,805
Amortization	265,999	6,362	6,541	278,902
31-Dec-16	1,280,771	41,000	59,936	1,381,707
Net carrying amount				
31-Dec-15	1,227,210	46,446	21,023	1,294,679
31-Dec-16	**1,130,037**	**40,084**	**14,482**	**1,184,603**

In the prior year, project equipment with a net book value amounting to $28,396 was utilized in connection with the provision of services and supplies to a customer, the proceeds of which were included in revenues and the net book value was recorded in operating expenses.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	2016	2015
	$	$
Accounts payable	**697,621**	531,788
Interest payable	**321,439**	13,474
Payroll and other accruals	**178,839**	131,745
	1,197,899	677,007

8. LOANS PAYABLE

A summary of the changes in the loans payable balance is as follows:

	CW (i)	SMC (ii)	Colmac (iii)	FedDev (iv)	Total
	$	$	$	$	$
Balance, January 1, 2015	-	-	-	559,384	559,384
Advances	350,000	300,000	-	-	650,000
Accretion	-	-	-	86,904	86,904
Repayments	-	-	-	(164,494)	(164,494)
Balance, December 31, 2015	350,000	300,000	-	481,794	1,131,794
Advances	4,310,000	50,000	75,000	-	4,435,000
Conversion to shares (Note 9)	(160,000)	-	(75,000)	-	(235,000)
Accretion	-	-	-	72,635	72,635
Repayments	-	-	-	(137,080)	(137,080)
Imputed interest adjustment	-	-	-	(75,729)	(75,729)
Balance, December 31, 2016	**4,500,000**	**350,000**	-	**341,620**	**5,191,620**
Less: Current portion	-	-	-	20,043	20,043
	4,500,000	**350,000**	-	**321,577**	**5,171,577**

(i) Crystal Wealth Management System Ltd. ("CW")

During 2015, the Company issued a promissory note to CW in the amount of $350,000 bearing interest at 12% per annum. On February 19, 2016, the Company entered into a secured loan agreement with CW with a maximum credit amounting to $4,500,000. The loan agreement incorporated the amount advanced under the promissory note and the promissory note was terminated and superseded by the loan agreement. The proceeds of the loan were used: i) to pay amounts required to settle all claims pursuant to an action brought against the Company by Lorem Capital Inc., a shareholder of the Company, and others (the "Lorem Parties") including legal fees and related expenses; and ii) for working capital purposes.

The loan bears interest at the rate of 12% per annum, has no regularly scheduled repayment terms with a maturity date of the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500,000. The loan is secured by a general security agreement with a first charge on the Company's assets and a specific assignment of rights in all patents during the year.

During the year, CW amended the credit facility agreement and the Company was advanced an additional $160,000. CW also issued amendments to defer interest payments, originally due quarterly, to March 31, 2017. The advance of $160,000 was subsequently settled by the Company through the non-brokered private placement (Note 9).

(ii) St. Marys Cement Inc. (Canada) ("SMC")

On May 29, 2015, the Company entered into a $300,000 demand loan with SMC. The loan bears interest at the rate of 9.5% per annum and has no regularly scheduled repayment terms. Interest expense of $28,500 (2015 - $11,633) was recorded on this loan. On February 19, 2016 and in connection with the loan agreement with CW, the SMC loan became postponed and subordinated to the loan payable to CW and the maturity date was established at the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500,000. On August 30, 2016 the Company entered into a $50,000 promissory note with SMC with an interest rate of 9.5%. Subsequent to year-end the principal amount of the promissory note was converted to shares through the purchase of share units (Note 19).

(iii) Colmac Power Inc. ("Colmac")

On September 6, 2016, the Company entered into a $75,000 promissory note with Colmac. The promissory note was non-interest bearing. The Company issued units as settlement of the promissory note through its non-brokered private placement (Note 9).

8. LOANS PAYABLE (Continued)

(iv) *Federal Economic Development Agency ("FedDev")*

The Company has a loan agreement with the FedDev and has received advances disbursed at a monthly rate of 33.33% of eligible costs as defined in the agreement, subject to achievement of certain milestones. Under the terms of the loan agreement, the loan bears no interest and is repayable in 60 equal monthly installments of $13,708 beginning on January 1, 2015.

On December 29, 2016, the monthly instalments were reduced to $2,500 until January 1, 2018 after which the payments will be increased to $8,750 for one year. Under IAS 39, the difference in the effective interest of $75,729 was recorded in the statement of comprehensive loss as part of financial expenses.

9. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

	Number of shares	Amount
		$
Balance, as at January 1 and December 31, 2015	12,073,451	12,836,990
Issued on subscription of shares	584,840	1,070,963
Conversion of loans payable (Note 8)	117,500	215,946
Shares repurchased for cancellation	(1,779,546)	(3,400,896)
Warrants repurchased for cancellation	-	65,769
Share issuance costs	-	(120,477)
Balance, as at December 31, 2016	**10,996,245**	**10,668,295**

On February 23, 2016, the Company paid $3,400,896 to repurchase and cancel 1,779,546 common shares representing all of the outstanding shares as well as warrants held by litigants listed in a claim brought against the Company by the Lorem parties to settle the claim on a full and final basis (Note 8). With the conclusion of this matter, none of the litigants holds either shares or warrants in the Company. The carrying value of the Lorem parties shares and warrants issued in prior years was $3,400,896.

Non-brokered private placement

On December 1, 2016, the Company issued 367,340 units for total consideration of $734,680 (the "non-brokered private placement"). The non-brokered private placement included the settlement of the loans payable to CW and Colmac in the amounts of $160,000 and $75,000, respectively, through the issuance of 80,000 and 37,500 units, respectively. One unit represents one common share and one warrant. The warrants may be exercised for one additional common share at a price of $2.50 per common share until December 1, 2018.

Brokered private placement

On December 21, 2016, the Company issued 361,800 units for total consideration of $670,000 (the "brokered private placement") and 26,800 warrants as payment for the brokered private placement (the "Agent Warrants"). The Agent Warrants may be exercised to purchase one unit at a price of $2.00. In both instances, one unit represents one common share and one warrant. The warrants may be exercised to purchase one additional common share at a price of $2.50 per share until December 21, 2018.

For both the non-brokered private placement and the brokered private placement, the Company adopted a residual value method with respect to measurement of shares, warrants and Agent Warrants issued as private placement units. The total consideration was allocated between common shares, warrants and Agent Warrants, with the warrants and Agent Warrants being measured first, at fair value amounting to $117,771, and the residual being applied to common shares.

9. SHARE CAPITAL (Continued)

Stock option plan

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the underlying directors' resolution approving the issuance.

	Number of options outstanding	Weighted average exercise price
		$
Balance, as at January 1, 2015	965,000	2.86
Forfeited during the period	(575,000)	1.94
Balance, as at December 31, 2015	390,000	3.08
Granted during the period	857,500	2.00
Forfeited during the period	(390,000)	3.08
Balance, as at December 31, 2016	**857,500**	**2.00**

During the year ended December 31, 2016, the Company granted 857,500 (2015 – Nil) stock options with a fair value of $422,987 (2015 – $Nil) at the date of grant to employees and directors and vested immediately. The fair value was determined using the Black-Scholes option pricing model at the weighted average assumptions:

		2016
Risk-free interest rate		**0.68%**
Estimated life of options (years)		**5.00**
Expected volatility		**30%**
Price of shares at the date of issuance	**$**	**1.91**
Exercise price of options	**$**	**2.00**
Dividend yield		**0%**

Expected volatility was determined using comparable companies' volatility. As at December 31, 2016, 857,500 (2015 – 390,000) stock options were exercisable and the weighted average remaining contractual lives of the stock options was 4.5 years (2015 – 1.47 years).

Continued surplus

Contributed surplus is comprised of the following:

	2016	2015
	$	$
Stock options	**1,303,399**	942,977
Warrants and Agent Warrants	**117,771**	-
	1,421,170	942,977

9. SHARE CAPITAL (Continued)

Warrants

For the warrants and Agent Warrants issued in the non-brokered private placement and the brokered private placement, the fair value has been determined as $117,771 using the Black-Scholes option pricing model and the following weighted average assumptions:

		2016
Risk-free interest rate		0.68%
Estimated life of warrants and Agent Warrants (years)		2.00
Expected volatility		30%
Price of shares at the date of issuance	$	1.91
Exercise price of warrants	$	2.50
Exercise price of Agent Warrants	$	2.00
Dividend yield		0%

The warrants and Agent Warrants issued in the Company's non-brokered private placement and brokered private placement are presented as equity on the balance sheet. As at December 31, 2016, 729,140 warrants and 26,800 Agent Warrants were outstanding (2015 - Nil and Nil), with an average exercise price of $2.50 and $2.00, respectively, and an average estimated life of 2 years.

10. EXPENSES BY NATURE

The Company has elected to classify expenses recognized on the financial statements based on the function of the expense as opposed to nature. The details for operating expenditures by nature, are as follows:

	2016	2015
	$	$
Salaries and benefits	1,274,042	1,264,256
Rent	74,330	77,652
Travel and transportation	79,417	56,129
Project supplies and maintenance	32,282	68,903
Cost recoveries	(578,486)	(552,404)
	881,585	914,536

Cost recoveries represent the reimbursement of salaries and benefits of employees that have been seconded to the National Research Council plus an amount for overhead costs incurred.

The details for general and administrative expenses by nature, are as follows:

	2016	2015
	$	$
Legal	343,050	246,277
Computer maintenance	47,211	51,218
Other	278,933	139,791
	669,194	437,286

11. FINANCIAL EXPENSES

	2016	2015
	$	$
Interest expense on loans - SMC & CW	**504,684**	13,359
Interest accretion, net of imputed interest adjustment	**(3,094)**	86,904
Interest expense - factoring, insurance loan & Visa	**2,569**	8,698
Interest and bank charges	**5,429**	3,360
Interest income	**(7)**	(1,432)
	509,581	110,889

12. INCOME TAXES

The following table reconciles income tax recovery calculated at the basic Canadian corporate tax rate with the income taxes recorded in these financial statements:

		2016		2015
Net loss before income taxes	**$**	**(2,737,468)**	$	(1,474,526)
Statutory tax rate		**26.5%**		26.5%
Expected income tax recovery		**(725,429)**		(390,749)
Increase in income tax due to the following:				
Adjustment for Canadian Control Private Corporation		**301,122**		162,198
Non-deductible items		**141,930**		1,928
Deferred tax assets not recognized		**258,578**		224,316
Other		**23,799**		2,307
	$	**-**	$	-

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2016	2015
	$	$
Non-capital losses	**1,849,975**	1,601,289
Investment tax credits	**13,036**	13,036
Excess of net carrying amount over undepreciated capital cost	**7,473**	3,696
Excess of net carrying amount over cumulative eligible capital	**(111,746)**	(117,861)
Valuation allowance	**(1,758,738)**	(1,500,160)
	-	-

As at December 31, 2016, the Company has non-capital loss carryforwards for income tax purposes, which may be available to reduce taxable income in future years. The amounts and expiry dates are as follows:

	Amount
	$
2029	521,499
2030	792,575
2031	1,648,061
2032	1,991,799
2033	1,589,812
2034	2,521,201
2035	1,207,112
2036	2,061,108
	12,333,167

12. INCOME TAXES

As at December 31, 2016, the Company has investment tax credits earned as a result of incurring Scientific Research and Experimental Development expenditures. Management records investment tax credits when there is reasonable assurance of collection. Investment tax credit amounts and expiry dates are as follows:

	Amount
	$
2029	14,192
2030	97,068
	111,260

13. RELATED PARTY TRANSACTIONS

The Company enters into related party transactions with management and arrangements with its shareholders. Details of these transactions and year end balances are as follows:

	2016	2015
	$	$
Transactions, during the year:		
Loan interest	32,128	-
Conversion of loans payable to shares	235,000	-
Salaries and short-term employee benefits	389,852	605,000
Balances, end of year:		
Loans payable to CW and SMC	4,850,000	650,000

Key management compensation

Key management include key effective management and Board of Directors. In addition to their salaries, key executive officers participate in short-term bonus plans based on the financial performance of the Company and other non-financial factors, set annually. The Company provides a benefit plan and other allowances to executive officers. In additional, key executive officers are granted stock options at the discretion of the Board of Directors.

Key management compensation is comprised of:

	2016	2015
	$	$
Stock-based compensation	**320,000**	137,424
Salaries and benefits	**389,352**	331,358

14. GOVERNMENT ASSISTANCE

In 2015, the Company had a forgivable loan agreement with the Province of Ontario under its Ministry of Economic Development and Trade Ontario Innovation Demonstration Program and claimed a total of $1,852,095 under the program. The Company had fully satisfied the conditions under the loan in 2015.

15. SEGMENTED INFORMATION

The Company produces microalgal biomass in Canada. In measuring performance, the Company does not distinguish or group its operations on a geographical or any other basis and, accordingly, has a single reportable operating segment for disclosure purposes.

16. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and development of its project. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholder's equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year.

17. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. These financial risks are managed by the Company under policies approved by the Board of Directors. The principal financial risks are actively managed by the Company's finance department. The primary risks that affect the Company are set out below and the risks have not changed during the reporting year. The list does not cover all risks to the Company, nor is there an assurance that the strategy of management to mitigate the risks is sufficient to eliminate the risk.

Credit risk

Credit risk arises from the probability that the counterparty will fail to perform its obligations. The Company is exposed to credit risk from its banks.

The Company's cash carrying amount is $459,673 (2015 - $139,274), representing the maximum exposure to credit risk from those financial assets. The Company monitors its exposure to credit risk by ensuring all cash is maintained with large chartered Canadian banks. The Company's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its investment in lower risk deposits of these chartered banks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they fall due. The Company manages liquidity risk through regular monitoring of forecasted and actual cash flows, review of available credit or financing alternatives and strategic planning on behalf of management in evaluating the cash requirements of the business.

	< 1 year	1-2 years
	$	$
Accounts payable and accrued liabilities	1,197,899	-
Loans payable	20,043	5,171,577

Interest rate risk

As at December 31, 2016, the Company does not have any variable rate debt. Management does not consider this to be a significant risk.

17. FINANCIAL INSTRUMENTS & RISK MANAGEMENT (Continued)

Fair value

The fair value of a financial instrument is approximated by the consideration that would be agreed to in an arm's length transaction between willing parties and through appropriate valuation methods. The actual amount that could be realized in a current market exchange could be different than the estimated value.

The carrying amounts of cash, amounts receivable, and accounts payable and accrued liabilities approximate fair value due to the short-term maturities of these instruments.

The fair value of the loan payable approximates the carrying value as the interest rate approximates current market rates.

The Company categorizes its financial assets and liabilities measured at the fair value into one of three different levels depending on the observation of the inputs used in the measurement. For the 2016 and 2015 fiscal periods, the Company has no financial instruments measured at fair value. There were no transfers between levels during the year.

The three levels are defined as follows:

i. Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in active markets.
ii. Level 2: Fair value is based on inputs other than quoted prices included within Level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
iii. Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs.

The estimated fair value of the financial instruments has been determined based on the Company's assessment of available market information and appropriate valuation methodologies. However, these estimates may not necessarily be indicative of the amounts that the Company could realize in a current market exchange.

18. COMMITMENTS AND CONTINGENCIES

The Company may have various other contractual obligations from time to time in the normal course of operations. Generally, these types of contracts can be cancelled with 30 days' notice.

The Company is contingently liable with respect to litigation, claims and environmental matters that may arise from time to time, including those that could result in mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, in the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the financial position or results of operations of the Company. Any expected settlement of claims in excess of amounts recorded will be charged to operations as and when such determination is made.

The Company has entered into equipment and premise leases with the following total minimum annual payments:

	Amount
	$
2017	53,392
2018	960
	54,352

19. SUBSEQUENT EVENTS

On January 16, 2017, the Company issued 25,000 units to SMC as repayment for the $50,000 promissory note advanced on August 30, 2016 (Note 8). One unit represented one common share and one warrant. The warrants may be exercised for one additional common share at a price of $2.50 per share until November 1, 2018.

During the year, the Company applied and entered its microalgal process in the NRG Cosia Carbon XPRIZE competition (the "XPRIZE", or the "competition"), through the Ontario Centres of Excellence (the "OCE"). On January 30, 2017, the Company successfully advanced to the second round of the XPRIZE, and subsequently entered into a binding agreement with the OCE. The Company was awarded funding of $833,333, to be offset against $1,473,812 of eligible expenditures, as defined by the terms and conditions of the agreement.

On February 24, 2017, the Company, as part of a brokered private placement, issued 450,000 units for total consideration of $900,000 and 25,625 Agent Warrants as payment. One unit represented one common share and one warrant. The warrants may be exercised for one additional common share at a price of $2.50 per share until February 23, 2019.

POND TECHNOLOGIES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS 000's)
(UNAUDITED)

Pond Technologies Inc.

Balance Sheet
As at June 30, 2017
(in Canadian dollars)

	Notes	Jun-17	Dec-16
Assets			
Current Assets			
Cash and cash equivalents		**$ 215,628**	$ 459,673
Receivables and other assets		**152,335**	70,491
Prepaid expenses		**10,519**	72,604
		378,482	602,768
Intangible assets	2	**1,903,542**	1,935,744
Capital assets	3	**1,086,791**	1,184,603
Total assets		**$ 3,368,815**	$ 3,723,115
Liabilities			
Current liabilities			
Accounts payables and accrued liabilities	4	**$ 1,102,592**	$ 1,197,899
Current portion of loans payable	5	**4,830,000**	20,043
		5,932,592	1,217,942
Long-term portion of loans payable	5	**352,361**	5,171,577
Total Liabilities		**6,284,953**	6,389,519
Equity			
Share capital	6	**11,461,680**	10,668,295
Contributed surplus		**1,543,821**	1,421,170
Deficit		**(15,921,639)**	(14,755,869)
Shareholders' equity		**(2,916,138)**	(2,666,404)
Total liabilities and shareholders' equity		**$ 3,368,815**	$ 3,723,115

See accompanying notes to the financial statements.

Pond Technologies Inc.

Statement of Loss and Comprehensive Loss
For The Three and Six Months Ended June 30
(in Canadian Dollars)

	Notes	Three Months		Six Months	
		2017	2016	**2017**	2016
Revenue					
Revenue from operations		**$ -**	$ 12,390	**$ 8,904**	$ 112,390
Licensing fees		**-**	-	**-**	50,000
Total Revenue		**-**	12,390	**8,904**	112,390
Expenses					
Operating expenses	7	**257,780**	234,102	**474,215**	355,909
General and administrative expenses	7	**127,161**	120,130	**192,337**	395,830
Stock-based compensation	6	**33,561**	1,604	**33,561**	3,209
Total expenses		**418,502**	355,837	**700,113**	754,947
Operating loss		**(418,502)**	(343,447)	**(691,209)**	(642,557)
Amortization	2,3	**(69,682)**	(104,353)	**(139,123)**	(204,568)
Financial expense	8	**(167,228)**	(161,319)	**(335,438)**	(247,844)
Loss before income taxes		**(655,412)**	(609,118)	**(1,165,770)**	(1,094,969)
Income tax recovery		**-**	-	**-**	-
Net loss and comprehensive loss		**$ (655,412)**	$ (609,118)	**$ (1,165,770)**	$ (1,094,969)

See accompanying notes to the financial statements.

Pond Technologies Inc.

Statement of Changes in Equity (Defiency)
(in Canadian dollars, except number of units)

	Number of Shares	Number of Warrants	Share Capital	Contributed Surplus	Deficit	Total
Balance - January 1, 2016	12,073,451	-	$ 12,836,990	$ 942,977	$ (12,018,401)	**$ 1,761,566**
						-
Shares and warrants issued	702,340	729,140	1,286,909	117,771	-	**1,404,680**
Share issuance costs	-	-	(120,477)	-	-	**(120,477)**
Net loss and comprehensive loss for the year	-	-	-	-	(2,737,468)	**(2,737,468)**
Shares purchased for cancellation	(1,779,546)	-	(3,335,127)	(65,769)	-	**(3,400,896)**
Stock-based compensation expense	-	-	-	426,191	-	**426,191**
Balance - December 31, 2016	10,996,245	729,140	10,668,295	1,421,170	- (14,755,869)	**(2,666,404)**
						-
Net loss and comprehensive loss for the period	-	-	-	-	(1,165,770)	**(1,165,770)**
Shares and warrants issued	495,000	531,000	912,770	89,090	-	**1,001,860**
Share issuance costs	-	-	(119,385)	33,561	-	**(85,824)**
Balance - June 30, 2017	**11,491,245**	**1,260,140**	**$ 11,461,680**	**$ 1,543,821**	**$ (15,921,639)**	**$ (2,916,138)**

See accompanying notes to the financial statements.

Pond Technologies Inc.

Statement of Cash Flows
For The Six Months Ended June 30
(in Canadian dollars)

	Notes	Jun-17	Jun-16
Operating Activities			
Cash receipts from customers		**$ 10,623**	$ 112,390
Cash paid to suppliers and employees		**(852,578)**	(781,199)
Interest paid on loans		**(136,160)**	(194,033)
Cash flows from operating activities		**(978,115)**	(862,842)
Investing Activities			
Purchase of patents and trademarks rights		**(35,534)**	(14,942)
Purchase of capital assets		**(17,387)**	(172,941)
Cash flows from investing activities		**(52,921)**	(187,883)
Financing Activities			
Oustanding shares purchased for cancellation	6	**-**	(3,400,896)
Proceeds from issuance of shares,net of issuance costs		**792,034**	-
Loans payable	5	**(5,043)**	4,375,000
Cash used in financing activities		**786,991**	974,104
Net change in cash		**(244,045)**	(76,621)
Cash balance, beginning of period		**459,673**	139,274
Cash end of period		**$ 215,628**	$ 62,653

See accompanying notes to the financial statements.

1. DESCRIPTION OF BUSINESS, REVENUE RECOGNITION AND GOING CONCERN

Pond Technologies Inc. previously Pond Biofuels Inc. (the “Company”) was incorporated on May 27, 2008 under the laws of Canada, with the purpose of pursuing microalgal biomass production using raw stack gas emissions from industrial emitters. The Company’s technology offers cement, steel, oil, chemicals, power producers, and all other heavy industrial emitters, an opportunity to generate significant revenue from their greenhouse gas emissions through the purchase and licensing of Company’s bio-reactor technology and the production of biomass.

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which contemplates the realization of assets and settlement of liabilities as they come due in the normal course of business for the foreseeable future.

The Company has completed a commercial sale of its bio-reactor technology and continues to expand the application of its technology. The Company, has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations.

For the three and six months ended June 30, 2017, the Company recorded a net loss of $655,412 and $1,165,770, respectively (2016 - $609,118 and $1,094,969) and has a deficit of $15,921,639 (2016 - $14,755,869) at that date. The Company’s ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds and realization of profitable operations. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness, ultimately, of the use of accounting principles applicable to a going concern.

Revenue recognition from product sales are recognized when persuasive evidence of an arrangement exists, the product is shipped, received or accepted by the customer, and there are no future performance obligations, the purchase price is fixed and determinable and collectability is reasonably assured. Installation revenue is recognized once installation of the unit is completed and accepted by the customer.

Revenue from sales arrangements that include multiple elements, such as the sale of a bio-reactor, engineering, installation, and commissioning is allocated to the elements based on the relative value of the elements included in the arrangement. An element is separately identifiable if the product or service delivered has stand-alone value to the customer and the fair value can be measured reliably. The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole.

Revenue from licensing fees are recognized in the period in which it is earned once all the revenue conditions have been met.

These financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. PATENTS

Patents consist of the following:

		Cost		Accumulated Amortization		Net Carrying Amount
Balance, January 1, 2016	$	2,674,728	$	(620,599)	$	2,054,129
Additions		16,019		(134,403)		(118,384)
Balance, December 31, 2016		2,690,747		(755,002)		1,935,745
Additions		35,534		(67,737)		(32,203)
Balance, June 30, 2017	**$**	**2,726,281**	**$**	**(822,739)**	**$**	**1,903,542**

3. CAPITAL ASSETS

Capital assets consist of the following:

	Project equipment and leasehold improvements	Furniture fixtures and equipment	Computer hardware and software	Total
Cost				
Balance, January 1, 2016	$ 2,241,982	$ 81,084	$ 74,418	$ 2,397,483
Additions	168,826	-	-	168,826
Disposals	-	-	-	-
Balance, December 31, 2016	2,410,808	81,084	74,418	2,566,309
Additions	15,585	-	1,802	17,387
Disposals	-	-	-	-
Balance, June 30, 2017	**2,426,393**	**81,084**	**76,220**	**2,583,696**
Accumulated amortization				
Balance, January 1, 2016	1,014,772	34,638	53,395	1,102,805
Amortization	265,999	6,362	6,541	278,903
Disposals	-	-	-	-
Balance, December 31, 2016	1,280,771	41,000	59,936	1,381,708
Amortization	110,321	2,545	2,331	115,197
Disposals	-	-	-	-
Balance, June 30, 2017	**1,391,092**	**43,545**	**62,267**	**1,496,905**
Net carrying amount				
Balance, January 1, 2016	1,227,210	46,446	21,023	1,294,678
Balance, December 31, 2016	1,130,037	40,084	14,482	1,184,603
Balance, June 30, 2017	**$ 1,035,301**	**$ 37,540**	**$ 13,953**	**$ 1,086,791**

During the six months ended ended June 30, 2017 the Company was entitled to received $43,811 from the OCE TargetGHG Program for amortization expenses incurred for certain capital assets used in the X-Prize Program. This amount was offset against amortization expense for the period.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	Jun-17	Dec-16
Accounts payable	**$ 569,352**	$ 697,621
Interest payable	**476,840**	321,439
Payroll and other accruals	**56,401**	178,839
	$ 1,102,592	$ 1,197,899

5. LOANS PAYABLE

A Summary of the changes in the loans payable balance is as follows:

	CW(i)	SMC (ii)	Colmac (iii)	FedDev (iv)	Total
Balance, January 1, 2016	$ 350,000	$ 300,000	$ -	$ 481,794	$ 1,131,794
Advances	4,310,000	50,000	75,000	-	4,435,000
Conversion to shares	(160,000)	-	(75,000)	-	(235,000)
Accretion	-	-	-	72,635	72,635
Repayments	-	-	-	(137,080)	(137,080)
Imputed interest adjustment	-	-	-	(75,729)	(75,729)
Balance, December 31, 2016	4,500,000	350,000	-	341,620	5,191,620
Conversion to shares	-	(50,000)		-	(50,000)
Accretion	-	-	-	45,784	45,784
Repayments	-	-	-	(5,043)	(5,043)
Balance, June 30, 2017	**4,500,000**	**300,000**	**-**	**382,361**	**5,182,361**
					-
Less: Current portion of loans payable	**4,500,000**	**300,000**	-	**30,000**	**4,830,000**
Long-term portion of loans payable	**$ -**	**$ -**	**$ -**	**$ 352,361**	**$ 352,361**

[(i)] *Crystal Wealth Management System Ltd. ("CW")*

During 2015, the Company issued a promissory note to CW in the amount of $350,000 bearing interest at 12% per annum. On February 19, 2016, the Company entered into a secured loan agreement with CW with a maximum credit amounting to $4,500,000. The loan agreement incorporated the amount advanced under the promissory note and the promissory note was terminated and superseded by the loan agreement. The proceeds of the loan were used: i) to pay amounts required to settle all claims pursuant to an action brought against the Company by Lorem Capital Inc., a shareholder of the Company, and others (the "Lorem Parties") including legal fees and related expenses; and ii) for working capital purposes.

The loan bears interest at the rate of 12% per annum, has no regularly scheduled repayment terms with a maturity date of the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500,000. The loan is secured by a general security agreement with a first charge on the Company's assets and a specific assignment of rights in all patents during the year.

During the year ended December 31, 2016, CW amended the credit facility agreement and the Company was advanced an additional $160,000. CW also issued amendments to defer interest payments, originally due quarterly, to March 31, 2017. The advance of $160,000 was subsequently settled by the Company through the non-brokered private placement (Note 6).

On August 11, 2017 the Company signed an amendment to its loan agreement with CW. The amended terms include a loan maturity extension to June 30, 2019 (Note 12).

5. Loans Payable (continued)

(ii) St. Marys Cement Inc. (Canada) ("SMC")

On May 29, 2015, the Company entered into a $300,000 demand loan with SMC. The loan bears interest at the rate of 9.5% per annum and has no regularly scheduled repayment terms. Interest expense of $16,589 (2016 - $15,014) was recorded on this loan for the six months ended June 30, 2017. On February 19, 2016 and in connection with the loan agreement with CW, the SMC loan became postponed and subordinated to the loan payable to CW and the maturity date was established at the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500,000. On August 30, 2016 the Company entered into a $50,000 promissory note with SMC with an interest rate of 9.5%. On January 16, 2017, the Company issued 25,000 units to SMC as repayment for the $50,000 promissory note advanced on August 30, 2016 (Note 6).

(iii) Colmac Power Inc. ("Colmac")

On September 6, 2016, the Company entered into a $75,000 promissory note with Colmac. The promissory note was non-interest bearing. The Company issued units as settlement of the promissory note through its non-brokered private placement (Note 6).

(iv) Federal Economic Development Agency ("FedDev")

The Company has a loan agreement with the FedDev and has received advances disbursed at a monthly rate of 33.33% of eligible costs as defined in the agreement, subject to achievement of certain milestones. Under the terms of the loan agreement, the loan bears no interest and is repayable in 60 equal monthly installments of $13,708 beginning on January 1, 2015.

On December 29, 2016, the monthly instalments were reduced to $2,500 until January 1, 2018, after which the payments will be increased to $8,750 for one year. Under IAS 39, the difference in the effective interest of $75,729 was recorded in the statement of comprehensive loss as part of financial expenses.

6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The Company's share capital consists of the following share subscriptions and purchase for treasury:

	Number of Shares	Amount
Balance, as at January 1, 2016	12,073,451	$ 12,836,990
Shares issued on subscription of shares	584,840	1,070,963
Conversion of loans payable (Note 8)	117,500	215,946
Shares repurchased for cancellation	(1,779,546)	(3,400,896)
Warrants repurchased for cancellation	-	65,769
Share issuance costs	-	(120,477)
Balance, as of December 31, 2016	10,996,245	10,668,295
Shares issued on subscription of shares	470,000	866,680
Conversion of loans payable	25,000	46,090
Share issuance costs	-	(119,385)
Balance, as of June 30, 2017	**11,491,245**	**$ 11,461,680**

On February 23, 2016, the Company paid $3,400,896 to repurchase and cancel 1,779,546 common shares representing all of the outstanding shares as well as warrants held by litigants listed in a claim brought against the Company by the Lorem Parties to settle the claim on a full and final basis. With the conclusion of this matter, none of the litigants holds either shares or warrants in the Company. The carrying value of the Lorem Parties shares and warrants issued in prior years was $3,400,896.

6. SHARE CAPITAL (continued)

Non-brokered private placement

On December 1, 2016, the Company issued 367,340 units for total consideration of $734,680 (the “non-brokered private placement”). The non-brokered private placement included the settlement of the loans payable to CW and Colmac in the amounts of $160,000 and $75,000, respectively, through the issuance of 80,000 and 37,500 units, respectively. One unit represents one common share and one warrant. The warrants may be exercised for one additional common share at a price of $2.50 per common share until December 1, 2018.

Brokered private placement

On December 21, 2016, the Company issued 335,000 units for total consideration of $670,000 (the “brokered private placement”) and 26,800 units as payment for the brokered private placement (the “Agent Warrants”). The Agent Warrants may be exercised to purchase one unit at a price of $2.00. In both instances, one unit represents one common share and one warrant. The warrants may be exercised to purchase one additional common share at a price of $2.50 per share until December 21, 2018.

On February 23, 2017, the Company issued 450,000 units for total consideration of $900,000 (the “brokered private placement”) and 36,000 units as payment for the brokered private placement. The Agent Warrants may be exercised to purchase one unit at a price of $2.00. In both instances, one unit represents one common share and one warrant. The warrants may be exercised to purchase one additional common share at a price of $2.50 per share until February 23, 2019.

On April 18, 2017, the Company agreed to settle a contingent liability with the issuance of 20,000 common shares and 20,000 warrants, each of which may be exercised to purchase one additional common share at a price of $2.50 per share until April 17, 2019.

For both the non-brokered private placement and the brokered private placement, the Company adopted a residual value method with respect to measurement of shares, warrants and Agent Warrants issued as private placement units. The total consideration was allocated between common shares, warrants and Agent Warrants, with the warrants and Agent Warrants being measured first, at fair value amounting $85,708 (2016 – Nil) for the quarter ended March 31, 2017 and $117,771 (2016: nil) for the year ended December 31, 2016, and the residual being applied to common shares.

Stock option plan

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the underlying directors’ resolution approving the issuance.

Share Options	**Number of options oustanding**		**Weighted average exercise price**
Balance, as at January 1, 2016	390,000	$	3.08
Granted during period	857,500		2.00
Cancelled during the period	(390,000)		3.08
Balance, as at December 31, 2016	857,500		2.00
Granted during period	240,000		2.00
Balance, as at June 30, 2017	**1,097,500**	**$**	**2.00**

During the quarter ended June 30, 2017 the Company granted 240,000 (2016 – Nil) share options with a fair value of $33,561. At the date of grant, 55,000 share options vested immediately for an employee and a director, and the balance at future dates. The fair value was determined using the Black-Scholes option pricing model at the weighted average assumptions:

6. SHARE CAPITAL (continued)

		2017
Risk-free interest rate		1.46%
Estimated life of options - years		5.00
Expected volatility		30%
Price of shares at date of issuance	$	1.84
Exercise price of options	$	2.00
Dividend yield		0%

Expected volatility was determined using comparable companies' volatility. As at March 31, 2017, 857,500 (2015 – 390,000) stock options were exercisable and the weighted average remaining contractual lives of the stock options was 4.25 years (2016 – 1.22 years).

Contributed surplus

Contributed surplus is comprised of the following:

	June 30 2017	Dec 31 2016
Stock options and other	**$ 1,336,960**	$ 1,303,399
Warrants and Agent Warrants	**206,861**	117,771
	$ 1,543,821	$ 1,421,170

Warrants

During the quarter ended June 30, 2017 the Company issued 20,000 (2016 - nil) warrants as part of settlement of a contingent debt. This was a private placement settlement and the fair value of the warrant settlement was $1,197 (2016 - nil) using the Black-Scholes option pricing model and the following weighted average assumptions:

		2017		2016
Risk-free interest rate		**0.68%**		0.68%
Estimated life of warrants and Agent Warrants (years)		**2.00**		2.00
Expected volatility		**30%**		30%
Price of shares at date of issuance	**$**	**1.91**	$	1.91
Exercise price of warrants	**$**	**2.50**	$	2.50
Exercise price of Agent Warrants	**$**	**2.00**	$	2.00
Dividend yield		**0%**		0%

The warrants and Agent Warrants issued in the Company's non-brokered private placement and brokered private placement are presented as equity on the balance sheet. As at June 30, 2017, 1,197,340 warrants and 62,800 Agent Warrants were outstanding (2016 - Nil and Nil), with an average exercise price of $2.50 and $2.00, respectively, and an average estimated life of 1.9 years.

7. EXPENSE BY NATURE

The Company has elected to classify expenses recognized on the financial statements based on the expense as opposed to nature. Details for operating expenditures by nature, are as follows:

	Three Months Ended		Six Months Ended	
	June 30	June 30	**June 30**	June 30
Operating expenses	**2017**	2016	**2017**	2016
Salaries and benefits	**$ 338,900**	$ 348,704	**$ 676,224**	$ 644,593
Rent	**18,587**	18,582	**37,173**	37,165
Travel and transportation	**14,614**	23,326	**39,069**	36,086
Project supplies and maintenance	**15,366**	16,974	**19,236**	25,017
Cost recoveries	**(129,687)**	(173,484)	**(297,487)**	(386,952)
	$ 257,780	$ 234,102	**$ 474,215**	$ 355,909

General and Administrative expenses	**2017**	2016	**2017**	2016
Legal	**$ 31,864**	$ 39,654	**$ 54,371**	$ 250,097
Computer	**12,348**	16,694	**17,276**	27,145
Other	**82,949**	63,781	**120,690**	118,587
	$ 127,161	$ 120,129	**$ 192,337**	$ 395,830

8. FINANCE EXPENSES

Financial expenses consist of the following:	Three Months Ended		Six Months Ended	
	Jun-30	**Jun-30**	**Jun-30**	**Jun-30**
	2017	2016	**2017**	2016
Interest expense on loans - CW and SMC	**$ 142,938**	$ 141,837	**$ 285,563**	$ 207,322
Interest accretion, net of imputed interest adjustment	**22,892**	18,159	**45,784**	36,318
Interest and bank charges	**1,399**	1,322	**4,091**	4,205
	$ 167,229	$ 161,318	**$ 335,438**	$ 247,845

9. RELATED PARTY TRANSACTIONS

The Company enters into related party transactions with managment and arrangements with its shareholders. Details of these transactions are as follows:

	Jun-17	Dec-16
	$	$
Transactions, during the period		
Loan interest	**285,559**	32,128
Conversion of loans payable to shares	**50,000**	235,000
Salaries and short-term employee benefits	**231,755**	389,852
Balances at end of period		
Loan payable to CW and SMC	**4,800,000**	4,850,000

10. GOVERNMENT ASSISTANCE

On March 2, 2017, the Company signed a Funding Agreement with the Ontario Centres of Excellence Inc., in partnership with NRG COSIA Carbon XPRIZE (the "Program") to provide up to $833,000 in funding to support the development and demonstration of the Program's competition. The funding is for microalgal process improvement activities including pilot scale demonstration, demonstration in controlled environment, and demonstration in real-life environment.

On April 1, 2017 the Company renewed 9 employee secondment agreements with the National Research Council. The proceeds of the secondment agreements is recorded as a reduction of operating expenses. For the six months ended June 30, 2017 the amount entitled to be received was $106,531 (2016 - $289,620).

11. COMMITMENTS AND CONTINGENCIES

The Company may have various other contractual obligations from time to time in the normal course of operations. Generally, these types of contracts can be cancelled with 30 days' notice.

The Company is contingently liable with respect to litigation, claims and environmental matters that may arise from time to time, including those that could result in mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, in the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the

financial position or results of operations of the Company. Any expected settlement of claims in excess of amounts recorded will be charged to operations as and when such determination is made.

The Company has entered into equipment and premise leases with the following total minimum annual payments:

	Amount
2017	$ 14,308
	$ 14,308

12. SUBSQUENT EVENTS

On August 11, 2017 the Company sign an amendment to its loan agreement with Crystal Wealth Management Systems Limited ("CW"). The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8%, deferral of quarterly interest payable of 4%, catch-up of unpaid interest due of $581,398 payable on November 30, 2017 and a principal repayment of $1,000,000 on December 31, 2017. If Pond raises in excess of $10,000,000 in financing during the term of the loan 20% of the proceeds in excess of $10,000,000 will be required to reduce the principal amount outstanding.

On October 4, 2017, the Company entered into an amalgamation agreement with Ironhorse Oil and Gas Inc., ("Ironhorse") a company listed on the TSX Ventures Exchange ("TSXV") and 2597905 Ontario Inc. (a wholly owned subsidiary of Ironhorse) pursuant to which Ironhorse shall acquire all of the issued and outstanding common shares of Pond by way of a "three cornered amalgamation" transaction.

Schedule K

POND MANAGEMENT'S DISCUSSION AND ANALYSIS

See attached.

POND TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 & 2014

Dated November 17, 2017

Pond Technologies Inc.
(“Pond” or “the Corporation”)

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the years ended December 31, 2016, 2015 and 2014

(All amounts, except per share amounts and where specified, are in thousands of Canadian Dollars)

This Management’s Discussion and Analysis (“**MD&A**”) of financial condition and results of operations of Pond Technologies Inc., (“**Pond**” or the “**Corporation**”) constitutes management’s review of the Corporation’s financial and operating performance for the financial years December 31, 2016, 2015 and 2014 and financial condition and future prospects. Except as otherwise noted, this MD&A is dated November 17, 2017 and should be read in conjunction with the audited financial statements of Pond for the financial years ended December 31, 2016, 2015 and 2014 and the related notes thereto for. This MD&A is prepared as at November 17, 2017 and is current to that date unless otherwise stated. The audited financial statements of Pond and extracts of those financial statements provided within this MD&A, were prepared in Canadian dollars and are in accordance with International Financial Reporting Standards (IFRS).

Forward Looking Information

Certain statements in this MD&A that are not current or historical factual information may constitute “forward-looking” statements within the meaning of applicable securities laws, regarding, among other things, the beliefs, plans, objectives, strategies, estimates, intentions or expectations of the Corporation, including as they relate to its financial results and the ability to execute on its investing and business strategies. Inherent in these forward-looking statements are known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements can often be identified by the use of words such as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “anticipate”, “estimate” and other similar terminology. These statements reflect current expectations regarding future events and performance and speak only as of the date of this MD&A.

Similarly, statements contained in, but not limited to, the sections titled “Overview of the Corporation’s Business”, “Project Development”, “Liquidity”, “Capital Resources”, “Commitments and Contingencies” and “Off-Balance Sheet Arrangements” of this MD&A, including those with respect to the implementation of the Corporation’s business strategy, the development of the nutraceutical algae production, the development of the pollution abatement business and expectations concerning the Corporation’s financial condition, results of operations, business, assets, prices, foreign exchange rates, earnings, market conditions, capital expenditures, risks, availability of regulatory approvals, corporate objectives and plans or goals, are or may be forward-looking statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this MD&A are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements.

Investors and others should carefully consider risk factors including, without limitation, those set out under the heading “Risk Factors”, and not place undue reliance on forward-looking statements. The Corporation anticipates that subsequent events and circumstances may cause the Corporation’s views to change. Forward-looking statements are made as of the date of this MD&A and the Corporation assumes no obligation to update or revise any forward-looking statements to reflect new events or circumstances, except as required by law.

Overview of the Corporation’s Business

Description of the Business

Pond is a research and development company that focuses on using enclosed photobioreactors and industrial stack emissions to rapidly grow microalgal biomass with no disruption to the host facility. Pond’s technology offers industrial emitters an opportunity to generate significant revenue from their greenhouse gas emissions through the purchase and licensing of the Company’s bio-reactor technology and the production of biomass and valuable algae by-products.

Commercial Revenue-Generating Bioreactors

Pond has made several significant improvements in the development of its technology, providing for shipping container-size bioreactors to be used in the production of high value products derived from the growth of specific strains of algae. Pond is seeking to demonstrate the technical advantage afforded by its bioreactor platform, through the production of high value algae, and a move towards targeted end product licensing of its technology to existing or new algae producers. If successful, this would result in a significantly improved revenue outlook for Pond over the near term. This should also provide support for additional license and royalty fees, and proprietary equipment sales.

2014

IDF Loan - In September 2014, Pond successfully completed work at U.S. Steel Canada (now Stelco Inc. (“**Stelco**”)) and St. Marys Cement Inc. (“**SMC**”) in support of its forgivable loan agreement dated March 30, 2011, under which the Corporation received advances totaling approximately $1,852 from the Government of Ontario under its Ministry of Economic Development, Employment, and Infrastructure Innovation Development Fund (“**IDF**”) programme (the “**IDF Loan**”). This forgivable loan was provided to Pond in support of commercialization efforts for its technology, with forgiveness to be granted on the basis of meeting program milestones.

2015

In early 2015, Pond began to grow *H. pluvialis*, an example of high value algae. *H. pluvialis* contains astaxanthin, which is both an antioxidant and a necessary nutritional supplement for aquaculture feeds.

To date, *H. pluvialis* has proven difficult to cultivate industrially. Currently, much of the world's commercial supply is grown in very large outdoor ponds, where maintaining steady production levels, and achieving consistent quality, in addition to the constant concern over contamination issues, are all significant operating difficulties.

Pond’s algae growth platform, based upon enclosed, controlled, and monitored photobioreactors, presents the opportunity to provide a significant advantage, and allows the Corporation to compete effectively on quality, consistency of supply, and price. Pond’s strategy will be to demonstrate its technological advantage, with Pond’s light engine technology as the cornerstone, establishing a presence in the market, which will allow the Corporation to approach entrenched producers with a view toward licensing Pond’s technology.

First commercial license - On March 5, 2015, Pond achieved its first sale of a licence to its technology, through an agreement negotiated with MSCNOXRECOVERY INC. (“**MCS Energy**”), a supplier of heat and power co-generation equipment to industry. Pond’s project with MCS Energy consists of the design of a photobioreactor made to fit inside a shipping container that will absorb the pollution from MCS Energy’s generators. Pond provided the engineering support to MCS Energy, while MCS Energy lead the implementation and installation. Pond received a combination of license fees, engineering consulting fees, success fees, and revenue from the sale of certain proprietary equipment for $387 during 2015 and 2016.

Stelco consulting project - Also in March 2015, Pond completed a $1,200 consulting fee project with Stelco, which validated the growth of algae from various industrial emission points.

IDF Loan forgiveness - On May 19, 2015, the Province of Ontario confirmed that Pond had successfully completed its IDF programme objectives, and had submitted all documentation to satisfy the conditions for early forgiveness of the $1,852 IDF Loan. The forgiveness of the IDF Loan removed the secured liability from Pond's books, and crystallized the funding as a non-dilutive investment in Pond.

*St. Marys Cement Inc. ("**SMC**") loan* - On May 29, 2015, Pond entered into a $300 demand loan with SMC (the "**SMC Loan Agreement**"), which has an interest rate of 6% per annum and no regularly scheduled repayment terms. The interest rate on this loan has increased to 9.5% effective, November 30, 2015.

Election and Appointment of Directors - On June 18, 2015, Dr. Geraldine Kenney-Wallace, Steve Martin, Yolanda Malicki and Max Kolesnik were elected as directors of the Corporation.

*National Research Council of Canada (the "**NRC**") and SMC project* - In June 2015, Pond completed negotiations for a term sheet with the NRC for a new project with participation from the NRC, Canadian Natural Resources Limited, as observers, and SMC (the "**NRC-SMC Project**"). This $4,000 project provided for the installation and operation of Pond's new 25,000L photobioreactor at the SMC plant in St. Marys, Ontario. Under the terms, the NRC was to provide significant financial support, in addition to proprietary algae strains, and Pond was to provide the photobioreactor technology for the project. The intellectual property and all assets remain the property of Pond during and after the project. The final contract for this project, the *"ACC Scale-up Demonstration Project Collaborative Research Agreement"*, was entered into in October 2015, and provided for ongoing support of Pond's work to identify and commercialize promising strains of algae. On June 30, 2016, Pond installed this 25,000L photobioreactor at SMC's plant, which is currently Pond's main pilot plant.

*Crystal Wealth Management Systems Ltd. ("**Crystal Wealth**") promissory note* - During 2015, Pond issued a promissory note to Crystal Wealth (the "**Crystal Wealth Promissory Note**") in the amount of $350 bearing interest at 6% per annum.

2016

Crystal Wealth loan - On February 19, 2016, Pond entered into a secured loan agreement with Crystal Wealth with maximum credit amounting to $4,500 (the "**Crystal Wealth Loan**"). The loan agreement incorporated the amount advanced under the Crystal Wealth Promissory Note and the promissory note was terminated and superseded by the Crystal Wealth Loan. The loan bears interest at the rate of 12% per annum, has no regularly scheduled repayment terms with a maturity date of the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500. The loan is secured by a general security agreement with a first charge on Pond's assets and a specific assignment of rights in all filed and granted patents.

During the year ended December 31, 2016, Crystal Wealth amended the Crystal Wealth Loan and Pond was advanced an additional $160. Crystal Wealth also deferred interest payments, originally due quarterly, to March 31, 2017. The advance of $160 was subsequently settled by Pond through the December 2016 Non-Brokered Private Placement (defined below).

Extension and Subordination of SMC Loan - On February 19, 2016, in order to facilitate the Crystal Wealth Loan, SMC agreed to extend the maturity date on the SMC Loan Agreement to February 19, 2018 and subordinate the $300 owning thereunder to the Crystal Wealth Loan.

*Lorem Capital Inc. ("**Lorem**") litigation settlement* - On February 23, 2016, Pond paid $3,501 to repurchase all common shares of Pond ("**Pond Shares**") held by the litigants in a claim brought against Pond by Lorem *et. al.*, a former shareholder of the Corporation, and others, in order to settle all claims pursuant to this action, including legal fees and related expenses. The settlement included $100 for legal costs.

Change of Name - On April 19, 2016 the shareholders of Pond approved the change of Pond's name from "Pond Biofuels Inc." to "Pond Technologies Inc."

Election and Appointment of Directors - On May 31, 2016, Dr. Geraldine Kenney-Wallace, Steve Martin, William Asselstine, Robert McLeese and Saurin Patel were elected and appointed as directors of the Corporation.

Chinese Patent and U.S. Patents - In June 2016, Pond was granted a Chinese patent covering a broad spectrum of its technology. This increased the number of granted patents to four in the U.S., one in Europe and one in China.

*NRG COSIA Carbon XPRIZE competition ("**XPRIZE**")* – In July 2016, Pond entered its microalgal GHG remediation process in XPRIZE, along with partners Markham District Energy Inc. ("**Markham District**"), and the NRC in the natural gas category of the competition. Participants in this competition are tasked with converting a meaningful amount of carbon dioxide ("**CO_2**") into commercial products. In November 2016, Pond was selected as a semi-finalist and thereby qualified for a grant from the Ontario Centres of Excellence (the "**OCE**"). As a result of advancing to the semi-final round, Pond received notification from the OCE that it had been awarded a grant of up to $833 in project related funding. Working with Markham District, Pond will use the OCE funding to apply its technology to the conversion of CO_2 waste emitted from Markham District natural gas fired energy systems into biofuels.

Colmac - On September 6, 2016, Pond entered into a $75 promissory note with Colmac Power Inc. The promissory note was non-interest bearing. Pond issued units as settlement of the promissory note through the December 2016 Non-Brokered Private Placement (defined below). Each unit is comprised of one Pond Share and one Pond Warrant, each Pond Warrant entitling Colmac Power Inc. to purchase one Pond Share at an exercise price of $2.50 until December 21, 2018.

NRC-SMC Project update - During November 2016, the NRC-SMC Project located at the SMC plant in St. Marys, Ontario became operational. Pond continues to benefit from the valuable research and development opportunities relating to the improvements to the growth of algae, gas handling, cooling, controls and harvesting. The NRC is also testing new proprietary strains of algae.

Non-brokered private placement (December 2016) - On December 1, 2016, Pond issued 367,340 units ("**Units**") at a price of $2.00 per Unit for total consideration of approximately $735 (the "**December 2016 Non-Brokered Private Placement**"). The December 2016 Non-Brokered Private Placement included the settlement of the loans payable to Crystal Wealth and Colmac in the amounts of $160 and $75, respectively, through the issuance of 80,000 Units and 37,500 Units, respectively. Each Unit was comprised of one Pond Share and one Pond Share purchase warrant ("**Pond Warrant**"). The Pond Warrants issued under the December 2016 Non-Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until December 1, 2018.

Brokered private placement (December 2016) - Led by selling agents Hampton Securities Ltd. and Industrial Alliance, on December 21, 2016, Pond issued 335,000 Units at a price of $2.00 per Unit for total consideration of $670 (the "**December 2016 Brokered Private Placement**"). Each Unit was comprised of one Pond Share and one Pond Warrant. Pond also issued 26,800 Units (each, an "**Agent Unit**") to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit until December 20, 2018. Each Agent Unit was comprised of one Pond Share and one Pond Warrant. The Pond Warrants issued under the December 2016 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 until December 21, 2018.

Van Hoof Industries Holding Ltd. litigation settlement - On December 23, 2016, Pond paid $290 to Van Hoof Industries Holding Ltd. to settle a claim brought against Pond for monies advanced to the Corporation to invest in Pond Shares, which did not proceed.

*Federal Economic Development Agency ("**FedDev**") loan* - On December 29, 2016, the monthly installments of Pond's loan of up to approximately $908 provided by the FedDev (the "**FedDev Loan**") were reduced to $2.50 until January 1, 2018, after which the payments will be increased to $8.75 for one year. The FedDev Loan was established between Pond and FedDev pursuant to a contribution agreement (the "**Federal Development Agency Agreement**") entered into on February 6, 2012, pursuant to which FedDev agreed to make a repayable contribution to Pond up to a maximum amount of approximately $908 or 33.33% of Pond's eligible and supported costs as defined in the terms of the Federal Development Agency Agreement relating to the development of an integrated carbon capture and algae production demonstration facility in St. Marys, Ontario, to validate Pond's biofuels technology that uses raw stack emissions from a cement plant. The Federal Development Agency Agreement was amended on March 28, 2014, on August 18, 2014 prior to this December 29, 2016 amendment.

Overall Performance

Pond has spent in excess of eight years on research and development to be in a position to produce commercial size bioreactors to grow microalgae and reduce CO_2 emissions. It is now in a position to further deploy its technology on a commercial basis. The Company has completed a commercial sale of its bio-reactor technology and continues to expand the application of its technology. Pond is in discussions with industrial stack emitters to adopt its technology to grow microalgal and reduce CO_2 emissions, which if successful would result in the sale and adoption of commercial size Pond bioreactors and related technology. Pond will have working capital requirements arising from the commercial sale of its technology and the amount of working capital required will depend on the type and terms of any contract agreed to with a customer.

As a second commercial use of its bioreactors, Pond signed a memorandum of understanding with Markham District in June 2016 and continues to negotiate the terms of an agreement to commercially grow nutraceutical type algae products at a Markham District facility. Pond's goal is to create a commercial size operating facility located in Markham, Ontario producing nutraceutical grade algae products. The amount of capital and working capital required to build an operating facility will be dependent upon the project's sources of funding, building availability and time to construct and commission the facility.

During the last eight years of research and development, Pond incurred financial losses as it was not able to achieve significant revenue to offset the costs of research and development of its bioreactors. If Pond raises sufficient capital to produce and commission commercial size bioreactors, it is expected that its financial condition and financial performance will change significantly.

Selected Annual Financial Information

The following table sets forth a summary of the Corporation's results of operations for the three fiscal years ended December 31, 2016, 2015 and 2014:

	Year ending December 31, (in $ thousands)		
	2016	**2015**	**2014**
Revenue from continuing operations	162	452	717
Operating expenses	(1,977)	(1,364)	(2,959)
Finance expenses	(510)	(111)	(317)
Amortization	(413)	(451)	(503)
Change in fair value of derivative	-	-	(441)
Net income (loss) for the period	(2,738)	(1,475)	(2,629)
Basic loss per share common share ($)[1]	0.26	0.12	0.24
Diluted loss per common share ($)[1]	0.26	0.12	0.22
Total assets	3,723	3,620	4,453
Total current liabilities	1,218	892	834
Total non- current liabilities	5,172	967	395

Note:

(1) Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. The potential effect of exercising stock options and warrants, as applicable, have not been included in the calculation of loss per share because to do so would be anti-dilutive.

Results of Operations

Comparison of Fiscal Years ended December 31, 2016, 2015 and 2014

The Corporation reported a loss from continuing operations of $2,738 for the twelve months ended December 31, 2016 (2015: loss of $ 1,475; 2014: loss of $2,629).

For the year ended December 31, 2016, the increase in net loss from continuing operations, as compared to 2015 was $1,263. This was principally due to:

- decrease in revenue from operations of $290 from $452 during the year ended December 31, 2015 to $162 for the year ended December 31, 2016. The decrease is due to the non-recurring consulting fee project with Stelco which ended in March 2015;

- increase in stock-based compensation of $414 from $12 during the year ended December 31, 2015 to $426 for the year ended December 31, 2016. During the year ended December 31, 2016 the Corporation granted new share options to employees and a director under its existing share option plan and no new share options were granted in 2015;

- increase in finance expenses of $399 from $111 during the year ended December 31, 2015 to $509 during the year ended December 31, 2016**.** The increase is directly attributable to interest expense incurred on the $4,500 Crystal Wealth Loan.

- increase in general and administrative expenses of $232 from $437 during the year ended December 31, 2015 to $669 during the year ended December 31, 2016. The increase is a result of $97 increase in legal fees incurred to settle the Lorem litigation, director fees, consultants and insurance expense, and;

- the increase in net operating loss noted above was offset by a decrease in operating expenses of $33 from $915 during the year ended December 31, 2015 to $882 during the year ended December 31, 2016. The decrease was primarily attributable to a $26 increase in cost recoveries from government programmes.

For the year ended December 31, 2015 the decrease in net loss from continuing operations, as compared to 2014 was $1,154. This was principally due to:

- decrease in operating expenses of $1,136 from $2,051 during the year ended December 31, 2014 to $915 during the year ended December 31, 2015. The decrease was attributable to the downsizing of Pond's business which resulted in a decrease in salaries and benefits of $683, increase in government cost recoveries from government programmes of $233, decrease in travel expenses of $196 and other cost reductions of $24;

- decrease in revenue from operations of $265 from $717 during the year ended December 31, 2014 to $452 for the year ended December 31, 2015. The decrease is due to the reduced work relating to a consulting fee project with Stelco;

- decrease in stock-based compensation of $234 from $246 during the year ended December 31, 2014 to $12 for the year ended December 31, 2015. During the year ended December 31, 2015 the Corporation did not grant share options and the amount expensed related to the vesting from prior year grants;

- decrease in general and administrative expenses of $224 from $661 during the year ended December 31, 2014 to $437 during the year ended December 31, 2015. The decrease is a result of lower legal fees of $126, reduced computer maintenance costs of $44 and a decrease in other costs of $53;

- decrease in finance expenses of $207 from $317 during the year ended December 31, 2014 to $110 during the year ended December 31, 2015. The decrease is directly attributable to nil accretion on convertible debenture in 2015 as compared to $281 for the year ended December 31, 2014. This was offset by an interest accretion expense on a zero-interest loan; and

- during the year ended December 31, 2014 the Corporation recognized a $440 gain on the change in the fair value of a derivative associated with convertible debentures as compared to nil for the year ended December 31, 2015. The change in fair value gain was a result of the conversion of $2,562 of debentures to Pond Shares at $1.87 per share.

Net Loss

As a result of the changes noted above, the Corporation recorded a net loss of $2,738 or $0.26 per share for the twelve months ended December 31, 2016. The Corporation recorded a net loss of $1,475 or $0.12 per share for the twelve months ended December 31, 2015 as compared to a net loss of $2,629 or $0.24 per share during the twelve months ended December 31, 2014.

Key management compensation

Key management includes key effective management and the Pond Board of Directors. The Corporation provides a benefit plan and other allowances to executive officers. In additional, key executive officers are granted stock options at the discretion of the Pond Board of Directors.

Key management compensation is comprised of:

	2016	2015	2014
	$	$	$
Stock-based compensation	**320**	5	137
Salaries and benefits	**389**	316	605

Summary of Quarterly Results

	Year ended 2016				Year ended 2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Financial								
($ thousands except per share)								
Revenue from continuing operations	-	-	12	150	108	125	219	-
Earnings / (loss) from continuing operations	(650)	(1,043)	(609)	(436)	(486)	(301)	(298)	(390)
Net earnings / (loss)	(650)	(1,043)	(609)	(436)	(486)	(301)	(298)	(390)
Earnings / (loss) per share from continuing operations	(0.06)	(0.10)	(0.06)	(0.04)	(0.04)	(0.02)	(0.02)	(0.03)
Net earnings / (loss) per share (1)	(0.06)	(0.10)	(0.06)	(0.04)	(0.04)	(0.02)	(0.02)	(0.03)
Cash (used in) provided by continuing operations	408	(14)	67	45	419	(358)	(17)	(454)
Capital expenditures	13	(10)	(86)	(102)	(14)	(27)	(9)	(13)
Cash and cash equivalents net of short-term debt	(758)	(1,535)	(793)	(825)	442	(120)	(327)	(20)

Note:

(1) Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. The potential effect of exercising stock options and as applicable, warrants have not been included in the calculation of loss per share because to do so would be anti-dilutive.

Pond's revenue during the 3rd and 4th quarters of 2015 and the first six months of year ended December 31, 2016 was derived from Pond completing the sale and commissioning of a 1,000L bio-reactor in respect of its pollution abatement business and the sale of a related license for $50. Pond's revenue decreased in the second half of 2016 as there were no immediate commercial orders for its pollution abatement technology and Pond's strategic focus shifted to research and development for its nutraceutical business, including in respect of Pond's involvement with the NRG COSIA Carbon XPRIZE.

The change in Pond's quarterly losses fluctuate primarily by the level of development work conducted in a quarter and the amount of government grants earned which are offset against the development costs incurred in a quarter. The significant increase in the loss incurred for the quarter ended September 30, 2016 was primarily due to stock options being issued to staff and a director, which did not occur in prior quarters. The amount of the stock option charged in the quarter ended September 30, 2016 was $422.

The increase in cash used in operations in the quarter ended December 31, 2016 is primarily a result of increased payments to suppliers of $374 to address past due invoices.

Fourth Quarter Results

Financial ($ thousands except per share)	For the three months ended Dec 31 2016	 Dec 31 2015	 Dec 31 2014
Revenue from continuing operations	-	108	218
Earnings / (loss) from continuing operations	(650)	(486)	(1,412)
Net earnings / (loss)	(650)	(486)	(1,412)
Earnings / (loss) per share from continuing operations	(0.06)	(0.04)	(0.13)
Net earnings / (loss) per share (1)	(0.06)	(0.04)	(0.13)
Cash (used in) provided by continuing operations	408	419	638
Capital expenditures	13	(14)	147
Cash and cash equivalents net of short-term debt	(758)	442	1,213

Note:

(1) Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. The potential effect of exercising stock options and as applicable, warrants have not been included in the calculation of loss per share because to do so would be anti-dilutive.

The Corporation reported a loss from continuing operations of $650 for the three months ended December 31, 2016 (2015 – loss $486).

For the three months ended December 31, 2016 there was a $164 increase in net loss from continuing operations, as compared to the three months ended December 31, 2015. This was principally due to a:

- decrease in revenue from operations of $107 as the Corporation did not earn revenue from operations during the three months ended December 31, 2016;
- increase in finance expenses of $54, with such increase directly attributable to interest expense incurred on the $4,500 Crystal Wealth Loan; and
- increase in operating expenses of $14, primarily due to a reduction in cost recoveries from government support programs.

The increase in net operating loss noted above was offset by a decrease in stock based compensation of $11, due to the vesting of share options in the three months ended December 31, 2015, which did not occur in the three months ended December 31, 2016.

Project Development

Pond is working towards entering into significant project contracts and will report on project development as and when such agreements are entered into.

Proposed Transactions

As at December 31, 2016, Pond did not have any proposed asset or business acquisition or disposition.

Liquidity

For the year ended December 31, 2016 the cash balance increased by $320 as compared to December 31, 2015. The increase was a result of net cash provided by financing activities of $1,946 offset by cash used in operating activities of $1,441 and capital investing activities of $184.

The cash movements in financing activities during the year ended December 31, 2016 included proceeds from loans payable of $4,435, of which $3,401 was used to purchase outstanding Pond Shares for cancellation and proceeds from the issuance of Pond Shares, net of issuance costs of $1,049.

For the year ended December 31, 2015 the cash and cash equivalents balance decreased by $473 as compared to December 31, 2014. The decrease was a result of cash provided by loans financing of $650 offset by cash used in operating activities of $1,060 and capital investing activities of $62.

On June 1, 2015, the Corporation entered into the SMC Loan Agreement to borrow $300. The loan was used for general working capital purposes.

On December 15, 2015 Crystal Wealth provided the Corporation an advance of $350 under the Crystal Wealth Loan. The balance of the Crystal Wealth Loan was drawn in 2015 and $3,401 was used to settle the lawsuit from Lorem *et. al.* in February 2016.

Pond has and will need to raise further capital to meet its obligations as they come due and to cover continuing corporate costs.

Below is a summary of the cash flows provided by and used in operating activities, financing activities and investing activities for the periods indicated:

Summary Cash Flow – Years Ended December 31			
($ thousands)	**2016**	**2015**	**2014**
Net cash flows provided by (used in) operating activities	(1,441)	(1,060)	(2,014)
Net cash flows provided by (used in) investing activities	(185)	(63)	(2,406)
Net cash flows provided by (used in) financing activities	1,946	650	1,346
Cumulative effect of exchange rate changes	-	-	-
Net increase / (decrease) in cash	320	(472)	(3,074)
Cash beginning of period	139	612	3,686
Cash end of period	460	139	612

Net cash used in operating activities

Net cash used in operating activities in the year ended December 31, 2016 was $1,441. This represents a $381 increase from the prior year ended December 31, 2015. Receipts from customers decreased by $477 to $112 and interest paid on loan increased by $194, which was offset by a $292 decrease in cash paid to suppliers and employees.

Net cash used in operating activities in the year ended December 31, 2015 was $1,060. This represents a $954 decrease from the prior year ended December 31, 2014. The Corporation downsized its operations in 2015, which resulted in a $948 decrease in cash paid to suppliers and employees as compared to 2014.

Net cash used in investing activities

Net cash used in investing activities in the year ended December 31, 2016 was $185. This represents a $122 increase as compared to the prior year ended December 31, 2015. The Corporation increased its capital expenditures by $165 in 2016 as compared to 2015 and decreased expenditures on patents by $44 in 2016 as compared to 2015.

Net cash used in investing activities in the year ended December 31, 2015 was $63. This represents a $2,343 decrease as compared to the prior year ended December 31, 2015. During the year ended December 31, 2014 the Corporation incurred $2,294 of capital expenditures relating to a development project to build bioreactors.

Net cash provided by financing activities

During the year ended December 31, 2016, the Corporation received net financing of $1,946. This represents an increase of $1,296 from the prior year ended December 31, 2015. During 2016 the Corporation raised $1,049 from the issuance of shares, $4,435 from the proceeds of loans which was offset by the purchase of outstanding shares for cancellation for $3,401 and loan repayments of $137. During 2015, the only financing activity was $650 from the drawdown of loans.

During the year ended December 31, 2015, the Corporation received net financing of $650. This represents a decrease of $696 from the prior year ended December 31, 2014. During 2015 the only financing activity was $650 from the drawdown of loans. During 2014 the Corporation received $1,346 from loan advances.

Capital Resources

The Corporation has no outstanding commitments for capital expenditures as at December 31, 2016.

The Corporation expects to enter into future contracts for capital expenditures as it develops the sale of bioreactors and builds its nutraceutical business.

To facilitate the future capital expenditures, Pond will need to raise additional capital through the issuance of equity. Part of capital expenditures may be financed though government funding.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Commitments and Contingencies

Loans Payable

As at December 31, 2016, $20 of the Corporation's obligations were current and due within one year. The Corporation's non-current obligations of $5,172 comprised of the $4,500 Crystal Wealth Loan, the $300 loan payable to SMC and a $372 loan payable to the FedDev.

As at December 31, 2015, $165 of the Corporation's obligations were current and due within one year. The Corporation's non-current obligations of $967 comprised of the $350 Crystal Wealth Promissory Note, a $300 loan payable to SMC and a $317 loan payable to the FedDev.

As at December 31, 2014, $165 of the Corporation's obligations were current and due within one year. The Corporation's non-current obligations consisted of $395 for a loan payable to the FedDev.

The above loan obligations to Crystal Wealth and SMC are secured debt over all of the assets, undertaking and property of Pond and the loan amounts due to the FedDev are unsecured.

Leases

The Corporation has entered into equipment and premise leases, with total minimum annual payments outstanding as at December 31, 2016 of $54 (2015: $53 and 2014: $1). As at December 31, 2016 the total minimum annual payments were $56 (2015: $53 and 2014: $3). As at December 31, 2016 the total minimum annual payments were $59 (2015: $52, 2014: $3).

Contingencies

The Corporation is contingently liable with respect to litigation claims and environmental matters that may arise from time to time, including those that could result in mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, in the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the financial position or results of operations of the Corporation. Any expected settlement of claims in excess of amounts recorded will be charged to operations as and when such determination is made.

Litigation

On February 23, 2016 Pond paid $3,501 to repurchase all Pond Shares held by those listed litigants in a claim brought against Pond by Lorem to settle the claim on a full and final basis. The settlement included $100 for legal costs.

After giving effect to the cancellation of the Pond Shares as described above, the total number of common shares outstanding was reduced by 14.7% from 12,073,451 to 10,293,905. With the conclusion of this settlement, none of the litigants hold either Pond Shares or Pond Warrants.

On December 23, 2016 the Corporation paid $290 to Van Hoof Industries Holding Ltd. to settle a claim brought against Pond for monies advanced to the Corporation to invest in Pond Shares, which did not proceed.

Related Party Transactions

The Corporation enters into related transactions with management and agreements with its shareholders. Details of these transactions and year end balances are as follows:

	2016	**2015**	**2014**
	$	$	$
Transactions during the month:			
Loan interest	32	-	-
Conversion of loans paid in shares	235	-	-
Salaries and short-term employee benefits	390	316	605
Balances, end of month:			
Loans - Crystal Wealth and SMC	4,850	650	-

The loan interest incurred in 2016 related to loans outstanding from SMC.

On December 1, 2016, the Corporation converted loans payable to Crystal Wealth and Colmac Power Inc. in the amounts of $160 and $75, respectively, through the issuance of 80,000 and 37,500 Units, respectively. Each Unit was comprised of one Pond Share and one Pond Warrant. The Pond Warrants may be exercised for one additional Pond Share at a price of $2.50 until December 1, 2018.

The salary and short-term employee benefits relate to the CEO, CFO and Vice President, Sustainability.

Crystal Wealth and SMC are shareholders of Pond and the loan balance as at December 31, 2016 has been included in the above noted table.

Risk Factors

Many factors could cause the Corporation's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information, including without limitation, the following factors, which are discussed in greater detail in the Pond's Joint Management Information Circular filed with securities regulators and available on www.sedar.com, which risk factors are incorporated by reference into this document, and should be reviewed in detail by all readers:

- The Corporation has yet to generate significant revenues from the licensing of its technology or sale of microalgal biomass products. Investments in research and development in the field of microalgal biomass production are necessary to develop the technology required to generate future revenues. While the Corporation is confident in its technology, it cannot know with complete certainty if or when any of its technologies will be commercialized;
- The Corporation has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability;
- There can be no assurance that the Corporation will be able to establish additional collaboration agreements on favourable terms, if at all, or that current or future collaborative arrangements will be successful;
- The production of algae involves complex aquaculture systems with inherent risks including disease and contamination, and should the algae growth system fail to grow algae, or should the algae fail to consume the greenhouse gas introduced to the system, then the abatement will fail. While the Corporation has taken what it believes to be reasonable steps to mitigate risks associated with its processes, certain factors may arise beyond the Corporation's control, therefore, the Corporation cannot, and does not attempt to, provide any form of assurance with regard to its systems, processes, or cost-effectiveness;
- The Corporation will be highly dependent upon consumer perception of the safety and quality of its greenhouse gas abatement technology and algae products and the ingredients they contain, as well as that of similar systems and products developed and distributed by other companies;
- The Corporation may fail to manage growth effectively;
- Much of the Corporation's strategy is based on the belief that the application of its proprietary photobioreactors and control systems to use carbon dioxide in the production of bio-products for the markets it is addressing may result in the creation of commercially viable products or technical applications; however, there can be no assurance that such beliefs will prove to be correct or that there will be market acceptance of technology developed by the Corporation;
- The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control;
- The Corporation's operations will depend on continuous improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities;

- Commercial success will depend in part on obtaining and maintaining patent, confidential know-how/trade secret and trade-mark protection of the Corporation's technologies in Canada, the United States and other jurisdictions, as well as successfully enforcing this intellectual property and defending this intellectual property against third-party challenges;
- The Corporation may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business;
- The Corporation may not be able to develop sufficient manufacturing capacity to meet demand in an economical manner or at all;
- There is potential that the Corporation will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Corporation;
- The Corporation may engage in acquisitions or other strategic transactions or make investments that could result in significant changes or management disruption;
- The Corporation could fail to integrate subsidiaries and other interests into the business of the Corporation;
- The Corporation's production costs will be dependent on the costs of the energy sources used to run its production facilities. These costs are subject to fluctuations and variations in different locations where the Corporation may operate, and it may not be able to predict or control these costs;
- The activities of the Corporation are subject to regulation by governmental authorities;
- The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety;
- The Corporation cannot be certain that it will be able to secure additional government grants or subsidies. Any existing grants or new grants that the Corporation may obtain may be terminated, modified or recovered by the granting governmental body under certain conditions;
- The Corporation's ability to recruit and retain management, skilled labour and suppliers is crucial to the Corporation's success;
- The Corporation has a limited operating history;
- Completed acquisitions, strategic transactions, or investments could fail to increase shareholder value;
- Certain of the directors and officers of the Corporation are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies;
- There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Corporation;
- In the event that the Corporation issues convertible debt or equity securities to raise additional funds, its existing shareholders may experience dilution, and the new convertible debt or equity securities may have advantageous rights, preferences and privileges when compared to those of the Corporation's existing shareholders;
- A substantial number of common shares are owned by a limited number of existing shareholders and as such these shareholders are in a position to exercise influence over matters requiring shareholder approval or cause delay or prevent a change in control of the Corporation that could otherwise be beneficial to the Corporation's shareholders; and

- The Corporation does not anticipate paying any dividends on the common shares in the foreseeable future.

Accounting Matters

Critical Accounting Policies and Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are affected by management's application of accounting policies and historical experience, and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are, and will continue to be, evaluated on an ongoing basis. However, actual results could differ significantly from these estimates.

Management believes that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of the Corporation's financial statements. It is believed that there have been no significant changes in the critical accounting estimates for the periods presented in the financial statements:

Foreign Currency Translation
The consolidated financial statements are presented in Canadian dollars.

Asset impairment
Assets are reviewed for an indication of impairment at each statement of financial position date. If an indication of impairment exists, the asset's recoverable amount is estimated. Numerous factors can be used to trigger an impairment review and significant estimates and assumptions could be used to determine if impairment exists. These could include estimates of future cash flows, interest and discount rates, etc.

Research & Development tax credits
The Corporation is entitled to government assistance in the form of research tax credit and grants. Grants are subject to compliance with terms and conditions of the related agreements. Government assistance is recognized when there is reasonable assurance that the Corporation has met the requirements of the approved grant program or, with regard to tax credits, when there is reasonable assurance that they will be realized.

Management monitors whether the recognition requirements for research and development tax credits receivable continue to be met. The Corporation has made estimates of the recoverable amounts but research and development tax credits must be examined and approved by the tax authorities and the amount allowed may be different from the amount recorded.

Changes in Accounting Policies

No new accounting policies were adopted during the year ended December 31, 2016.

IFRS 15, *Revenue from Contracts with Customers*

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers.* The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 will replace IAS 11, *Construction Contracts* IAS 18, Revenue, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers*, and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*.

The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgement thresholds have been introduced, which may affect the amount and or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRS.

The Corporation intends to adopt IFRS 15 in its financial statements for the quarterly period beginning October 31, 2017. The extent of adoption of the standard has not yet been determined as it will be subject to the signing of contracts with customers. The expected effect on the Corporation's financial statements and business cannot yet reasonably be estimated.

IFRS 9 Financial Instruments ("**IFRS 9**") was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact of IFRS 9 on its financial statements.

IFRS 16 Leases ("**IFRS 16**") sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers. The Corporation is currently assessing the impact of IFRS 16 on its financial statements.

Financial Instruments and Other Instruments

As at December 31, 2016 Pond had three loans outstanding totaling of $5,191.

Crystal Wealth Loan

On February 19, 2016, the Corporation entered into a secured loan agreement with Crystal Wealth with a maximum credit amounting to $4,500. The loan has been fully drawn and the proceeds of the loan were used: (i) to pay amounts required to settle all claims pursuant to an action brought against Pond by Lorem Capital Inc., a former shareholder of the Corporation, and others, including legal fees and related expenses; and (ii) for working capital purposes.

The loan bears interest at the rate of 12% per annum and on August 11, 2017 the Corporation entered into an amendment to its loan agreement with Crystal Wealth. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8%, deferral of quarterly interest payable of 4%, catch-up of unpaid interest due of approximately $581 payable on November 30, 2017 and a principal repayment of $1,000 on December 31, 2017. If Pond raises in excess of $10,000 in financing during the term of the loan, 20% of the proceeds of such financing in excess of $10,000 will be required to reduce the principal amount outstanding.

The loan is secured by a general security agreement with a first charge on the Corporation's assets and a specific assignment of rights in all patents during the year.

Pond will need to successfully complete a financing in order to make the necessary repayments under the terms of the amended loan agreement. There is no hedging against this loan and there has been no change in fair value recognized in the profit and loss.

SMC

On May 29, 2015, the Corporation entered into the $300 promissory note with SMC and this amount remains outstanding as at December 31, 2016. The loan bears interest at the rate of 9.5% per annum and has no regularly scheduled repayment terms. On February 19, 2016 and in connection with the loan Crystal Wealth Loan, the SMC loan became postponed and subordinated to the Crystal Wealth Loan and the maturity date was established at the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500.

The funds received from SMC were used for working capital purposes and Pond will need to successfully complete a further financing in order to repay this loan in full on the due date. The loan is secured by a general security agreement with a second charge on the Corporation's assets and a specific assignment of rights in all patents during the year behind Crystal Wealth.

FedDev

Pursuant to the Federal Development Agency Agreement, the Corporation has received repayable loans from FedDev at a monthly rate of 33.33% of eligible costs as defined in the Federal Development Agency Agreement, subject to achievement of certain milestones. Under the terms of the loan agreement, the loan bears no interest and is repayable in 60 equal monthly installments with a loan balance of $521 as at December 31, 2016.

On December 29, 2016, the monthly installments were reduced to $3 until January 1, 2018, after which the payments will be increased to $9 for one year, then increase to $17 for 23 monthly installments and then a lump sum of $17 on December 1, 2020. Under IAS 39, the difference in the effective interest of $76 was recorded in the statement of comprehensive loss as part of financial expenses.

During the years ended December 31, 2016 and 2015 the fair value adjustment recognized in the Statement of Loss and Comprehensive Loss was ($3) and $87 respectively.

Outstanding Share Data

As at December 31, 2016, the Corporation had 10,996,245 Pond Shares outstanding. The Corporation has 857,500 stock options outstanding each of which is exercisable at $2.00 per share. In addition, the Corporation has 702,340 Pond Warrants outstanding, each of which is exercisable at $2.50 per Pond Warrant to acquire one Pond Share as well as 26,800 Agent Units, which are exercisable at $2.00 to acquire one Pond Share and one $2.50 Pond Warrant. If all of the outstanding stock options and warrants were exercised, the Corporation would receive $3,592.

POND TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

Dated November 17, 2017

Pond Technologies Inc.
("Pond" or the Corporation")

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Three and Six Months Ended June 30, 2017
(All amounts, except per share amounts and where specified, are in thousands of Canadian Dollars)

This Management's Discussion and Analysis ("**MD&A**") of financial condition and results of operations of Pond Technologies Inc., ("**Pond**" or the "**Corporation**") constitutes management's review of the Corporation's financial and operating performance for the three and six months ended June 30, 2017, financial condition and future prospects. Except as otherwise noted, this MD&A is dated November 17, 2017 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended June 30, 2017 and 2016 as well as the audited annual financial statements of Pond for the years ended December 31, 2016 and 2015, and the related notes thereto.

This MD&A is prepared as at November 17, 2017 and is current to that date unless otherwise stated. The financial statements of Pond and extracts of those financial statements provided within this MD&A, were prepared in Canadian dollars and are in accordance with International Financial Reporting Standards (IFRS).

Forward Looking Information

Certain statements in this MD&A that are not current or historical factual information may constitute "forward-looking" statements within the meaning of applicable securities laws, regarding, among other things, the beliefs, plans, objectives, strategies, estimates, intentions or expectations of the Corporation, including as they relate to its financial results and the ability to execute on its investing and business strategies. Inherent in these forward-looking statements are known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements can often be identified by the use of words such as "may", "will", "expect", "believe", "plan", "intend", "anticipate", "estimate" and other similar terminology. These statements reflect current expectations regarding future events and performance and speak only as of the date of this MD&A.

Similarly, statements contained in, but not limited to, the sections titled "Overview of the Corporation's Business", "Liquidity and Capital Resources", "Commitments and Contingencies", "Project Development" and "Off-Balance Sheet Arrangements" of this MD&A, including those with respect to the implementation of the Corporation's business strategy, the development of the nutraceutical algae production, the development of the pollution abatement business and expectations concerning the Corporation's financial condition, results of operations, business, assets, prices, foreign exchange rates, earnings, market conditions, capital expenditures, risks, availability of regulatory approvals, corporate objectives and plans or goals, are or may be forward-looking statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, the factors discussed under "Risk Factors". Although the forward-looking statements contained in this MD&A are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements.

Investors and others should carefully consider risk factors including, without limitation, those set out under the heading "Risk Factors", and not place undue reliance on forward-looking statements. The Corporation anticipates that subsequent events and circumstances may cause the Corporation's views to change. Forward-looking statements are made as of the date of this MD&A and the Corporation assumes no obligation to update or revise any forward-looking statements to reflect new events or circumstances, except as required by law.

Recent Developments

Federal Development Agency Agreement, as amended

Pond and the Minister responsible for the Federal Economic Development Agency for Southern Ontario representing Her Majesty the Queen in Right of Canada ("**FedDev**") entered into a contribution agreement (the "**Federal Development Agency Agreement**") on February 6, 2012, pursuant to which FedDev has agreed to make a repayable contribution to Pond up to a maximum amount of approximately $908 or 33.33% of Pond's eligible and supported costs as defined in the terms of the Federal Development Agency Agreement relating to the development of an integrated carbon capture and algae production demonstration facility in St. Marys, Ontario, to validate Pond's biofuels technology that uses raw stack emissions from a cement plant. The Federal Development Agency Agreement was amended on March 28, 2014, on August 18, 2014 and again on January 9, 2017 to provide for an amended repayment schedule through to December 1, 2020.

*St. Marys Cement Inc. ("**SMC**")*

On January 16, 2017, Pond issued 25,000 units to SMC as repayment for the $50 promissory note advanced by SMC to Pond on August 30, 2016. Each unit was comprised of one common share of Pond (a "**Pond Share**") and one Pond Share purchase warrant (a "**Pond Warrant**"), each Pond Warrant entitling SMC to purchase one Pond Share at an exercise price of $2.50 until January 16, 2019.

*Ontario Centres of Excellence ("**OCE**") Carbon X Prize Award*

In partnership with Markham District Energy Inc. ("**Markham District**") and the National Research Council of Canada (the "**NRC**"), Pond entered the natural gas category of the Carbon X-Prize competition in July 2016. Participants in this competition are tasked with converting a meaningful amount of CO2 into commercial products. In November 2016, Pond was selected as a semi-finalist and thereby qualified for a grant from the OCE. In January 2017, Pond received notification from the OCE that it had been awarded a grant of up to $833 in project related funding.

On March 2, 2017, Pond entered into a funding agreement with the OCE, in partnership with NRG COSIA Carbon XPRIZE, to provide up to $833 in funding to support the development and demonstration of the program's competition. The funding is for microalgal process improvement activities, including pilot scale demonstration, demonstration in controlled environment, and demonstration in real-life environment. Working with Markham District, Pond will use the OCE funding to make process improvements to apply its technology to the conversion of carbon dioxide waste emitted from Markham District's natural gas fired energy systems into biofuels.

Special Meeting of Shareholders

On February 21, 2017, the Corporation held a special meeting of shareholders and approved a correction to the articles of continuance of the Corporation, which corrected the authorized classes of shares of Pond. At the special meeting of shareholders, the shareholders also approved the adoption of a new By-Law of the Corporation and a change of the Corporation's registered municipality to the City of Markham.

Brokered private placement (February 2017)

On February 23, 2017, Pond issued 450,000 units ("**Units**") at a price of $2.00 per Unit for total consideration of $900 (the "**February 2017 Brokered Private Placement**"). Each Unit was comprised of one Pond Share and one Pond Warrant. Pond also issued 36,000 Units (each, an "**Agent Unit**") to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit. Each Agent Unit entitles the holder thereof to one Pond Share and one Pond Warrant. The Pond Warrants issued under the February 2017 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 per Pond Share until February 23, 2019.

Election and Appointment of Directors

On April 13, 2017 Dr. Geraldine Kenney-Wallace, Steve Martin, William Asselstine, Robert McLeese and Saurin Patel were elected and appointed as directors of the Corporation.

Markham MOU

Markham District and Pond entered into a memorandum of understanding (the "**Markham MOU**") on June 16, 2017 to establish the framework for collaboration on a project to evaluate the potential environmental benefits and revenue streams from combining Markham District's emissions technology and Pond's algae growing platform. The Markham MOU contemplates the first phase of the project to include (i) the testing of Markham District emissions for growth of different algae species, (ii) investigation of the market opportunity for offtakes of the selected algae species and quantity, and (iii) modeling of capital and operational expenses to finalize the business case for application of Pond technology. The term of the Markham MOU expires on June 30, 2018 and each party shall bear its own costs incurred until a definitive project agreement is signed and comes into effect.

Overview of the Corporation's Business

Pond is a research and development company that focuses on using enclosed photobioreactors and industrial stack emissions to rapidly grow microalgal biomass with no disruption to the host facility. Pond's technology offers industrial emitters an opportunity to generate significant revenue from their greenhouse gas emissions through the purchase and licensing of the Company's bio-reactor technology and the production of biomass and valuable algae by-products.

Commercial Revenue-Generating Bioreactors

Pond has made several significant improvements in the development of its technology, providing for shipping container-size bioreactors to be used in the production of high value products derived from the growth of specific strains of algae. Pond is seeking to demonstrate its technical advantage afforded by its bioreactor platform, through the production of high value algae, and a move towards targeted end product licensing of its technology to existing or new algae producers. If successful, this would result in a significantly improved revenue outlook for Pond over the near term. This should also provide support for additional license and royalty fees, and proprietary equipment sales.

In early 2015, Pond began to grow *H. pluvialis*, an example of high value algae. *H. pluvialis* contains astaxanthin which is both a powerful antioxidant, and necessary nutritional supplement for aquaculture feeds.

To date, *H. pluvialis* has proven difficult to cultivate industrially. Currently, much of the world's commercial supply is grown in very large outdoor ponds, where maintaining steady production levels, and achieving consistent quality, in addition to concern over contamination issues, are all significant operating difficulties.

Pond's algae growth platform, based upon enclosed, controlled, and monitored photobioreactors, may provide a significant competitive advantage, and allow the Corporation to compete effectively on quality, consistency of supply, and price. Pond's strategy will be to demonstrate its technological advantage, with its light engine technology as the cornerstone, establishing a presence in the market, which will allow Pond to approach entrenched producers with a view toward licensing its technology.

Pursuant to a collaborative research agreement entered into in November 2015, Pond has partnered with SMC and the NRC to show that algae can be used to reduce the greenhouse gas emissions from industrial facilities, transforming these emissions into valuable bio-products including biofuels, fertilizers, and animal feeds.

Overall Performance

Pond's research and development work has positioned the Corporation to be able to deploy its technology on a commercial basis once further adoption of the technology by industry is achieved. The Company has completed a commercial sale of its bio-reactor technology and continues to expand the application of its technology. Pond is in discussions with industrial stack emitters to adopt its technology to grow microalgal and reduce the emitters of CO2 emissions, which if successful would result in the sale and adoption of commercial size Pond bioreactors and related technology. Pond will have working capital requirements arising from the commercial sale of its technology and the amount of working capital required will depend on the type and terms of any contract agreed to with a customer.

After signing the Markham MOU, Pond continues to negotiate the terms of a definitive project agreement to commercially grow nutraceutical type algae products at a Markham District facility. Pond's goal is to create a commercial size operating facility located in Markham, Ontario to produce nutraceutical grade algae products. The amount of capital and working capital required to build an operating facility will be dependent upon the project's sources of funding, building availability and time to construct and commission the facility.

Please see "*Discussion of Operations*" below for a comparison of the Corporation's performance in the three and six months ended June 30, 2017 to the three and six months ended June 30, 2016.

Discussion of Operations

Results of continuing operations for the three and six months ended June 30, 2017 as compared to the three and six months ended June 30, 2016.

($ thousands except per share amounts)	For the three months ended June 30 2017	June 30 2016	For the six months ended June 30 2017	June 30 2016
Revenue from continuing operations	-	12	**9**	162
Operating expenses	**(418)**	(356)	**(701)**	(755)
Finance expenses	**(167)**	(161)	**(335)**	(248)
Amortization	**(70)**	(104)	**(139)**	(204)
Net income (loss) for the period	**(655)**	(609)	**(1,166)**	(1,045)
Basic (loss) per share common share ($)(1)	**(0.05)**	(0.06)	**(0.10)**	(0.09)
Diluted (loss) per common share ($)(1)	**(0.05)**	(0.06)	**(0.10)**	(0.08)
Total assets	**3,369**	3,471	**3,369**	**3,471**
Total current liabilities	**5,933**	855	**5,933**	**855**
Total non-current liabilities	**352**	5,296	**352**	**5,296**

Note:

(1) Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. The potential effect of exercising stock options and warrants, as applicable, have not been included in the calculation of loss per share because to do so would be anti-dilutive.

The Corporation reported a loss from continuing operations of $655 and $1,166 for the three and six months ended June 30, 2017, respectively (three and six months ended June 30, 2016: loss of $609 and $1,045, respectively).

For the three months ended June 30, 2017 there was a $46 increase in net loss from continuing operations, as compared to the three months ended June 30, 2016. This was principally due to:

- decrease in revenue from operations of $12 as the Corporation did not earn revenue from operations during the three months ended June 30, 2017;
- increase in operating expenses of $23, primarily due to a reduction in cost recoveries from government support programs;
- increase in stock-based compensation of $32;
- increase in finance expenses of $6, with such increase directly attributable to interest expense incurred on a $4,500 loan from Crystal Wealth Management Systems Ltd. ("Crystal Wealth"); and
- increase in general and administrative expenses of $7.

The increase in net operating loss noted above was offset by a decrease in amortization of $34, primarily due to a recovery of amortization from a government grant.

For the six months ended June 30, 2017 the increase in net loss from continuing operations, as compared to the six months ended June 30, 2016 was $121. This was principally due to:

- decrease in revenue from operations of $153. For the six months ended June 30, 2016 the Corporation issued a license for $50 and earned $112 from operations, whereas for the comparable period in the six months ended June 30, 2017 the Corporation earned $9 in revenue from the sale of its technology;

- increase in operating expenses of $118, primarily due to a $90 decrease in cost recoveries from government support programs;

- increase in stock-based compensation of $31; and

- increase in finance expenses of $87, which is directly attributable to interest expense incurred on a $4,500 loan from Crystal Wealth.

The increase in net operating loss noted above was offset by a decrease in general and administrative expenses of $203 and a decrease in amortization of $66 primarily due to a recovery of amortization under funding from a government grant.

Project Development

Pond is working towards signing significant project contracts, including in respect of the Markham MOU described above, and will report on project development as and when such agreements are entered into.

Administrative Expenses

General and administrative expenses are office expense, director fees, legal fees, consultants, insurance, utilities and computer expenses. The $203 decrease in general and administrative expenses for the six months ended June 30, 2017 as compared to the six months ended June 30, 2016 was primarily due to legal fees incurred to settle litigation during the first six months of 2016, which did not occur in the comparative period in 2017.

Finance Expenses

The Corporation did not earn interest income from its cash balances. Interest expenses arise from interest expense incurred on the Crystal Wealth loan, interest accretion on the FedDev repayable contribution described above and bank and credit card charges. The primary reason for the $87 increase in finance expenses relates to the outstanding balance of the Crystal Wealth loan, which was higher during the six months ended June 30, 2017 as compared to the same period in 2016.

Share Based Compensation

From time to time the Corporation grants staff and directors share options. During the three months ended June 30, 2017 an independent director was granted 90,000 options to purchase Pond Shares (vesting as to 30,000 immediately, 30,000 on May 26, 2018 and 30,000 on May 26, 2019) and a consultant was granted 150,000 options to purchase Pond Shares (vesting as to 25,000 immediately, 25,000 upon completion of a listing event, 50,000 on April 9, 2018 and 50,000 on April 9, 2019), each having an exercise price per Pond Share of $2.00. The amount charged in the quarter relates to the amount of shares vesting in the period. There were no share options granted during the three months ended June 30, 2016.

Net Loss

Because of the changes noted above, the Corporation recorded a net loss of $655 or $0.05 per share for the three months ended June 30, 2017 as compared to a net loss of $609 or $0.06 per share for the three months ended June 30, 2016. The Corporation recorded a net loss of $1,166 or $0.10 per share for the six months ended June 30, 2017 as compared to a net loss of $1,044 or $0.09 per share during the six months ended June 30, 2016.

Key management compensation

Key management includes key executive management and the Pond Board of Directors. The Corporation provides a benefit plan and other allowances to executive officers. In additional, key executive officers are granted stock options at the discretion of the Board of Directors.

Key management compensation is comprised of:

	For the three months ended		For the six months ended	
	June 30 2017	June 30 2016	**June 30 2017**	June 30 2016
Stock-based compensation	33,561	1,604	33,561	3,209
Salaries and benefits	115,841	82,110	231,755	164,220

Summary of Quarterly Results

	Year ended 2017		Year ended 2016				Year ended 2015	
Financial ($ thousands except per share)	**Q2** **Jun 30**	**Q1** **Mar 31**	**Q4** **Dec 31**	**Q3** **Sep 30**	**Q2** **Jun 30**	**Q1** **Mar 31**	**Q4** **Dec 31**	**Q3** **Sep 30**
Revenue from continuing operations	-	9	-	-	12	150	108	125
Earnings / (loss) from continuing operations	(655)	(511)	(650)	(1,043)	(609)	(436)	(486)	(300)
Net earnings / (loss)	(655)	(511)	(650)	(1,043)	(609)	(436)	(486)	(300)
Earnings/ loss) per share from continuing operations	(0.06)	(0.04)	(0.06)	(0.10)	(0.06)	(0.04)	(0.04)	(0.02)
Net earnings / (loss) per share [(1)]	(0.06)	(0.04)	(0.06)	(0.10)	(0.06)	(0.04)	(0.04)	(0.02)
Cash (used in) provided by continuing operations	(258)	(720)	(374)	(204)	(418)	(445)	69	(358)
Capital expenditures	(29)	(24)	(13)	(10)	(86)	(102)	(14)	(27)
Cash and cash equivalents net of short-term debt	(4,614)	(4,167)	440	(491)	(102)	(82)	(26)	(437)

Note:

(1) Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. The potential effect of exercising stock options and as applicable, warrants have not been included in the calculation of loss per share because to do so would be anti-dilutive.

Pond's revenue during the 3rd and 4th quarters of 2015 and the first six months of year ended December 31, 2016 was derived from Pond completing the sale and commissioning of a 1,000L bio-reactor in respect of its pollution abatement business and the sale of a related license for $50. Pond's revenue decreased in the second half of 2016 and first half of 2017 as there were no immediate commercial orders for its pollution abatement technology and Pond's strategic focus shifted to research and development for its nutraceutical business, including in respect of Pond's involvement with the NRG COSIA Carbon XPRIZE.

The change in Pond's quarterly losses fluctuate primarily by the level of development work conducted in a quarter and the amount of government grants earned which are offset against the development costs incurred in a quarter. The significant increase in the loss incurred for the quarter ended September 30, 2016 was primarily due to stock options issued to staff and a director, which did not occur in prior quarters. The amount of the stock option charged in the quarter ended September 30, 2016 was $422.

The increase in cash used in operations in the three months ended December 31, 2016 is primarily a result of increased payments to suppliers of $374 in December 2016 to address past due invoices.

Liquidity and Capital Resources

For the three months ended June 30, 2017, Pond's cash balance decreased by $292 as compared to June 30, 2016. The decrease in cash was a result of cash outflows of $258 for operating activities, outflows of $29 on capital assets and patents and net cash outflows of $5 from financing activities.

For the six months ended June 30, 2017 Pond's cash balance decreased by $244 as compared to a decrease of $77 for the six months ended June 30, 2016. The increase of $167 was primarily due to an increase in operating expenditures of $116 and a decrease in investing activities of $135 which was off-set by a decrease in investing activities of $188.

Net cash used in operating activities

Net cash used in operating activities in the three months ended June 30, 2017 was $258 (three months ended June 30, 2016: $418). The Corporation paid $269 to suppliers (three months ended June 30, 2016: $337), nil interest on loans (three months ended June 30, 2016: $194) and receipts of $11 from customers (three months ended June 30, 2016: $112).

Net cash used in operating activities in the six months ended June 30, 2017 was $978 (six months ended June 30, 2016: $863). The Corporation paid $853 to suppliers (six months ended June 30, 2016: $781), paid $136 in interest on loans (six months ended June 30, 2016: $194) and received $11 from customers (six months ended June 30, 2016: $112).

Net cash used in investing activities

Net cash used in investing activities in the three months ended June 30, 2017 was $29 (three months ended June 30, 2016: $86). The Corporation decreased its capital expenditures by $1 in the three months ended June 30, 2017 (three months ended June 30, 2016: $86) and increased expenditures on patents by $30 in the three months ended June 2017 (three months ended June 30, 2016: $nil)

Cash used in investing activities in the six months ended June 30, 2017 was $53 (six months ended June 30, 2016: $188). The corporation increase its expenditures on patents by $36 (six months ended June 30, 2016: $15). The corporation increased its expenditures on capital assets by $17 (six months ended June 30, 2016: $173).

Net cash provided by financing activities

During the three months ended June 30, 2017 the Corporation received net financing of $(5) (three months ended June 30, 2016: $485). The Corporation repaid loans of $5 (the three months ended June 30, 2016: $nil) and the corporation received $nil in loans (the three months ended June 30, 2016: $485)

During the six months ended June 30, 2017 the Corporation received net financing of $787 (six months ended June 30, 2016: $974). The corporation purchased outstanding shares for cancellation $nil (six months ended June 30, 2016: $3,401) and the Corporation raised $792 from the issuance of shares (six months ended June 30, 2016: $nil). The corporation repaid $5 for loans (six months ended June 30, 2016: the corporation received $4,375 in loans).

Commitments and Contingencies

Loans Payable

As at June 30, 2017, $5,933 of the Corporation's obligations were current and due within one year. The Corporation's non-current obligations of $352 are comprised of a $300 loan payable to SMC and a $52 loan payable to the FedDev.

The above loan obligations to Crystal Wealth and SMC are secured debt over all of the assets, undertaking and property of Pond, and the loan amounts due to FedDev are unsecured.

Leases

The Corporation has entered into equipment and premise leases, with total minimum annual payments outstanding as at June 30, 2017 of $14 (June 30, 2016: $17).

Contingencies

The Corporation is contingently liable with respect to litigation claims and environmental matters that may arise from time to time, including those that could result in mandatory damages or other relief, which could result in significant expenditures. While the outcome of these matters cannot be predicted with certainty, in the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the financial position or results of operations of the Corporation. Any expected settlement of claims in excess of amounts recorded will be charged to operations as and when such determination is made.

Litigation

On February 23, 2016 Pond paid $3,501 to repurchase all Pond Shares held by the litigants in a claim brought against Pond by Lorem Capital *et. al.* to settle the claim on a full and final basis. The settlement included $100 for legal costs.

After giving effect to the cancellation of the Pond Shares as described above, the total number of Pond Shares outstanding has been reduced by 14.7% from 12,073,451 to 10,293,905. With the conclusion of this settlement, none of the litigants hold either Pond Shares or Pond Warrants.

On December 23, 2016, the Corporation paid $290 to Van Hoof Industries Holding Ltd. to settle a claim brought against Pond for monies advanced to the Corporation to invest in Pond Shares, which did not proceed.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Related Party Transactions

The Corporation enters into related transactions with management and agreements with its shareholders. Details of these transactions for the three and six months ended June 30, 2017 are as follows:

	For the three months ended		For the six months ended	
	June 30 2017	June 30 2016	June 30 2017	June 30 2016
Transactions during the month:				
Loan interest	143	142	286	209
Conversion of loans payable to shares	-	-	50	-
Salaries and short-term employee benefits	85	82	170	164
Balances, end of month:				
Loans - Crystal Wealth and SMC	4,800	65	4,800	65

Subsequent Events

Loan Extension – Crystal Wealth.

On August 11, 2017 Pond signed an amendment to its loan agreement with Crystal Wealth. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8% and a deferral of quarterly interest payable of 4%. The amendments also include an interest payment of approximately $581 for accrued and accruing interest payable on November 30, 2017 and a principal repayment of $1,000 on December 31, 2017.

TargetGHG Industrial Demonstration Program

In late August 2017, Pond received notification that Pond and Stelco Inc.'s ("**Stelco**") application for funding support through the TargetGHG Industrial Demonstration Program, OCE application #27712 entitled: "Commercial Algae Carbon Capture" was approved. Pond is currently negotiating an agreement with the OCE to reflect that the OCE's agreement to fund $5 million towards the first commercial algae plant to be located at Stelco's Lake Erie Steel works. This funding is anticipated to offset up to 40% of the currently estimated capital cost for the project.

Brokered private placement (September 2017)

On September 21, 2017, Pond issued 240,000 units at a price of $2.00 per unit for total consideration of $480 (the "**September 2017 Brokered Private Placement**"). Each unit was comprised of one Pond Share and one Pond Warrant. Pond issued 19,200 Agent Units to the selling agents under the private placement, which may be exercised at a price of $2.00 per Agent Unit until **[September 21, 2019]**. Each Agent Unit entitles the holder thereof to one Pond Share and one Pond Warrant. The Pond Warrants issued under the September 2017 Brokered Private Placement may be exercised for one additional Pond Share at a price of $2.50 per Pond Share until September 21, 2019.

Proposed Transaction

On October 4, 2017, Pond entered into an amalgamation agreement (the "**Amalgamation Agreement**") with Ironhorse Oil & Gas Inc. ("**Ironhorse**"), a TSX Venture Exchange ("**TSXV**") listed company, pursuant to which Ironhorse and Pond agreed to complete a business combination (the "**Proposed Transaction**"). Under the Amalgamation Agreement, the parties agreed to the amalgamation (the "**Amalgamation**") of Pond and 2597905 Ontario Ltd. ("**Newco**"), a wholly-owned subsidiary of Ironhorse, under the provisions of the *Business Corporations Act* (Ontario) to form a new amalgamated company ("**Amalco**"). The Amalgamation will be effected by way of a three-cornered amalgamation among Ironhorse, Newco and Pond pursuant to which, Ironhorse will consolidate its common shares on a 1 for 6.9 basis and upon the Amalgamation of Pond and Newco, Pond shareholders will receive one Ironhorse common share (on a post-consolidation basis) for each common share of Pond held. The Proposed Transaction will constitute a reverse-takeover and change of business of Ironhorse pursuant to the policies of the TSXV and is subject to the acceptance of the TSXV and the approval of the shareholders of both Pond and Ironhorse.

Subscription Receipt Financing

In connection with the Proposed Transaction, Pond has engaged Hampton Securities Limited and Industrial Alliance Securities Inc. (collectively, the "**Agents**") to complete a private placement of subscription receipts ("**Subscription Receipts**") on a best-efforts agency basis (the "**November 2017 Financing**"). The November 2017 Financing will be a private placement of a minimum of 2,708,333 Subscription Receipts and a maximum of 4,166,666 Subscription Receipts at price of $2.40 per Subscription Receipt for aggregate gross proceeds of a minimum of $6,500 and a maximum of $10,000 (subject to the exercise, if any, of an over-allotment option granted to the Agents to issue and sell up to an additional 15% of the aggregate number of Subscription Receipts sold under the Financing which, if exercised, would result in the issuance of a maximum of 4,791,666 Subscription Receipts for aggregate gross proceeds of $11,500). Subject to the satisfaction of certain escrow release conditions, each Subscription Receipt is automatically exchangeable, without additional payment or further action on the part of the holder thereof, into one common share of Pond, which shall be subsequently exchanged for one Ironhorse common share (on a post-consolidated basis) upon the completion of the Proposed Transaction. The Agents will be entitled to certain cash and compensation unit commissions under the Financing.

Risk Factors

Many factors could cause the Corporation's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information, including without limitation, the following factors, which are discussed in greater detail in the joint management information circular of Pond and Ironhorse in respect of the Proposed Transaction filed with securities regulators and available under Ironhorse's profile on www.sedar.com, which risk factors are incorporated by reference into this document, and should be reviewed in detail by all readers:

- The Corporation has yet to generate significant revenues from the licensing of its technology or sale of microalgal biomass products. Investments in research and development in the field of microalgal biomass production are necessary to develop the technology required to generate future revenues. While the Corporation is confident in its technology, it cannot know with complete certainty if or when any of its technologies will be commercialized;
- The Corporation has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability;
- There can be no assurance that the Corporation will be able to establish additional collaboration agreements on favourable terms, if at all, or that current or future collaborative arrangements will be successful;
- The production of algae involves complex aquaculture systems with inherent risks including disease and contamination, and should the algae growth system fail to grow algae, or should the algae fail to consume the greenhouse gas introduced to the system, then the abatement will fail. While the Corporation has taken what it believes to be reasonable steps to mitigate risks associated with its processes, certain factors may arise beyond the Corporation's control, therefore, the Corporation cannot, and does not attempt to, provide any form of assurance with regard to its systems, processes, or cost-effectiveness;
- The Corporation will be highly dependent upon consumer perception of the safety and quality of its greenhouse gas abatement technology and algae products and the ingredients they contain, as well as that of similar systems and products developed and distributed by other companies;
- The Corporation may fail to manage growth effectively;
- Much of the Corporation's strategy is based on the belief that the application of its proprietary photobioreactors and control systems to use carbon dioxide in the production of bio-products for the markets it is addressing may result in the creation of commercially viable products or technical applications; however, there can be no assurance that such beliefs will prove to be correct or that there will be market acceptance of technology developed by the Corporation;

- The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control;
- The Corporation's operations will depend on continuous improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities;
- Commercial success will depend in part on obtaining and maintaining patent, confidential know-how/trade secret and trade-mark protection of the Corporation's technologies in Canada, the United States and other jurisdictions, as well as successfully enforcing this intellectual property and defending this intellectual property against third-party challenges;
- The Corporation may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business;
- The Corporation may not be able to develop sufficient manufacturing capacity to meet demand in an economical manner or at all;
- There is potential that the Corporation will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Corporation;
- The Corporation may engage in acquisitions or other strategic transactions or make investments that could result in significant changes or management disruption;
- The Corporation could fail to integrate subsidiaries and other interests into the business of the Corporation;
- The Corporation's production costs will be dependent on the costs of the energy sources used to run its production facilities. These costs are subject to fluctuations and variations in different locations where the Corporation may operate, and it may not be able to predict or control these costs;
- The activities of the Corporation are subject to regulation by governmental authorities;
- The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety;
- The Corporation cannot be certain that it will be able to secure additional government grants or subsidies. Any existing grants or new grants that the Corporation may obtain may be terminated, modified or recovered by the granting governmental body under certain conditions;
- The Corporation's ability to recruit and retain management, skilled labour and suppliers is crucial to the Corporation's success;

- The Corporation has a limited operating history;
- Completed acquisitions, strategic transactions, or investments could fail to increase shareholder value;
- Certain of the directors and officers of the Corporation are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies;
- There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Corporation;
- In the event that the Corporation issues convertible debt or equity securities to raise additional funds, its existing shareholders may experience dilution, and the new convertible debt or equity securities may have advantageous rights, preferences and privileges when compared to those of the Corporation's existing shareholders;
- A substantial number of common shares are owned by a limited number of existing shareholders and as such these shareholders are in a position to exercise influence over matters requiring shareholder approval or cause delay or prevent a change in control of the Corporation that could otherwise be beneficial to the Corporation's shareholders; and
- The Corporation does not anticipate paying any dividends on the common shares in the foreseeable future.

Critical Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are affected by management's application of accounting policies and historical experience, and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are, and will continue to be, evaluated on an ongoing basis. However, actual results could differ significantly from these estimates.

Management believes that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of the Corporation's financial statements. It is believed that there have been no significant changes in the critical accounting estimates for the periods presented in the financial statements:

Foreign Currency Translation
The consolidated financial statements are presented in Canadian dollars.

Asset impairment
Assets are reviewed for an indication of impairment at each statement of financial position date. If an indication of impairment exists, the asset's recoverable amount is estimated. Numerous factors can be used to trigger an impairment review and significant estimates and assumptions could be used to

determine if impairment exists. These could include estimates of future cash flows, interest and discount rates, etc.

Research & Development tax credits
The Corporation is entitled to government assistance in the form of research tax credit and grants. Grants are subject to compliance with terms and conditions of the related agreements. Government assistance is recognized when there is reasonable assurance that the Corporation has met the requirements of the approved grant program or, with regard to tax credits, when there is reasonable assurance that they will be realized.

Management monitors whether the recognition requirements for research and development tax credits receivable continue to be met. The Corporation has made estimates of the recoverable amounts but research and development tax credits must be examined and approved by the tax authorities and the amount allowed may be different from the amount recorded.

Changes in Accounting Policies including Initial Adoption

IFRS 15, *Revenue from Contracts with Customers*

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers.* The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 will replace IAS 11, *Construction Contracts* IAS 18, Revenue, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers*, and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*.

The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgment thresholds have been introduced, which may affect the amount and or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRS.

The Corporation intends to adopt IFRS 15 in its financial statements for the quarterly period beginning October 1, 2017. The extent of adoption of the standard has not yet been determined and the expected effect on the Corporation's financial statements and business cannot yet reasonably be estimated.

IFRS 9 Financial Instruments ("**IFRS 9**") was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. A new hedge accounting model is introduced and represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact of IFRS 9 on its financial statements.

IFRS 16 Leases ("**IFRS 16**") sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers. The Corporation is currently assessing the impact of IFRS 16 on its financial statements.

Financial Instruments and Other Instruments

As at June 30, 2017 Pond had three loans outstanding totaling of $5,182.

Crystal Wealth Loan

On February 19, 2016, the Corporation entered into a secured loan agreement with Crystal Wealth with a maximum credit amounting to $4,500. The loan has been fully drawn and the proceeds of the loan were used: (i) to pay amounts required to settle all claims pursuant to an action brought against Pond by Lorem Capital Inc., a former shareholder of the Corporation, and others, including legal fees and related expenses; and (ii) for working capital purposes.

The loan bears interest at the rate of 12% per annum and on August 11, 2017 the Corporation entered into an amendment to its loan agreement with Crystal Wealth. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8%, deferral of quarterly interest payable of 4%, catch-up of unpaid interest due of approximately $581 payable on November 30, 2017 and a principal repayment of $1,000 on December 31, 2017. If Pond raises in excess of $10,000 in financing during the term of the loan, 20% of the proceeds of such financing in excess of $10,000 will be required to reduce the principal amount outstanding

The loan is secured by a general security agreement with a first charge on the Corporation's assets and a specific assignment of rights in all patents during the year.

Pond will need to successfully complete a financing in order to make the necessary repayments under the terms of the amended loan agreement. There is no hedging against this loan and there has been no change in fair value recognized in the profit and loss.

St. Marys Cement Inc. (Canada)

On May 29, 2015, the Corporation entered into a $300 promissory note with SMC and this amount remains outstanding as at June 30, 2017. The loan bears interest at the rate of 9.5% per annum and has no regularly scheduled repayment terms. On February 19, 2016, and in connection with the loan agreement with Crystal Wealth, the SMC loan became postponed and subordinated to the loan payable to Crystal

Wealth and the maturity date was established at the earlier of February 19, 2018 or the completion of a financing transaction resulting in a capital injection in excess of $4,500.

The funds received from SMC were used for working capital purposes and Pond will need to successfully complete a further financing in order to repay this loan in full on the due date. The loan is secured by a general security agreement with a second charge on the Corporation's assets and a specific assignment of rights in all patents during the year behind Crystal Wealth.

FedDev

Pursuant to the Federal Development Agency Agreement, the Corporation has received repayable loans from FedDev at a monthly rate of 33.33% of eligible costs as defined in the Federal Development Agency Agreement, subject to achievement of certain milestones. Under the terms of the loan agreement, the loan bears no interest and is repayable in 60 equal monthly installments with a loan balance of $382 as at June 30, 2017.

On December 29, 2016, the monthly installments were reduced to $3 until January 1, 2018, after which the payments will be increased to $9 for one year, then increase to $17 for 23 monthly installments and then a lump sum of $17 on December 1, 2020. Under IAS 39, the difference in the effective interest of $76 was recorded in the statement of comprehensive loss as part of financial expenses.

During the three and six months ended June 30, 2017 the fair value adjustment recognized in the Statement of Loss and Comprehensive Loss was $23 and $46, respectively.

Outstanding Share Data

As at June 30, 2017 and the date of the MD&A, the Corporation has 11,491,245 Pond Shares outstanding. The Corporation has 1,097,500 stock options all of which are exercisable at $2.00 per share. In addition, the Corporation has 1,917,340 Pond Warrants outstanding, which are exercisable at $2.50 per share as well as 62,800 Agent Units, which are exercisable at $2.00 for one Pond Share and one $2.50 Pond Warrant. If all of the outstanding stock options and warrants were exercised the Corporation would receive $6,312.

Additional Information

Additional Information concerning Pond is available in the joint management information circular of Pond and Ironhorse filed on SEDAR at www.sedar.com under Ironhorse's profile.

Schedule L

IRONHORSE PRO FORMA FINANCIAL STATEMENTS

See attached.

IRONHORSE OIL & GAS INC.

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2017

IRONHORSE OIL & GAS INC.

Pro Forma Consolidated Statement of Financial Position

As at June 30, 2017

(Unaudited -Expressed in Canadian Dollars (000's))

	Ironhorse Oil & Gas Inc.	Pond Technologies Inc.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 3,084	$ 216	3 a)	$ 6,500	$ 8,188
			5	(1,612)	
Receivables	249	152		-	401
Prepaid expenses	129	11	5	200	340
	3,462	379		5,088	8,929
Property, plant and equipment	6,767	1,087	3 b)	(1,767)	6,087
Intangibles and patents		1,903	3 e)	107	2,010
Deferred income taxes	1,601		3 b)	(1,401)	200
	11,830	3,369		2,027	17,226
Liabilities					
Current liabilities					-
Accounts payables and accrued liabilities	399	1,102	3 d)	500	1,589
			5	(412)	
Current portion of loans payable	-	4,830	5	(4,500)	330
Decommissioning liabilities	287	-		-	287
	686	5,932		(4,412)	2,206
Long-term portion of loan payable	-	352	5	3,500	3,852
	686	6,284		(912)	6,058
Equity (Deficiency)					
Share capital	29,875	11,462	3 c)	(29,875)	26,045
			3 a)	8,083	
			3 a)	6,500	
Contributed surplus	2,048	1,544	3 c)	(2,048)	1,544
Deficit	(20,779)	(15,921)	3 c)	20,779	(16,421)
			3 d)	(500)	
	11,144	(2,915)		2,939	11,168
	$ 11,830	$ 3,369		$ 2,027	$ 17,226

IRONHORSE OIL & GAS INC

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For the Six Months Ended June 30, 2017

Unaudited -Expressed in Canadian Dollars (000's)

	Ironhorse Oil & Gas Inc $	Pond Technologies Inc $	Note Ref.	Pro Forma Adjustments $	Pro Forma Consolidated $
Sales					
Revenues	1,492	9		-	1,501
Royalties	(594)				(594)
	898	9		-	907
Operating expenses	(371)	(474)		-	(845)
General expenses	(259)	(192)		-	(451)
Stock-based compensation	-	(34)		-	(34)
Depreciation and amortization expenses	(452)	(139)		-	(591)
Impairments of property, plant and equipment	(1,955)	-		-	(1,955)
Finance expense	9	(335)		-	(326)
Loss before income taxes	(2,130)	(1,165)		-	(4,202)
Deferred income tax recovery	575	-		-	575
Net income (loss)	(1,555)	(1,165)		-	(3,627)
Weighted average number of common shares oustanding - basic and diluted (note 4 c)	4,041	11,731		-	15,772
Basic and diluted income (loss) per share	(0.38)	(0.10)		-	(0.23)
Other comprehensive loss	-	-		-	-
Comprehensive income (loss)	(1,555)	(1,165)		-	(3,627)

IRONHORSE OIL & GAS INC

Pro Forma Consolidated Statement of Loss and Comprehensive Loss

For The Year Ended December 31, 2016

Unaudited -Expressed in Canadian Dollars (000's)

	Ironhorse Oil & Gas Inc $	Pond Technologies Inc $	Note Ref.	Pro Forma Adjustments $	Pro Forma Consolidated $
Sales					
Revenues	1,731	162			1,893
Royalties	(641)				(641)
	1,090	162		-	1,252
Cost of sales					
Cost of sales					
	1,090	162		-	1,252
Gross margin					
Operating expenses	(711)	(882)			(1,593)
General expenses	(427)	(669)			(1,096)
Stock-based compensation	-	(426)			(426)
Depreciation and amortization expenses	(590)	(413)			(1,003)
Impairments of property, plant and equipment	(797)	-			(797)
Finance expense	15	(510)			(495)
Loss before income taxes	(1,420)	(2,738)		-	(4,158)
Deferred income tax recovery	384				384
Net income/(loss)	(1,036)	(2,738)		-	(3,774)
Weighted average number of common shares oustanding - basic and diluted (note 4 c)	4,041	11,731			15,772
Basic and diluted income (loss) per share	(0.26)	(0.23)			(0.24)
Other comprehensive income/ (loss)	-	-			-
Comprehensive income (loss)	(1,036)	(2,738)		-	(3,774)

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss and comprehensive loss of Ironhorse Oil & Gas Inc. (“Ironhorse’) have been prepared by management to reflect the legal acquisition of Pond Technologies Inc. (“Pond”) by Ironhorse after giving effect to the proposed transaction (the “Transaction”) as described in Note 2 and the Crystal Wealth Management Systems loan amended terms Note 5.

Pro Forma – Basis of adjustments and estimates

Certain significant estimates have been made by management in the preparation of the pro forma consolidated financial statements. Post Transaction it is management’s intention that Pond continue its existing business and the remaining Ironhorse oil and gas assets and liabilities are to be sold.

As a result of the Transaction described in Note 2, the former shareholders of Ironhorse will own approximately 24% (excluding the concurrent financing amounts) of the outstanding shares of Ironhorse. Therefore, the Transaction constitutes a reverse take-over and is accounted for with Pond identified as the acquirer and the net assets of Ironhorse recorded at fair value at the date of the Transaction.

After completion of the Transaction, the current Ironhorse shareholders, the current Pond shareholders, and the new investors in the concurrent financing shall own all the issued and outstanding shares of Ironhorse.

Pro forma adjustments include fair value adjustments of Ironhorse’s assets and liabilities. Ironhorse is also issuing shares, warrants, Agent warrants and options to Pond equity stakeholders in exchange for the cancellation of all of the outstanding shares, warrants, Agent warrants and options as consideration paid to complete the Transaction.

A condition of the Acquisition is that Pond raise a minimum of $6,500 and maximum aggregate gross proceeds of $15,000 in a financing concurrent with the Transaction. For pro forma purposes $6,500 has been included in the pro forma as a pro forma adjustment.

It is management’s opinion that the unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss have been prepared in accordance with International Financial Reporting Standards (“IFRS”) using accounting policies and practices consistent with those used in the preparation of Ironhorse’s and Pond’s recent financial statements including all adjustments necessary for fair presentation.

The unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss and comprehensive loss have been prepared for illustrative purposes only and may not be indicative of the combined results or financial position had the Acquisition been in effect at the date indicated.

Source of historical financial information

The unaudited pro forma consolidated statement of financial position and pro forma consolidated statements of loss and comprehensive loss have been compiled from and include:

The unaudited pro forma consolidated statement of financial position has been derived from:

- The unaudited statement of financial position of Ironhorse as at June 30, 2017
- The unaudited statement of financial position of Pond as at June 30, 2017

The unaudited pro forma consolidated statements of loss and comprehensive loss for the six-month period ended June 30, 2017 has been derived from:

- The unaudited consolidated statements of loss and comprehensive loss of Ironhorse for the six months ended June 30, 2017.
- The unaudited consolidated statements of loss and comprehensive loss of Pond for the six months ended June 30, 2017.

The unaudited pro forma consolidated statements of loss and comprehensive loss for the year ended December 31, 2016 has been derived from:

- The audited consolidated statements of loss and comprehensive loss of Ironhorse for the year ended December 31, 2016.
- The audited consolidated statements of loss and comprehensive loss of Pond for the year ended December 31, 2016.

The unaudited pro forma consolidated statements of loss and comprehensive loss for the year ended December 31, 2016 and for the six months June 30, 2017 have been prepared as if the transaction had occurred on January 1, 2016 and January 1, 2017 respectively.

2. Transaction

On October 4, 2017 Ironhorse entered into an amalgamation agreement (“Amalgamation Agreement”) with Pond and a wholly-owned subsidiary of Ironhorse, for the acquisition by Pond of Ironhorse by way of a three-cornered amalgamation. Following the completion of the proposed Transaction, Pond will be a wholly-owned subsidiary of Ironhorse.

Under the terms of the Amalgamation Agreement, Pond will amalgamate with a wholly owned subsidiary of Ironhorse (the “Amalgamation”). All the issued and outstanding Pond shares will be cancelled and holders of Pond Shares (except for dissenting shareholders) shall receive one Ironhorse Share (on a post-Consolidation basis) for each Pond Share. Following completion of the Amalgamation, Ironhorse will carry on, through the company resulting from the Transaction, the business presently carried on by Pond.

In connection with the Transaction, all of the outstanding stock options and warrants of Pond will be cancelled and exchanged for equivalent stock options and warrants of Ironhorse.

The Amalgamation Agreement also provides for: (i) a name change of Ironhorse to "Pond Technologies Holdings Inc." or such other name as Pond may determine in its sole discretion; (ii) the consolidation of all of the issued and outstanding Ironhorse Shares on the basis of 6.9 pre-consolidation Ironhorse Shares for each one post-consolidation Ironhorse Share (the "Consolidation"); (iii) the appointment of a new management team; and (iv) the reconstitution of the board of directors of Ironhorse (collectively with the Acquisition and the Amalgamation, the "Transaction").

As a condition of the Transaction, Pond will complete a brokered private placement of subscription receipts on a commercially reasonable efforts agency basis for minimum aggregate gross proceeds of $6,500 and maximum aggregate gross proceeds of $10,000 (the "Financing"). Net proceeds are expected to be used to fund the Resulting Issuer's program to commercialize its technology following completion of the Transaction and for general corporate purposes.

It is anticipated that immediately following the closing of the Transaction (without giving effect to the Financing, and assuming there are no changes to the outstanding common shares or convertible securities of either Ironhorse or Pond other than pursuant to the Consolidation), an aggregate of approximately 15,772,668 post-Consolidation Ironhorse Shares will be issued and outstanding, of which it is anticipated that 11,731,244 post-Consolidation Ironhorse Shares will be held by former shareholders of Pond (representing approximately 74% of the post-Consolidation Ironhorse Shares), and approximately 4,041,423 post-Consolidation Ironhorse Shares will be held by existing shareholders of Ironhorse (representing approximately 26% of the post-Consolidation Ironhorse Shares). Without giving effect to the Financing, it is further anticipated that no post-Consolidation Ironhorse Shares will be reserved for issuance pursuant to outstanding convertible securities upon the closing of the Transaction, other than up to 1,601,340 post-Consolidation Ironhorse Shares issuable upon exercise of outstanding share purchase warrants, and up to 1,097,500 post-Consolidation Ironhorse Shares issuable upon exercise of outstanding stock options.

It is the intention to sell the Pembina asset as soon after completion of the Transaction as possible. Pond values the Pembina asset at approximately $5,000, and, if sold, the net proceeds of such sale would represent a source of funds to Pond, which would be used primarily to increase its capitalizing and commercializing efforts in its nutraceutical business.

3. Pro forma assumptions and adjustments

a) Purchase price

All of Ironhorse's current issued and outstanding shares will be the consolidation on the basis of 6.9 pre-consolidation Ironhorse Shares for each one post-consolidation Ironhorse Share. This will result in approximately 4,041,423 post-consolidation Ironhorse shares. The post-consolidation Ironhorse shares are valued at $2.00 per share for a total consideration of $8,083.

b) Purchase price allocation

The following fair value estimates of the Ironhorse assets and liabilities is preliminary and is based on management's best estimate of the fair values assumed after taking into consideration all relevant information available to date. Ironhorse is still in the process of finalizing the valuation of assets and liabilities and therefore the adjustments could vary significantly from the amounts used in these unaudited pro forma consolidated statements.

The net assets of Ironhorse at fair value on June 30, 2017 and the listing expenses are as follows:

	Fair Value Estimates
Assets	
Cash and cash equivalents	$ 3,084
Receivables	249
Prepaid expenses	129
Property, plant and equipment	5,000
Deferred income taxes	200
Goodwill	107
Liabilities	
Accounts payables and accrued liabilities	(399)
Decommissioning liabilities	(287)
Total consideration	$ 8,083

c) Book values of Ironhorse's share capital, contributed surplus and deficit are eliminated on the Acquisition.

d) The estimated RTO transaction costs are $500 for fees paid in cash.

e) The allocation of the consideration paid in excess of net fair value is to intangibles.

4. Pro forma share capital

a) The following table summarizes the pro forma share capital:

	Number	**Amount $**
Ironhorse shares post 6.9 conversion	4,041,424	8,083
Pond shares outstanding pre-consolidation	11,731,245	11,462
	15,772,669	19,545
Concurrent financing	2,708,333	6,500
Total shares	18,481,002	26,045

The concurrent financing is assumed at $6,500 at $2.40 per share.

b) There are no finders or finance fees paid in share consideration.

c) Pro forma weighted average number of shares outstanding:

	Year Ended December 31, 2016
Ironhorse weighted average number of common shares issued and outstanding post consolidation	4,041,424
Issuance of common shares pursuant to the Transaction	11,731,244
	15,772,668

	Six Months Ended June 30, 2017
Ironhorse weighted average number of common shares issued and outstanding post consolidation	4,041,424
Issuance of common shares pursuant to the Transaction	11,731,244
	15,772,668

5. Crystal Wealth Management Systems Limited ("CW")

On August 11, 2017 Pond sign an amendment to the terms of its loan agreement with CW. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8%, deferral of quarterly interest payable of 4%, catch-up of $412 of unpaid interest and $200 of interest from July 1, 2017 to November 30, 2017, both due payable on November 30, 2017 and a principal repayment of $1,000 on December 31, 2017. If Pond raises in excess of $10,000 in financing during the term of the loan 20% of the proceeds in excess of $10,000 will be required to reduce the principal amount outstanding.

The Pro Forma Statement adjustments to reflect the CW amendments are:

Interest and principal cash payments to December 31, 2017	$ 1,612
Accrued interest payable June 30, 2017	412
Interest expense July 1, 2017 to December 31, 2017	200
Principal repayment due December 31, 2017	1,000
	1,612
Current portion of loans payable	(3,500)
Long-term portion of loan payable	3,500
	$ -

Schedule M

SECTION 185 OF THE OBCA

185.(1) **Rights of dissenting shareholders**. Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

(2) **Idem.** If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6).

(2.1) **One class of shares.** The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Exception.** A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

(4) **Shareholder's right to be paid fair value.** In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

(5) **No partial dissent.** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) **Objection.** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

(7) **Idem.** The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

(8) **Notice of adoption of resolution.** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

(9) **Idem.** A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

(10) **Demand for payment of fair value.** A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(11) **Certificates to be sent in.** Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(12) **Idem.** A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

(13) **Endorsement on certificate.** A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

(14) **Rights of dissenting shareholder.** On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee.

(15) **Offer to pay.** A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(16) **Idem.** Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

(17) **Idem.** Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(18) **Application to court to fix fair value.** Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(19) **Idem.** If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(20) **Idem.** A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

(21) **Costs.** If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

(22) **Notice to shareholders.** Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

(23) **Parties joined.** All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the

date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

(24) **Idem.** Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

(25) **Appraisers.** The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(26) **Final order.** The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

(27) **Interest.** The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(28) **Where corporation unable to pay.** Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(29) **Idem.** Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(30) **Idem.** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

(31) **Court order.** Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

(32) **Commission may appear.** The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

Schedule N

AMENDED IRONHORSE STOCK OPTION PLAN

See attached.

IRONHORSE OIL & GAS INC.

AMENDED STOCK OPTION PLAN

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of Directors, Employees and Consultants of Ironhorse Oil & Gas Inc. (the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a committee of directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**"). The Committee shall ensure that Optionees (as defined below) under the Plan are eligible to participate in the Plan, and, if required by the Exchange, shall represent and confirm that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

3. Granting of Options

The Committee may from time to time designate Directors, Employees and Consultants of the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom options ("**Options**") to purchase Common Shares of the Corporation ("**Shares**") may be granted and the number of Shares to be optioned to each (and subject to such additional restrictions and limitations as the policies of the Exchange may impose):

(a) the aggregate number of Shares reserved for issuance on exercise of all Options issued under the Plan at any given time shall not exceed 10% of the number of Outstanding Shares at such time, subject to the adjustment as set forth in Section 8 hereof and the other provisions hereof;

(b) the aggregate number of Shares reserved for issuance to any one Optionee in a 12 month period shall not exceed 5% of the number of Outstanding Shares, unless the Corporation complies with the policies of the Exchange;

(c) the aggregate number of Shares reserved for issuance to any one director or officer under the Plan shall not exceed 5% of the number of Outstanding Shares;

(d) the aggregate number of Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Shares;

(e) the aggregate number of Shares reserved for issuance to any one Optionee employed to provide Investor Relations Activities in a 12 month period shall not exceed 2% of the number of Outstanding Shares;

(f) the aggregate number of Shares reserved for issuance to all Eligible Charitable Organizations will not exceed 1% of the number of Outstanding Shares;

(g) the maximum number of securities of the Corporation issuable to Insiders at any time pursuant to the Plan shall not exceed 10% of the number of Outstanding Common Shares; and

(h) the maximum number of securities of the Corporation issued to Insiders, within any one year period, under the Plan, shall not exceed 10% of the number of Outstanding Common Shares;

provided that for the purposes of paragraphs (g) and (h), an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Shares issuable to Insiders.

The Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire in accordance with the terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

4. Vesting

(a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, acceleration of vesting (including, without limitation, in the case of a takeover bid or other change of control), or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant.

(b) Notwithstanding the foregoing, unless otherwise permitted by the Exchange, Options issued to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months, with no more than one quarter of the Options vesting in any three month period.

5. Exercise Price

(a) Subject to the policies of the Exchange, the exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Shares. For this purpose, "**Discounted Market Price**" shall mean the closing trading price per Share on the Exchange (or if the Shares are not listed on the Exchange, on such stock exchange as the Shares are then traded) on the last trading day preceding (i) the issuance of a news release in respect of the Option grant or (ii) the date of grant, as applicable, on which there was a closing price, less the applicable discount, or, if the Shares are not listed on any stock exchange, a price determined by the Committee.

(b) The Corporation must obtain disinterested shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, provided that no Option may be exercised beyond five years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee (except as provided herein). In addition, each Option shall provide that:

(a) upon the death of the Optionee, provided the Optionee was a Service Provider for at least one year following the grant of the Options (unless otherwise determined by the Committee), the Option shall terminate on the date determined by the Committee, which shall not be more than one year from the date of death; and

(b) unless the directors of the Corporation determine otherwise, if the Optionee shall no longer be a Service Provider to the Corporation, the Option shall terminate on the expiry of the period (the "**Termination Date**") not in excess of 90 days, and in the case of Optionees performing Investor Relations Activities, not in excess of 30 days, prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a Service Provider to the Corporation;

(c) If the expiry date of any Option falls within any Blackout Period or within ten business days following the end of any Blackout Period (the "**Restricted Options**"), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is ten business days following the end such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 11 hereof.

provided that the number of Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Service Provider to the Corporation (other than if the Service Provider is terminated by the Corporation for cause).

An Option shall be non-assignable and non-transferable by the Optionee unless specifically provided for herein. The Corporation shall not recognize any attempted exercise or any purported assignee of an Optionee. During the lifetime of an Optionee, any Options granted hereunder may only be exercised by the Optionee and in the event of the death or permanent disability of an Optionee, by the person or persons to whom the Optionee's rights under the Option pass by the Optionee's will or the laws of descent and distribution.

7. Exercise of Option

Subject to the Plan, an Optionee (or his or her legal personal representative) may exercise from time to time by delivery to the Corporation, at its head office in Calgary, Alberta, of a written notice of exercise ("**Exercise Notice**") specifying the number of Shares with respect to which the

Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the Optionee a certificate or certificates, representing such Shares in the name of the Optionee or the Optionee's legal personal representative or otherwise as the Optionee may or they may in writing direct.

For purposes of this Section 7, the Market Price shall have the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual (or, if the Shares are not then listed and posted for trading on the Exchange, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion. Notwithstanding the foregoing sentence, in the event that there has been a publicly announced take- over bid, amalgamation or other transaction involving the Common Shares, while such transaction is still outstanding, the Market Price shall be the consideration offered pursuant to such transaction (in the event that the consideration is other than cash, the Board of Directors shall determine the cash equivalent for the purpose of this provision).

8. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Shares granted, or the Corporation shall pay a dividend upon the Shares by way of issuance to the holders thereof of additional Shares, Options with respect to any Shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of Shares he would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the Shares and had held such Shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

9. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

10. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

11. Amendment or Discontinuance of the Plan

(a) Subject to the restrictions set out in this Section 11, the Board may, without shareholder approval:

(i) amend or discontinue the Plan or any Options granted hereunder at any time;

(ii) reduce the percentage number of Common Shares which may be issued under the Plan;

(iii) reduce the exercise price of any outstanding Options not held by Insiders;

(iv) alter the vesting provisions relating to the Options; and

(v) alter the surrender rights set out in the Plan,

provided any amendment to the Plan that requires approval of the Exchange may not be made without such approval.

(b) Without the prior approval of the shareholders, as may be required by the Exchange, the Board may NOT:

(i) make any amendment to the Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time pursuant to Section 3 hereof;

(ii) reduce the exercise price of any outstanding Options held by Insiders;

(iii) extend the term of any outstanding Option beyond the original expiry date of such Option, except in accordance with an extension to include a Blackout Period;

(iv) make any amendment to Section 3(g) or (h) to increase the maximum limit on the number of securities that may be reserved for issuance and are issued to Insiders to greater than the 10% thresholds within the designated time periods;

(v) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or

(vi) make any amendment to this Section 11.

In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

12. Shares Duly Issued

Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

13. Options to Other Persons and Entities

The provisions herein in respect of the grant of Options shall apply, with the appropriate modifications, to the grant of Options to any person or other entity to whom an Option could have been transferred as provided in the last paragraph of Section 6 hereof, in which case the Option shall nevertheless be deemed, for purposes of the Plan, to be held by the person that is the Service Provider to the Corporation in respect of such person or other entity to whom the Option is actually granted and the Options shall continue to be subject to the terms and conditions of the Plan as if the Service Provider remained the sole holder thereof.

14. Prior Plans

This Plan shall come into force and effect on ratification approval by shareholders of the Corporation and of the Exchange and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

15. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the Exchange and there are discrepancies between said defined terms, the defined term used in the policies of the Exchange shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the Exchange.

(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 Company or individual.

(b) "**Blackout Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;

(c) "**Board**" means the board of directors of the Corporation;

(d) "**Company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual.

(e) "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and

(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

(f) "**Consultant Company**" means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(g) "**Directors**" means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws.

(h) "**Distribution**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

(i) "**Employee**" means:

(i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

(j) "**Exchange**" means the TSX Venture Exchange Inc. or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;

(k) "**Insider**", if used in relation to the Corporation, means:

(i) a director or senior officer of the Corporation;

(ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;

(iii) a Company or individual that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or

(iv) the Corporation itself if it holds any of its own securities.

(l) "**Investor Relations Activities**" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:

(A) to promote the sale of products or services of the Corporation; or

(B) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of:

(A) applicable securities laws; or

(B) Exchange Requirements (as defined in the policies of the Exchange) or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

(A) the communication is only through the newspaper, magazine or publication; and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the Exchange.

(m) "**Management Company Employee**" means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities.

(n) "**Outstanding Common Shares**" at the time of any share issuance or grant of stock Options means the aggregate number of Shares that are outstanding immediately prior to the share issuance or grant of stock Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including, if listed thereon, the Exchange.

(o) "**Service Provider**" means a Director, Employee or Consultant of the Corporation.

(p) "**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted.

Schedule O

IRONHORSE AUDIT COMMITTEE MANDATE

GENERAL FUNCTIONS, AUTHORITY, AND ROLE

The Audit Committee is a committee of the Board of Directors appointed to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) compliance by the Company with legal and regulatory requirements related to financial reporting, (3) qualifications, independence and performance of the Company's independent auditors, and (4) performance of the Company's internal controls and financial reporting process. The Audit Committee's annual report is included in the annual management information circular.

The Audit Committee has the power to conduct or authorize investigations into any matters within its scope of responsibilities, with full access to all books, records, facilities and personnel of the Company, its auditors and its legal advisors. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee has the authority to independently retain special legal, accounting, or other consultants to advise it, and may request any officer or employee of the Company, its independent legal counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee also has the power to create specific sub-committees with all of the investigative powers described above.

The Company's independent auditor is ultimately accountable to the Board of Directors and to the Audit Committee; and the Board of Directors and Audit Committee, as representatives of the Company's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, and to nominate annually the independent auditor to be proposed for shareholder approval, and to determine appropriate compensation for the independent auditor. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee must maintain free and open communication between the Company's independent auditors, Board of Directors and Company management. The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board of Directors.

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. This is the responsibility of the independent auditor and management, respectively. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor (other than disagreements regarding financial reporting), or to assure compliance with laws and regulations or the Company's own policies.

MEMBERSHIP

The membership of the Audit Committee will be as follows:

- The Committee will consist of a minimum of three members of the Board of Directors, appointed annually, a majority of whom are affirmatively confirmed as independent by the Board of Directors, with such affirmation disclosed in the Company's annual circular.

- The Board will elect, by a majority vote, one member as chairperson.

- A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board committee, accept any consulting, advisory, or other compensatory fee from the Company, and may not be an affiliated person of the Company or any subsidiary thereof, without the consent of the Board of Directors.

RESPONSIBILITIES

The responsibilities of the Audit Committee shall be as follows:

Frequency of Meetings

- Meet quarterly or as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically.

- Meet with the independent auditor at least annually, either in person or telephonically.

Reporting Responsibilities

- Maintain proper Committee minutes.

- Report Committee actions to the Board of Directors with such recommendations as the Committee may deem appropriate.

- Provide a report for the Company's Annual Information Circular, if applicable.

Charter Evaluation

- Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.

Whistleblower Mechanisms

- Adopt and review annually a mechanism through which employees and others can directly and anonymously contact the Audit Committee with concerns about accounting and auditing matters. The mechanism must include procedures for responding to, and keeping of records of, any such expressions of concern.

Independent Auditor

- Nominate annually the independent auditor to be proposed for shareholder approval.

- Approve the compensation of the independent auditor, and evaluate the performance of the independent auditor.

- Establish policies and procedures for the engagement of the independent auditor to provide non-audit services.

- Insure that the independent auditor is not engaged for any activities not allowed by any of the Canadian provincial securities commissions, or any securities exchange on which the Company's shares are traded.

- Insure that the auditors are not engaged for any of the following nine types of non-audit services contemporaneous with the audit:

    - Bookkeeping or other services related to accounting records or financial statements of the Company;

    - Financial information systems design and implementation;

    - Appraisal or valuation services, fairness opinions, or contributions-in-kind reports;

    - Actuarial services;

    - Internal audit outsourcing services;

    - Any management or human resources function;

- Broker, dealer, investment advisor, or investment banking services;
- Legal services; and
- Expert services related to the auditing service.

Hiring Practices

- Insure that no senior officer who is, or in the past full year has been, affiliated with or employed by an auditor of the Company or an affiliate, is hired by the Company until at least one full year after the end of either the affiliation or the auditing relationship.

Independence Test

- Take reasonable steps to confirm the independence of the independent auditor, which shall include:
  - insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - as necessary, taking, or recommending that the Board of Directors take, appropriate action to oversee the independence of the independent auditor.

Audit Committee Meetings

- Have regular meetings (quarterly or as often may be deemed necessary or appropriate).
- In addition, if and as required, at the request of the independent auditor, convene a meeting of the Audit Committee to consider matters the auditor believes should be brought to the attention of the directors or shareholders.
- Keep minutes of its meetings and report to the Board for approval of any actions taken or recommendations made.

Restrictions

- Insure no restrictions are placed by management on the scope of the auditors' review and examination of the Company's accounts.
- Insure that no Officer or Director attempts to fraudulently influence, coerce, manipulate or mislead any accountant engaged in auditing of the Company's financial statements.

AUDIT AND REVIEW PROCESS AND RESULTS

Scope

- Consider, in consultation with the independent auditor, the audit scope and plan of the independent auditor.

Review Process and Results

- Review and discuss with management and the independent auditor at the completion of the annual examination:

- the Company’s audited financial statements and related notes;
- the Company’s MD&A and news releases related to financial results;
- the independent auditor’s audit of the financial statements and its report thereon;
- any significant changes required in the independent auditor’s audit plan;
- any changes in financial reporting as a result of changes in GAAP, and any non-GAAP related financial information;
- any serious difficulties or disputes with management encountered during the course of the audit; and
- other matters related to the conduct of the audit, which are to be communicated to the Audit Committee under generally accepted auditing standards.

- Review, discuss with management and approve annual financial statements prior to public disclosure.

- Review and discuss with management and the independent auditor the adequacy of the Company’s internal controls that management and the Board of Directors have established and the effectiveness of those systems, and inquire of management and the independent auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

- Meet separately with the independent auditor and management, as necessary or appropriate, to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately with the Audit Committee.

- Review and discuss with management and the independent auditor the accounting policies which may be viewed as critical, including all alternative treatments for financial information within generally accepted accounting principles that have been discussed with management, and review and discuss any significant changes in the accounting policies of the Company and industry accounting and regulatory financial reporting proposals that may have a significant impact on the Company’s financial reports.

- Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Company’s financial statements.

- Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company’s financial statements or accounting policies.

- Review with the Company’s legal counsel legal matters that may have a material impact on the financial statements, the Company’s financial compliance policies and any material reports or inquiries received from regulators or governmental agencies related to financial matters.

SECURITIES REGULATORY FILINGS

- Review filings with the Canadian provincial securities commissions and other published documents containing the Company’s financial statements.

- Review, with management and the independent auditor, prior to filing with regulatory bodies, the financial reports (including related notes and MD&A) at the completion of any review engagement or other examination. The designated financial expert of the Audit Committee may represent the entire Audit Committee for purposes of this review.

RISK ASSESSMENT

Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

AMENDMENTS TO AUDIT COMMITTEE CHARTER

- Annually review this Charter and propose amendments to be ratified by a simple majority of the Board of Directors.

Schedule P

IRONHORSE BOARD OF DIRECTORS APPROVAL

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

Pond has provided the information contained in this Circular concerning Pond, the Resulting Issuer and their respective subsidiaries, business, operations, financial information and financial statements. Ironhorse assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of Pond to disclose facts or events which may affect the accuracy of any such information.

DATED at Calgary this 17th day of November, 2017.

BY ORDER OF THE BOARD

(signed) *"Larry J. Parks"*

Larry J. Parks
President and Chief Executive Officer

Schedule Q

CERTIFICATE OF IRONHORSE

November 17, 2017

The foregoing document contains full, true and plain disclosure of all material facts relating to the securities of Ironhorse Oil & Gas Inc. assuming completion of the Transaction.

"*Larry J. Parks*"

Larry J. Parks
President, Chief Executive Officer and Director

"*Karen Hutson*"

Karen Hutson
Vice President Finance and Chief Financial Officer

On behalf of the Board of Directors of Ironhorse

"*Michael Royan*"

Michael Royan
Director

"*Gerry Quinn*"

Gerry Quinn
Director

Schedule R
CERTIFICATE OF POND

November 17, 2017

The foregoing document as it relates to Pond Technologies Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Pond Technologies Inc.

"*Steve Martin*"	"*Thomas Masney*"
Steve Martin Chief Executive Officer	**Thomas Masney** Chief Financial Officer

On behalf of the Board of Directors

"*Saurin Patel*"	"*Robert McLeese*"
Saurin Patel Director	**Robert McLeese** Director