

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made and effective as of August 7, 2017.

AMONG:

PETRODORADO ENERGY LTD., a body corporate, incorporated under the laws of Canada, having an office in the City of Calgary, in the Province of Alberta ("**Petrodorado**");

AND

WESTERN ATLAS RESOURCES INC., a body corporate, incorporated under the laws of the Province of British Columbia, having an office in the City of Vancouver, in the Province of British Columbia ("**WAR**");

AND

1128014 BC Ltd., a body corporate, incorporated under the laws of the Province of British Columbia, having an office in the City of Vancouver, in the Province of British Columbia ("**Subco**");

RECITALS:

- A. Petrodorado is a public company, with its Class B common shares ("**Petrodorado Shares**") listed on the TSX Venture Exchange under the symbol "PDQ".
- B. WAR is a privately held company which indirectly holds certain mineral claims in Nunavut, Canada.
- C. Subco is a wholly-owned subsidiary of Petrodorado.
- D. Petrodorado, WAR and Subco propose a business combination (the "**Transaction**") whereby WAR and Subco will amalgamate under the provisions of Division 3 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on the terms described in this Agreement (the "**Amalgamation**"), and will continue as one corporation ("**Amalco**") which will be a wholly-owned subsidiary of Petrodorado. Following completion of the Amalgamation, Petrodorado will carry on through Amalco the business presently carried on by WAR, being the acquisition, exploration and development of natural resource properties.
- E. Petrodorado proposes to issue Petrodorado Shares (as defined herein) to the WAR Shareholders (as defined herein) as hereinafter provided in connection with the Amalgamation.
- F. WAR and Subco will each require the approval of their respective shareholders for the Amalgamation pursuant to the requirements of the BCBCA.
- G. The Transaction will constitute a Reverse Takeover and a Change of Business of Petrodorado, as such terms are defined in TSX Venture Exchange Policy 5.2, and will require the approval of Petrodorado's shareholders pursuant to such policy.

- H. Concurrently with the closing of the Amalgamation and as part of the Transaction, Petrodorado will (i) change its name to “Western Atlas Resources Inc.” or such other name as WAR may determine in its sole discretion; (ii) amend its articles to redesignate the Petrodorado Shares as common shares with one vote each; and (iii) continue under the BCBCA as a British Columbia company, all of which will require the approval of Petrodorado’s shareholders pursuant to the requirements of the *Canada Business Corporations Act*.
- I. Concurrently with the execution and delivery of this Agreement, WAR has entered into the Petrodorado Support Agreements (as defined herein), which agreements have been signed and delivered concurrently with the signing and execution of this Agreement.

NOW THEREFORE IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

ARTICLE 1 DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires:

- (a) **“Affiliate”** means a corporation that is affiliated with another corporation within the meaning of section 2 of the BCBCA;
- (b) **“Agreement”** means this agreement, including the recitals and all Schedules to this agreement, as amended or supplemented from time to time, and **“hereby”**, **“hereof”**, **“herein”**, **“hereunder”**, **“herewith”** and similar terms refer to this Agreement and not to any particular provision of this Agreement;
- (c) **“Amalco”** has the meaning defined in Recital D;
- (d) **“Amalgamation”** has the meaning defined in Recital D;
- (e) **“ANH Guarantee”** means, collectively, the parent guarantees granted in favour of the Colombian national hydrocarbon agency by Petrodorado in connection with certain of its former assets, which were sold to Amerisur Resources PLC;
- (f) **“Amalgamation Application”** means an amalgamation application substantially the form set out in Schedule C hereto;
- (g) **“Applicable Laws”** means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, including all applicable corporate and securities laws, regulations and rules, all policies thereunder and rules of applicable stock exchanges;
- (h) **“BCBCA”** has the meaning defined in Recital D;

- (i) **“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Calgary and the City of Vancouver for the transaction of banking business;
- (j) **“Certificate of Amalgamation”** means the certificate to be issued by the Registrar pursuant to subsection 281(a) of the BCBCA giving effect to the Amalgamation;
- (k) **“Depository”** means TSX Trust Company;
- (l) **“Dissent Rights”** means the rights of dissent in respect of the WAR Resolution provided pursuant to Section 238 of the BCBCA;
- (m) **“Dissenting Shareholder”** means a WAR Shareholder, who, in connection with the WAR Resolution at the WAR Meeting which approves and adopts this Agreement, has sent to WAR a written objection and a demand for payment within the time limits and in the manner prescribed by section 238 of the BCBCA respectively with respect to such shareholder’s shares;
- (n) **“Effective Date”** means the effective date indicated upon the Certificate of Amalgamation;
- (o) **“Effective Date Deadline”** means September 29, 2017 unless otherwise agreed by the Parties;
- (p) **“Effective Time”** means the effective time indicated upon the Certificate of Amalgamation;
- (q) **“Encumbrance”** includes, without limitation, any mortgage, pledge, assignment, charge, lien, security interest, claim, trust, royalty or carried, participation, net profits or other interest and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (r) **“Environmental Laws”** includes any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;
- (s) **“Exchange”** means the TSX Venture Exchange;
- (t) **“Exchange Ratio”** means 1.0835 Petrodorado Shares exchanged for one (1) WAR Share;
- (u) **“Governmental Authority”** includes any federal, provincial, municipal or other political subdivision, government department, commission, board, bureau, agency or instrumentality, domestic or foreign;
- (v) **“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (w) **“Material Adverse Change”** or **“Material Adverse Effect”** means, with respect to any Person, any matter or action that has an effect or change that is, or would reasonably be

expected to be, material and adverse to the business, operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, privileges, liabilities or prospects, whether contractual or otherwise, of such Person and its Subsidiaries, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has, prior to the date hereof, been publicly disclosed or disclosed to the Other Party; (ii) conditions affecting the mining industry as a whole; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (iv) any matter consented to, or that results from a matter that is consented to, in writing by the Other Party hereto;

- (x) **“Meeting Deadline”** means September 15, 2017 unless otherwise agreed by the Parties;
- (y) **“Misrepresentation”** includes any untrue statement of a material fact, any omission to state a material fact that is required to be stated and any omission to state a material fact that is necessary to be stated in order for a statement not to be misleading;
- (z) **“Name Change”** means the change of Petrodorado’s name to “Western Atlas Resources Inc.” or such other name as WAR may determine in its sole discretion;
- (aa) **“Other Party”** means with respect to the applicable Petrodorado Party(ies), WAR and, with respect to WAR, the applicable Petrodorado Party(ies);
- (bb) **“Parties”** means Petrodorado, WAR and Subco, and **“Party”** means any one of them;
- (cc) **“Permitted Encumbrances”** has the meaning ascribed to such term in Section 8.1(cc);
- (dd) **“Person”** includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;
- (ee) **“Petrodorado Articles Amendment”** means the amendment of Petrodorado’s articles to redesignate the Petrodorado Shares as common shares with one vote each;
- (ff) **“Petrodorado Assets”** means all of the assets, and properties in which Petrodorado or Subco holds a right, title or interest as at the date hereof;
- (gg) **“Petrodorado Business”** means all of the business of Petrodorado and Petrodorado Assets;
- (hh) **“Petrodorado Change in Recommendation”** means the Petrodorado board of directors failing to unanimously recommend or withdrawing, amending, modifying or qualifying, publicly proposing or stating its intention to do so, or failing to publicly reaffirm (without qualification) its recommendation of the Transaction, taking no position or a neutral position with respect to an Petrodorado Take-Over Proposal for more than two (2) Business Days after first learning of a Petrodorado Take-Over Proposal, or taking any other action that is or becomes disclosed publicly and which can reasonably be interpreted to indicate that the Petrodorado board of directors do not support the Transaction and this Agreement or do not believe that the Transaction and this Agreement are in the best interests of the Petrodorado Shareholders;

- (ii) **“Petrodorado Circular”** means a management information circular of Petrodorado to be provided to the Petrodorado Shareholders in connection with the Petrodorado Meeting.
- (jj) **“Petrodorado Continuance”** means the continuance of Petrodorado under the BCBCA as a British Columbia company.
- (kk) **“Petrodorado Disclosure Letter”** means the disclosure letter executed by Petrodorado and delivered to WAR concurrently with the execution of this Agreement;
- (ll) **“Petrodorado Financial Statements”** means the audited financial statements of Petrodorado as at and for the year ended December 31, 2016 and the unaudited financial statements of Petrodorado as at and for the interim period ended March 31, 2017;
- (mm) **“Petrodorado Meeting”** means the special meeting of Petrodorado Shareholders, and any adjournments thereof, to consider and, if determined advisable, approve the Petrodorado Resolutions;
- (nn) **“Petrodorado Option Plan”** means the stock option plan of Petrodorado;
- (oo) **“Petrodorado Options”** means the options to purchase Petrodorado Shares granted under the Petrodorado Option Plan;
- (pp) **“Petrodorado Parties”** means, collectively, Petrodorado and Subco;
- (qq) **“Petrodorado Public Documents”** means all documents or information filed by or on behalf of Petrodorado with the Canadian securities regulators in compliance with Applicable Laws;
- (rr) **“Petrodorado Resolutions”** means the resolutions of the Petrodorado Shareholders to be considered by Petrodorado Shareholders at the Petrodorado Meeting approving the Transaction, the Name Change, the Petrodorado Articles Amendment and the Petrodorado Continuance;
- (ss) **“Petrodorado Shareholder”** means a holder of Petrodorado Shares;
- (tt) **“Petrodorado Shares”** has the meaning defined in Recital A;
- (uu) **“Petrodorado Superior Proposal”** has the meaning ascribed thereto in Section 11.4 hereof;
- (vv) **“Petrodorado Support Agreements”** means agreements dated as of the date of this Agreement from each member of the board of directors, each member of management and each shareholder holding more than 5% of the issued and outstanding Petrodorado Shares (of which Petrodorado is aware) confirming support at the Petrodorado meeting and lock-up releasing one-third at closing, one-third after 6 months and one-third after 12 months;

- (ww) **“Petrodorado Take-Over Proposal”** means, other than pursuant to the Amalgamation, any takeover bid or offer for 20% or more of the issued and outstanding Petrodorado Shares or securities convertible into Petrodorado Shares, or any proposal, offer or agreement (whether or not subject to conditions) for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving Petrodorado or Subco or any proposal, offer or agreement (whether or not subject to conditions) to acquire in any manner, or to require Petrodorado to issue, 20% or more of the outstanding Petrodorado Shares or securities convertible into Petrodorado Shares.
- (xx) **“Petrodorado Warrants”** means warrants entitling the holders thereof to purchase Petrodorado Shares upon the terms and conditions stated in each such warrant;
- (yy) **“Registrar”** means the Registrar of Corporations appointed pursuant to Section 400 of the BCBCA;
- (zz) **“Subco Resolution”** means a special resolution of Petrodorado as the sole shareholder of Subco approving the Amalgamation, to be passed as a consent resolution in writing by Petrodorado;
- (aaa) **“Subsidiary”** means, when used to indicate a relationship with another body corporate,
- (i) a body corporate which is controlled by: (A) that other; or (B) that other and one or more bodies corporate, each of which is controlled by that other; or (C) two or more bodies corporate each of which is controlled by that other; or
 - (ii) a subsidiary of a body corporate that is the other’s subsidiary;
- (bbb) **“Tax Act”** means the *Income Tax Act* (Canada), RSC 1985 c1 (5th supp), as amended, including the regulations promulgated thereunder;
- (ccc) **“Transaction”** has the meaning defined in Recital D;
- (ddd) **“U.S. person”** has the meaning as set forth in Regulation S under the *U.S. Securities Act*;
- (eee) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;
- (fff) **“WAR Assets”** means the WAR Business and all of the assets and properties in which WAR or WAR Nunavut holds a right, title or interest as at the date hereof, including without limitation all of the issued and outstanding shares of WAR Nunavut and the mineral claims identified in section 1.1(fff) of the WAR Disclosure Letter;
- (ggg) **“WAR Business”** means all of the business and WAR Assets;
- (hhh) **“WAR Change in Recommendation”** means the WAR board of directors failing to unanimously recommend or withdrawing, amending, modifying or qualifying, publicly proposing or stating its intention to do so, or failing to publicly reaffirm (without qualification) its recommendation of the Transaction, taking no position or a neutral

position with respect to an WAR Take-Over Proposal for more than two (2) Business Days after first learning of a WAR Take-Over Proposal, or taking any other action that is or becomes disclosed publicly and which can reasonably be interpreted to indicate that the WAR board of directors do not support the Transaction and this Agreement or do not believe that the Transaction and this Agreement are in the best interests of the WAR Shareholders;

- (iii) **“WAR Circular”** means a management information circular of WAR to be provided to the WAR Shareholders in connection with the WAR Meeting.
- (jjj) **“WAR Counsel”** means Stikeman Elliott LLP, or such other legal counsel as may be designated by WAR;
- (kkk) **“WAR Disclosure Letter”** means the disclosure letter executed by WAR and delivered to Petrodorado concurrently with execution of this Agreement;
- (lll) **“WAR Financial Statements”** means the unaudited financial statements of WAR as at and for the year ended December 31, 2016 and the unaudited financial statements of WAR as at and for the period ended March 31, 2017;
- (mmm) **“WAR Meeting”** means the special meeting of WAR Shareholders, and any adjournments thereof, to consider and, if determined advisable, approve the WAR Resolution;
- (nnn) **“WAR Nunavut”** means 5530 Nunavut Inc., a corporation incorporated pursuant to the laws of the Territory of Nunavut;
- (ooo) **“WAR Resolution”** means the special resolution of the WAR Shareholders, substantially in the form of the resolution set out in Schedule B hereto, approving the Amalgamation, to be considered by WAR Shareholders at the WAR Meeting, or alternately, to be passed as a consent resolution in writing of the WAR Shareholders;
- (ppp) **“WAR Shareholder”** means a holder of WAR Shares;
- (qqq) **“WAR Shares”** means the Class A Common Shares and the Class B Common Shares of WAR as constituted on the date hereof;
- (rrr) **“WAR Superior Proposal”** has the meaning ascribed thereto in Section 10.4 hereof; and
- (sss) **“WAR Take-Over Proposal”** means, other than pursuant to the Amalgamation, any takeover bid or offer for 20% or more of the issued and outstanding WAR Shares or securities convertible into WAR Shares, or any proposal, offer or agreement (whether or not subject to conditions) for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving WAR or any Subsidiary or any proposal, offer or agreement (whether or not subject to conditions) to acquire in any manner, or to require WAR to issue, 20% or more of the outstanding WAR Shares or securities convertible into WAR Shares.

1.2 The following Schedules are included and form part of this Agreement:

Schedule A – Articles of Amalco

Schedule B – WAR Resolution

Schedule C – Amalgamation Application

ARTICLE 2 INTERPRETATION

- 2.1 The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.
- 2.2 Unless the contrary intention appears, references in this Agreement to an Article, section, subsection, paragraph, clause, subclause or schedule by number or letter or both refer to the article, section, subsection, paragraph, clause, subclause or schedule, respectively, bearing that designation in this Agreement.
- 2.3 In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders.
- 2.4 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 2.5 References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 2.6 Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.
- 2.7 All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, reorganization and other laws affecting creditors rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief).
- 2.8 All references to the date of this Agreement, “the date hereof” or similar expressions or references shall mean August 7, 2017 except as is expressly provided herein.
- 2.9 This Agreement together with the agreements and documents herein referred to, constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

ARTICLE 3
THE WAR MEETING AND IMPLEMENTATION OF THE AMALGAMATION

3.1 *Steps to be taken by WAR.*

- (a) WAR agrees:
 - (i) to convene and conduct the WAR Meeting in accordance with WAR's articles and Applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline;
 - (ii) in consultation with Petrodorado, to fix and publish a record date for the purposes of determining the WAR Shareholders entitled to receive notice of and vote at the WAR Meeting;
 - (iii) that it shall not, except as required for quorum purposes, as required by Applicable Law, or otherwise as permitted under this Agreement, adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the WAR Meeting without Petrodorado's prior written consent;
 - (iv) to advise Petrodorado as Petrodorado may reasonably request, as to the aggregate tally of the proxies received by WAR in respect of the WAR Resolution; and
 - (v) to provide notice to Petrodorado of the WAR Meeting and allow representatives of Petrodorado to attend the WAR Meeting.
- (b) Notwithstanding the foregoing or any other provision of this Agreement, WAR may obtain shareholder approval for the WAR Resolution by a unanimous consent resolution in writing of the WAR Shareholders in accordance with Applicable Law and the articles of WAR, in which case there shall be no WAR Meeting and the provisions of this Section 3.1 shall not apply. In such event, WAR shall provide Petrodorado with a reasonable opportunity to review and comment on the consent resolution and any related materials to be sent to the WAR Shareholders to obtain their approval of the Amalgamation.

3.2 *The WAR Circular*

- (a) As promptly as reasonably practicable following execution of this Agreement with a targeted date on or before August 15, 2017, WAR shall (i) prepare the WAR Circular together with any other documents required by Applicable Laws, (ii) file the WAR Circular in all jurisdictions where the same is required to be filed, and (iii) mail the WAR Circular as required under Applicable Laws. On the date of mailing thereof, the WAR Circular shall comply in all material respects with all Applicable Laws and shall contain sufficient detail to permit the WAR Shareholders to form a reasoned judgment concerning the matters to be placed before them at the WAR Meeting.
- (b) WAR shall ensure that the WAR Circular complies in all material respects with all Applicable Laws, and, without limiting the generality of the foregoing, that the WAR

Circular will not contain any misrepresentation (except that WAR shall not be responsible for any information relating to Petrodorado and its Affiliates, including the Petrodorado Shares, which has been provided by Petrodorado specifically for inclusion in the WAR Circular or otherwise obtained from Petrodorado Public Documents).

- (c) WAR shall disclose in the WAR Circular that its board of directors has unanimously determined that:
 - (i) the Transaction is fair from a financial point of view to the WAR Shareholders and is in the best interests of WAR and its shareholders; and
 - (ii) the board of directors of WAR will unanimously recommend that WAR Shareholders vote in favour of the WAR Resolution, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.
- (d) Subject to Section 10.4: (i) WAR shall solicit proxies in favour of the WAR Resolution, against any resolution submitted by any other WAR Shareholder, and take all other actions that are reasonably necessary or desirable to obtain the approval of the WAR Resolution by WAR Shareholders; (ii) the WAR board of directors shall recommend to WAR Shareholders that they vote in favour of the WAR Resolution; (iii) WAR shall not make a WAR Change in Recommendation; and (iv) WAR shall include in the WAR Circular a statement that each director and executive officer of WAR intends to vote all of such Person's WAR Shares in favour of the WAR Resolution, subject to the other terms of this Agreement and the WAR Support Agreements.
- (e) Petrodorado shall provide to WAR all information regarding Petrodorado, its Affiliates and the Petrodorado Shares, including any pro forma financial statements prepared in accordance with IFRS and Applicable Laws as required by Applicable Laws for inclusion in the WAR Circular or in any amendments or supplements to such WAR Circular. Petrodorado shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the WAR Circular and to the identification in the WAR Circular of each such advisor. Petrodorado shall ensure that such information does not include any misrepresentation concerning Petrodorado.
- (f) Petrodorado and its legal counsel shall be given a reasonable opportunity to review and comment on the WAR Circular prior to the WAR Circular being printed and filed with any Governmental Authority, and reasonable consideration shall be given to any comments made by Petrodorado and its legal counsel, provided, however, that all information relating solely to Petrodorado, its Affiliates and the Petrodorado Shares included in the WAR Circular shall be in form and content satisfactory to Petrodorado, acting reasonably. WAR shall provide Petrodorado with final copies of the WAR Circular prior to the mailing to the WAR Shareholders.
- (g) WAR and Petrodorado shall each promptly notify each other if at any time before the Effective Date either becomes aware that the WAR Circular contains a misrepresentation, or that otherwise requires an amendment or supplement to the WAR Circular and the Parties shall co-operate in the preparation of any amendment or

supplement to the WAR Circular as required or appropriate, and WAR shall promptly mail or otherwise publicly disseminate any amendment or supplement to the WAR Circular to WAR Shareholders and, if required by Applicable Laws, file the same with any Governmental Authority and as otherwise required.

- (h) If WAR's board of directors decides to obtain shareholder approval for the WAR Resolution by a unanimous consent resolution in writing of the WAR Shareholders pursuant to Section 3.1(b), WAR shall not be required to prepare the WAR Circular, but (subject to Section 10.4) shall take such steps as are reasonably required to obtain the approval of the WAR Shareholders for the War Resolution by the Meeting Deadline in compliance with Applicable Laws.

3.3 *Preparation of Filings.* WAR and Petrodorado shall co-operate and use their reasonable commercial efforts in good faith to take, or cause to be taken, all reasonable actions, including the preparation of any applications for regulatory approvals and other orders, registrations, consents, filings, rulings, exemptions, no-action letters, circulars and approvals required in connection with this Agreement and the Amalgamation and the preparation of any required documents, in each case as reasonably necessary to discharge their respective obligations under this Agreement and the Amalgamation, and to complete any of the transactions contemplated by this Agreement, including their obligations under Applicable Laws.

- (a) Subject to obtaining the approval of the WAR Shareholders to the Amalgamation and subject to the satisfaction or waiver of the conditions herein contained in favour of WAR, WAR agrees that it shall, with the co-operation and participation of Petrodorado, use its reasonable commercial efforts to make such arrangements with the Registrar as may be necessary or desirable to permit:
 - (i) the filing with the Registrar of the Amalgamation Application to be made effective at the Effective Time (and in any event, on or before the Effective Date Deadline); and
 - (ii) the obtaining of the Certificate of Amalgamation in that regard.
- (b) In the event that there is a failure to obtain, or if Petrodorado reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Authority required in connection with the approval of the Amalgamation, then WAR shall, upon the request of Petrodorado, use its reasonable commercial efforts to assist Petrodorado to successfully implement and complete any alternative transaction structure that does not have negative financial consequences for either Party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Subsection 3.3(b) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the Parties hereto shall, upon the reasonable request of any Party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

3.4 *Steps to be taken by Petrodorado.*

- (a) Petrodorado covenants in favour of WAR that Petrodorado shall comply with Exchange policies so that the Petrodorado Shares issuable in connection with the transactions contemplated herein are accepted for listing by the Exchange pursuant to such policies.
- (b) Petrodorado agrees that, on the Effective Date and subject to the satisfaction or waiver of the conditions herein contained in favour of Petrodorado, Petrodorado shall provide to the Depository an irrevocable direction to issue the maximum number of Petrodorado Shares issuable pursuant to the Amalgamation so as to permit the Depository to issue the Petrodorado Shares to WAR Shareholders as contemplated herein.

3.5 *Implementation.* Subco and WAR agree to complete the Amalgamation pursuant to Division 3 of Part 9 of the BCBCA and to continue as one corporation as a Subsidiary of Petrodorado upon the following terms and conditions:

- (a) the name of Amalco shall be "Western Atlas Holding Corp." or such other name as selected by the board of directors of WAR;
- (b) the registered office of Amalco shall be located at 666 Burrard St #1700, Vancouver, BC V6C 2X8 at the Effective Time;
- (c) the articles of Amalco shall be substantially in the form set forth in Schedule A;
- (d) each issued and outstanding WAR Common Share (other than WAR Shares held by Dissenting Shareholders) shall be exchanged for Petrodorado Shares at the Exchange Ratio;
- (e) the directors of Amalco shall be Fabio Capponi and Susan Rubin, and such Persons shall hold office until the first annual or general meeting of the shareholders of Amalco or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the Articles of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors as it is constituted from time to time;
- (f) the auditors of Amalco shall be the auditors of Petrodorado or such other auditors as selected by the board of directors of Petrodorado; and
- (g) there shall be no restrictions on the business that Amalco may carry on.

3.6 *Effect of Certificate of Amalgamation.* On the Effective Date, subject to the BCBCA:

- (a) the Amalgamation and the continuance of Subco and WAR as one corporation under the terms and conditions prescribed in this Agreement shall be effective;
- (b) the property of each of Subco and WAR shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of Subco and WAR;

- (d) any existing cause of action, claim or liability to prosecution with respect to either or both or all of Subco and WAR shall be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against any of Subco and WAR may be continued to be prosecuted by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, any of Subco and WAR may be enforced by or against Amalco; and
- (g) the Notice of Articles contained in the Amalgamation Application shall be deemed to be the Notice of Articles of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of Amalco.

3.7 *General Effects of the Amalgamation.* On the Effective Date:

- (a) subject to Subsection 3.7(c), Section 3.9 and Section 3.11, each WAR Shareholder (other than dissenting WAR Shareholders) shall receive that number of fully paid and non-assessable Petrodorado Shares equal to the product determined by multiplying the number of WAR Shares held by such WAR Shareholder by the Exchange Ratio, following which all such WAR Shares shall be cancelled;
- (b) Petrodorado shall receive one (1) fully paid and non-assessable Amalco common share for each one (1) Subco common share held by Petrodorado, following which all such Subco common shares shall be cancelled;
- (c) no fractional Petrodorado Shares shall be issued to holders of WAR Shares; in lieu of any fractional entitlement, the number of Petrodorado Shares issued to each former WAR Shareholder shall be rounded down to the next greater whole number of Petrodorado Shares without any additional compensation;
- (d) Petrodorado shall add an amount to the paid-up capital maintained in respect of the Petrodorado Shares equal to the aggregate paid-up capital for income tax purposes of the WAR Shares immediately prior to the Effective Time (less the paid-up capital of any WAR Shares held by Dissenting Shareholders who do not exchange their WAR Shares for Petrodorado Shares on the Amalgamation); and
- (e) Amalco shall add an amount to the paid-up capital maintained in respect of the Amalco common shares such that the paid-up capital of the Amalco common shares shall be equal to the aggregate paid-up capital for income tax purposes of the Subco common shares and WAR Shares immediately prior to the Effective Time.

3.8 *Amalgamation Application and Filing.* Subject to the provisions hereof, Subco and WAR will jointly file, with the Registrar, the Amalgamation Application and such other documents as may be required by the BCBCA to give effect to the Amalgamation as contemplated herein on or before the Effective Date Deadline or such later date as may be agreed to by the Parties.

3.9 *Share Certificates.* On the Effective Date:

- (a) the register of transfers of WAR Shares shall be closed;

- (b) subject to Section 3.7, the WAR Shareholders shall cease to be holders of WAR Shares and shall be deemed to be the registered holders of the Petrodorado Shares to which they are entitled, calculated in accordance with the provisions hereof;
 - (c) certificates representing Petrodorado Shares issuable to each WAR Shareholder pursuant to the Amalgamation will, as soon as practicable, but no later than five (5) Business Days following the Effective Date be forwarded by the Depositary to that holder, at the address specified in the central securities register of WAR, by first class mail (postage prepaid);
 - (d) Petrodorado, as the registered holder of Subco common shares, shall cease to be the holder of Subco common shares and shall be deemed to be the registered holder of the Amalco common shares; and
 - (e) all share certificates formerly representing WAR Shares shall be deemed cancelled and any former non-certificated entry or position on the central securities register of WAR shall be cancelled.
- 3.10 Subject to the conditions in Article 4 and Article 6, Petrodorado covenants that on the Effective Date it will issue the Petrodorado Shares to WAR Shareholders as specified in this Article 3.
- 3.11 *Dissenting Shareholders.*
- (a) Each WAR Shareholder may exercise Dissent Rights in connection with the Amalgamation pursuant to and in the manner set forth in section 238 of the BCBCA. WAR shall give Petrodorado (i) prompt notice of any written notices of exercise of Dissent Rights, withdrawals of such notices, and any other instruments served pursuant to the BCBCA and received by WAR; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of Petrodorado, except as required by Applicable Law, WAR shall not make any payment with respect to any such rights or offer to settle or settle any such rights.
 - (b) WAR Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by Section 3.7. However, if a Dissenting Shareholder fails to perfect or effectively withdraw its claim under section 238 of the BCBCA or forfeits its right to make a claim under section 238 of the BCBCA or if its rights as a WAR Shareholder are otherwise reinstated, such WAR Shareholder's shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 3.7.
- 3.12 *Recommendation of the WAR Board of Directors.* WAR represents and warrants to Petrodorado that its board of directors has unanimously determined that:
- (a) the Amalgamation is fair from a financial point of view to the WAR Shareholders and is in the best interests of WAR and its shareholders; and
 - (b) the board of directors of WAR will unanimously recommend that WAR Shareholders vote in favour of the Amalgamation, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.

ARTICLE 4
THE PETRODORADO MEETING AND EXCHANGE APPROVALS

4.1 *The Petrodorado Meeting*

- (a) Petrodorado agrees:
 - (i) to convene and conduct the Petrodorado Meeting in accordance with Petrodorado's articles and Applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline;
 - (ii) in consultation with WAR, to fix and publish a record date for the purposes of determining the Petrodorado Shareholders entitled to receive notice of and vote at the Petrodorado Meeting;
 - (iii) that it shall not, except as required for quorum purposes, as required by Applicable Law, or otherwise as permitted under this Agreement, adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Petrodorado Meeting without WAR's prior written consent;
 - (iv) to advise WAR as WAR may reasonably request, as to the aggregate tally of the proxies received by Petrodorado in respect of the Petrodorado Resolutions; and
 - (v) to provide notice to WAR of the Petrodorado Meeting and allow representatives of WAR to attend the Petrodorado Meeting.

4.2 *The Petrodorado Circular*

- (a) As promptly as reasonably practicable following execution of this Agreement with a targeted date on or before August 15, 2017, Petrodorado shall (i) prepare the Petrodorado Circular together with any other documents required by Applicable Laws, (ii) file the Petrodorado Circular in all jurisdictions where the same is required to be filed, and (iii) mail the Petrodorado Circular as required under Applicable Laws. On the date of mailing thereof, the Petrodorado Circular shall comply in all material respects with all Applicable Laws and shall contain sufficient detail to permit the Petrodorado Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Petrodorado Meeting.
- (b) Petrodorado shall ensure that the Petrodorado Circular complies in all material respects with all Applicable Laws, and, without limiting the generality of the foregoing, that the Petrodorado Circular will not contain any misrepresentation (except that Petrodorado shall not be responsible for any information relating to WAR and its Affiliates, including the WAR Shares, which has been provided by WAR specifically for inclusion in the Petrodorado Circular).
- (c) Petrodorado shall disclose in the Petrodorado Circular that its board of directors has unanimously determined that:

- (i) the Transaction is fair from a financial point of view to the Petrodorado Shareholders and is in the best interests of Petrodorado and its shareholders; and
 - (ii) the board of directors of Petrodorado will unanimously recommend that Petrodorado Shareholders vote in favour of the Petrodorado Resolutions, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.
- (d) Subject to Section 11.4: (i) Petrodorado shall solicit proxies in favour of the Petrodorado Resolutions, against any resolution submitted by any other Petrodorado Shareholder, and permitting WAR to otherwise assist Petrodorado in such solicitation, and take all other actions that are reasonably necessary or desirable to seek the approval of the Petrodorado Resolutions by Petrodorado Shareholders; (ii) the Petrodorado board of directors shall recommend to Petrodorado Shareholders that they vote in favour of the Petrodorado Resolutions; (iii) Petrodorado shall not make a Petrodorado Change in Recommendation; and (iv) Petrodorado shall include in the Petrodorado Circular a statement that each director and executive officer of Petrodorado intends to vote all of such Person's Petrodorado Shares (including any Petrodorado Shares issued upon the exercise of any Petrodorado Options or Petrodorado Warrants) in favour of the Petrodorado Resolutions, subject to the other terms of this Agreement and the Petrodorado Support Agreements.
- (e) WAR shall provide to Petrodorado all information regarding WAR, WAR Nunavut and the WAR Shares, including any pro forma financial statements prepared in accordance with IFRS and Applicable Laws as Petrodorado may reasonably require for inclusion in the Petrodorado Circular or in any amendments or supplements to such Petrodorado Circular. WAR shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Petrodorado Circular and to the identification in the Petrodorado Circular of each such advisor. WAR shall ensure that such information does not include any misrepresentation concerning WAR.
- (f) WAR and its legal counsel shall be given a reasonable opportunity to review and comment on the Petrodorado Circular prior to the Petrodorado Circular being printed and filed with any Governmental Authority, and reasonable consideration shall be given to any comments made by WAR and its legal counsel, provided, however, that all information relating solely to WAR, its Affiliates and the WAR Shares included in the Petrodorado Circular shall be in form and content satisfactory to WAR, acting reasonably. Petrodorado shall provide WAR with final copies of the Petrodorado Circular prior to the mailing to the Petrodorado Shareholders.
- (g) Petrodorado and WAR shall each promptly notify each other if at any time before the Effective Date either becomes aware that the Petrodorado Circular contains a misrepresentation, or that otherwise requires an amendment or supplement to the Petrodorado Circular and the Parties shall co-operate in the preparation of any amendment or supplement to the Petrodorado Circular as required or appropriate, and

Petrodorado shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Petrodorado Circular to Petrodorado Shareholders and, if required by or Applicable Laws, file the same with any Governmental Authority and as otherwise required.

4.3 *Preparation of Filings.*

- (a) WAR and Petrodorado shall co-operate and use their reasonable commercial efforts in good faith to take, or cause to be taken, all reasonable actions, including the preparation of any applications for regulatory approvals and other orders, registrations, consents, filings, rulings, exemptions, no-action letters, circulars and approvals required in connection with this Agreement and the Amalgamation and the preparation of any required documents, in each case as reasonably necessary to discharge their respective obligations under this Agreement and the Amalgamation, and to complete any of the transactions contemplated by this Agreement, including their obligations under Applicable Laws.
- (b) In the event that there is a failure to obtain, or if WAR reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Authority required in connection with the approval of the Amalgamation, then Petrodorado shall, upon the request of WAR, use its reasonable commercial efforts to assist WAR to successfully implement and complete any alternative transaction structure that does not have negative financial consequences for either Party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Subsection 4.3(b) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the Parties hereto shall, upon the reasonable request of any Party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

4.4 *Recommendation of the Petrodorado Board of Directors.* Petrodorado represents and warrants to Petrodorado that its board of directors has unanimously determined that:

- (a) the Transaction is fair from a financial point of view to the Petrodorado Shareholders and is in the best interests of Petrodorado and the Petrodorado Shareholders; and
- (b) the board of directors of Petrodorado will unanimously recommend that Petrodorado Shareholders vote in favour of the Transaction and the Petrodorado Resolutions, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.

4.5 *Subco Resolution.* Subco and Petrodorado shall cause the Subco Resolution to be passed as a consent resolution of Petrodorado as Subco's sole shareholder by the Meeting Deadline, in accordance with Applicable Law and on terms satisfactory to WAR, acting reasonably.

ARTICLE 5
CLOSING CONDITIONS OF WAR

- 5.1 The obligation of WAR to complete the Transaction is subject to the fulfilment of the following conditions precedent on or before the Effective Date or such other time as is specified below:
- (a) the representations and warranties made by each of Petrodorado and Subco in Section 9.1 shall be true in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date), and each of Petrodorado and Subco shall have provided to WAR a certificate of an officer certifying as to such matters on the Effective Date and WAR shall have no actual knowledge to the contrary;
 - (b) each of Petrodorado and Subco shall have complied in all material respects with their respective covenants in this Agreement and each of Petrodorado and Subco shall have provided to WAR a certificate of an officer of Petrodorado certifying as to such compliance as of the Effective Date and WAR shall have no actual knowledge to the contrary;
 - (c) before giving effect to the transactions contemplated herein, there shall have been no Material Adverse Change in respect of Petrodorado and Subco and the Petrodorado Business since the date hereof;
 - (d) each of Petrodorado and Subco shall have furnished WAR with certified copies of the resolutions duly passed by their respective boards of directors approving this Agreement and the consummation of the transactions contemplated herein, and including, in Petrodorado's case, the conditional allotment of the aggregate number of Petrodorado Shares required to be issued in accordance with the terms of this Agreement upon the Amalgamation taking effect;
 - (e) Subco shall have furnished WAR with a certified copy of the resolutions of Petrodorado as Subco's sole shareholder approving the Amalgamation;
 - (f) Petrodorado shall have furnished WAR with a certified copy of the Petrodorado Resolutions, duly passed by not less than 50% plus one vote of the votes cast by a quorum of Petrodorado Shareholders at the Petrodorado Meeting;
 - (g) Petrodorado shall have taken all steps required to change the board and management of Petrodorado to Persons designated by WAR and to effect the Name Change, the Petrodorado Continuance and the Petrodorado Articles Amendment at the Effective Time;
 - (h) all rights of first refusal or similar contractual obligations relating to the Petrodorado Assets shall have been waived, terminated or otherwise expired;
 - (i) the board of directors of Petrodorado shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in Section 4.4;

- (j) Petrodorado shall not have amended, modified, changed or replaced any of its employment agreement terms, severance policies, or other employment agreements from the date hereof until the Effective Time except as provided herein or with the prior written consent of WAR;
- (k) there shall be no action taken under any existing law, regulation, rule or order, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or regulatory authority or similar agency, that will impose any material limitations on the ability of Petrodorado at the Effective Date to effectively exercise full rights of ownership of the common shares of Amalco including, without limitation, the right to vote any such shares, or the ability of Petrodorado to operate, use and exploit the Petrodorado Business;
- (l) immediately prior to the Effective Time the aggregate number of Petrodorado Shares issued and outstanding on a fully diluted basis shall not be in excess 30,617,834;
- (m) Petrodorado shall have obtained the approval of the Exchange for the Transaction and the listing and posting for trading on the Exchange of the Petrodorado Shares to be issued pursuant to the Amalgamation, subject only to the satisfaction of the customary listing conditions of the Exchange, and shall have received Exchange approval for the Name Change, the Petrodorado Articles Amendment and the Petrodorado Continuance;
- (n) the Petrodorado 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 Petrodorado Shares pursuant to the Amalgamation, to the WAR Shareholders who are entitled to receive such consideration in accordance with Section 3.9 and upon completion of the Amalgamation; and
- (o) the Petrodorado Shares to be delivered pursuant to the Amalgamation shall be issued as fully paid and non-assessable common shares in the capital of Petrodorado, free and clear of all Encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant Exchange policies or applicable securities laws;
- (p) the severance agreements between Petrodorado and each of Chris Reid and Lynn Chapman dated as of the date hereof shall remain in effect, unamended, and Petrodorado shall have entered into severance arrangements with other members of Petrodorado's management which are acceptable to WAR in its sole discretion;
- (q) Petrodorado shall have closed its Calgary office, shall have paid all of its outstanding payables, and shall have provided WAR with invoices and evidence satisfactory to WAR of such payments having been made, provided that there may be certain immaterial outstanding payables which may not be known until post-closing not to exceed \$10,000 in aggregate;
- (r) the ANH Guarantee shall have been resolved to WAR's satisfaction;

- (s) Petrodorado shall have a net cash balance of C\$1,750,000 at the Effective Date (after paying its outstanding payables and after deduction of anticipated transaction costs); and
- (t) the board of directors of Petrodorado shall consist of Fabio Capponi, José Francisco Arata, Serafino Iacono and Michael Galego Dacosta, Fabio Capponi will be appointed as Petrodorado's CEO and President, and Susan Rubin will be appointed as Petrodorado's Chief Financial Officer.

The foregoing conditions precedent are for the benefit of WAR and may be waived, in whole or in part, by WAR in writing at any time. If any of the said conditions precedent shall not be complied with or waived by WAR on or before the date required for the performance thereof, WAR may, in addition to the other remedies it may have at law or equity, rescind and terminate this Agreement by written notice from WAR to Petrodorado pursuant to Article 12.

ARTICLE 6 CLOSING CONDITIONS OF PETRODORADO

- 6.1 The obligation of Petrodorado to complete the Transaction is subject to fulfilment of the following conditions precedent on or before the Effective Date or such other time as is specified below:
- (a) the representations and warranties made by WAR in Section 8.1 shall be true in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and WAR shall have provided to Petrodorado a certificate of one officer of WAR certifying as to such matters on the Effective Date and Petrodorado shall have no knowledge to the contrary;
 - (b) WAR shall have complied in all material respects with its covenants in this Agreement and WAR shall have provided to Petrodorado a certificate of an officer certifying as to such compliance as of the Effective Date and Petrodorado shall have no actual knowledge to the contrary;
 - (c) before giving effect to the transactions contemplated by this Agreement, there shall have been no Material Adverse Change in respect of WAR or the WAR Business since the date hereof;
 - (d) WAR shall have furnished Petrodorado with:
 - (i) certified copies of the resolutions duly passed by the board of directors of WAR approving this Agreement and the consummation of the transactions contemplated hereby and directing the submission of the Amalgamation for approval by WAR Shareholders and recommending that WAR Shareholders vote in favour of the Amalgamation; and
 - (ii) certified copies of the WAR Resolution, duly passed by not less than 66 2/3% of the votes cast by a quorum of WAR Shareholders at the WAR Meeting, or

alternately, a unanimous consent resolution in writing of the WAR Shareholders approving the WAR Resolution;

- (e) there shall be no action taken under any existing law, regulation, rule or order, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or regulatory authority or similar agency, that will impose any material limitations on the ability of Petrodorado at the Effective Date to effectively exercise full rights of ownership of the common shares of Amalco including, without limitation, the right to vote any such shares, or the ability of Petrodorado to operate, use and exploit the Petrodorado Business;
- (f) immediately prior to the Effective Time the aggregate number of WAR Shares issued and outstanding on a fully diluted basis shall not be in excess of 28,900,000 (except as the aggregate number of outstanding WAR Shares may be increased as a result of the potential \$500,000 financing described in Section 10.1(a)(ii));
- (g) immediately prior to the Effective Time there shall be no option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of WAR;
- (h) all rights of first refusal or similar contractual obligations relating to the WAR Assets shall have been waived, terminated or otherwise expired;
- (i) the board of directors of WAR shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in Section 3.12;
- (j) holders of not greater than 5% of the outstanding WAR Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date; and
- (k) WAR shall not have amended, modified, changed or replaced any of its employment agreement terms, severance policies, or other employment agreements from the date hereof until the Effective Time without the prior written consent of Petrodorado.

The foregoing conditions precedent are for the benefit of Petrodorado and may be waived, in whole or in part, by Petrodorado in writing at any time. If any of the said conditions precedent shall not be complied with or waived by Petrodorado on or before the date required for the performance thereof, Petrodorado may, in addition to the other remedies it may have at law or equity, rescind and terminate this Agreement by written notice to WAR, pursuant to Article 12.

ARTICLE 7 MUTUAL CLOSING CONDITIONS

- 7.1 The obligations of Petrodorado, WAR and Subco to complete the transactions contemplated herein are subject to fulfilment of the following conditions precedent on or before the Effective Date or such other time as is specified below:

- (a) the WAR Resolution shall have been passed by WAR Shareholders on or before the Meeting Deadline in form and substance satisfactory to each of Petrodorado and WAR, acting reasonably;
- (b) the Petrodorado Resolutions and Subco Resolution shall have been passed by Petrodorado Shareholders and by Petrodorado as the sole shareholder of Subco on or before the Meeting Deadline in form and substance satisfactory to each of Petrodorado and WAR, acting reasonably;
- (c) the Amalgamation Application filed with the Registrar shall be in form and substance satisfactory to each of Petrodorado and WAR, acting reasonably;
- (d) the Amalgamation and the issuance of the Petrodorado Shares to the WAR Shareholders shall have been conditionally approved by the Exchange on or before the Effective Date Deadline;
- (e) the Effective Date shall have occurred on or prior to the Effective Date Deadline;
- (f) there shall be no action taken under any existing Applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; and
- (g) WAR, Subco and Petrodorado shall each have obtained all consents, approvals and authorizations (including, without limitation, all stock exchange, securities commission and other regulatory approvals) required or necessary in connection with the transactions contemplated herein on terms and conditions reasonably satisfactory to WAR and Petrodorado.

The foregoing conditions are for the mutual benefit of Petrodorado, WAR and Subco and may be waived, in whole or in part, by Petrodorado, WAR and Subco together, at any time. If any of the said conditions precedent shall not be complied with or waived as aforesaid on or before the date required for the performance thereof, Petrodorado, WAR and Subco may, in addition to the other remedies it may have at law or in equity, rescind and terminate this Agreement by written notice to the Other Party, pursuant to Article 12.

**ARTICLE 8
REPRESENTATIONS AND WARRANTIES OF WAR**

- 8.1 Except as disclosed in the WAR Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made) WAR represents, warrants and covenants to Petrodorado and Subco that:
- (a) each of WAR and WAR Nunavut are duly organized and validly existing under the laws of the jurisdiction of its incorporation, has the capacity, power and authority to own or lease its property and assets and to carry on its business as now conducted by it;
 - (b) each of WAR and WAR Nunavut is duly qualified to carry on business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it makes such qualification necessary, except where the failure to be so qualified is not material;
 - (c) WAR does not have any Subsidiaries other than WAR Nunavut. WAR beneficially owns directly all of the issued and outstanding securities of WAR Nunavut. All of the outstanding shares in the capital of WAR Nunavut are: (i) validly issued and fully-paid and all such shares are owned free and clear of all Encumbrances of any kind or nature whatsoever; and (ii) are free of any other material restrictions including any restriction on the right to vote, sell or otherwise dispose of shares;
 - (d) each of WAR and WAR Nunavut has complied with and is in compliance with all laws or regulations applicable to the operation of its business, including all Applicable Laws, except where failure to do so is not material, and each of WAR and WAR Nunavut have all licenses, permits, orders or approvals of, and has made all required registrations with any government or regulatory body that are material to the conduct of its business;
 - (e) WAR has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and, subject to the terms hereof, to perform its obligations hereunder and thereunder;
 - (f) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and will not:
 - (i) result in the breach of or violate any term or provision of the notice of articles, articles or governing documents of WAR;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which WAR is a party or by which it is bound or to which its property is subject, subject to obtaining any required consents to the "change of control" of WAR arising from the Amalgamation;
 - (iii) result in the creation of any Encumbrance upon any of the WAR Assets;

- (iv) give to any Person any material interest or right, including the right of purchase, termination, cancellation or acceleration under any such agreement, instrument, license, permit or authority; or
- (v) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to any of WAR or the WAR Shares or the WAR Assets,

except to the extent such results or occurrences as set forth in this Subsection 8.1(f) collectively are not material;

- (g) this Agreement has been duly authorized, executed and delivered by WAR and all documents to be executed and delivered by WAR pursuant hereto to Petrodorado shall be duly executed and delivered and this Agreement constitutes, legal, valid and binding obligations of WAR enforceable against it in accordance with its terms except as the enforcement thereof may be limited by bankruptcy, insolvency and other Applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (h) WAR has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents commission, financial advisory fees or other similar forms of compensation with respect to the transactions contemplated herein;
- (i) there are no actions, suits, other legal, administrative or arbitration proceedings or government investigations commenced, or to the knowledge of WAR contemplated, at law or in equity or before or by any court or other Governmental Authority and which involve or affect WAR or the WAR Assets, which is material and, to the best of the knowledge, information and belief of WAR, there are no grounds upon which any such actions, suits or proceedings may be commenced with a reasonable likelihood of success;
- (j) as of the date hereof the authorized capital of WAR consists of an unlimited number of Class A Common Shares without par value, and an unlimited number of Class B Common Shares without par value. As of the date hereof, there are 20,150,000 Class A Common Shares and 8,750,000 Class B Common Shares issued and outstanding;
- (k) no Person has any agreement, option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of WAR;
- (l) the respective minute books of WAR and WAR Nunavut are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders on the date hereof;
- (m) the WAR Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods (except as stated therein) and present fairly,

in all material respects, the financial position of WAR, as of the dates provided therein and the results of its operations and the changes in financial position for the periods then ended in accordance with IFRS as at the dates thereof;

- (n) no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of WAR and WAR is not in default of any requirement of Applicable Laws which is material;
- (o) since March 31, 2017, WAR has:
 - (i) not amended its articles or other governing documents;
 - (ii) not disposed of any property or assets out of the ordinary course of business;
 - (iii) conducted the WAR Business in all material respects in the usual, ordinary and regular course and consistent with past practices;
 - (iv) not suffered any Material Adverse Change, financial or otherwise, in the WAR Business, assets, rights, properties, condition (financial or otherwise), liabilities, capitalization, operations, prospects or results of operation or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change thereto;
 - (v) not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
 - (vi) maintained in effect salary and other compensation levels in accordance with its then existing salary administration program;
 - (vii) neither paid any bonuses or other payments nor entered into any agreements, whether in writing or verbal, providing for payments to be made to any employees, consultants, officers or directors of WAR in respect of loss of office or loss of employment in connection with the transactions contemplated hereby;
 - (viii) not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with WAR;
 - (ix) not issued any guarantees or made any commitments outside the normal course of business other than as disclosed elsewhere in this Agreement or in writing to Petrodorado prior to the date hereof;
 - (x) not entered into or closed any hedge, swap or other like transaction; and
 - (xi) not incurred any material liabilities of any nature, whether accrued, contingent or otherwise or which would be required by IFRS to be reflected on the balance sheet of WAR;

- (p) no officer, director, employee or consultant of WAR, any associate or Affiliate of any such Person or any party not at arm's length to WAR owns, has or is entitled to any royalty, net profits interest, carried interest or other Encumbrances of any nature whatsoever which are based on production from WAR's properties or assets or any revenue or rights attributed thereto;
- (q) Except for employment contracts which have been provided to Petrodorado and are identified in section 8.1(q) of the WAR Disclosure Letter, there are no contracts or arrangements to which WAR is a party with any director, officer, employee or consultant of WAR, or any associate or Affiliate of any such director, officer, employee or consultant, nor is there any indebtedness owing by WAR to any such parties or by any such parties to WAR other than legal fees payable to WAR Counsel;
- (r) WAR is not aware of any defects, failures or impairments in the title of WAR or WAR Nunavut to their mining properties or facilities, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any Person, which in aggregate could have a Material Adverse Effect, financial or otherwise, on the WAR Business or the WAR Assets or the anticipated cash-flow of WAR;
- (s) subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to the WAR Assets and on the lessee's or holder's part thereunder to be paid or performed and observed, WAR and WAR Nunavut, as applicable, may enter into and upon, hold and enjoy its property and assets for the remainder of their respective terms and all renewals or extensions thereof for its own use and benefit without any lawful interruption of or by any other Person whomsoever claiming by, through or under it;
- (t) each of WAR and WAR Nunavut has duly and timely filed, in proper form, returns in respect of taxes under the Tax Act, the *Income Tax Act* (British Columbia), the income tax legislation of any other province of Canada, or any foreign country in which it carries on business or to the jurisdiction of which it is otherwise subject (including but not limited to the United States), the *Mineral Tax Act* (British Columbia), the *Mineral Land Tax Act* (British Columbia), and similar legislation of other provinces having jurisdiction over the affairs of WAR and WAR Nunavut, and, as applicable, the *Excise Tax Act* (Canada) for all prior periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing with respect to periods ending on or prior to December 31, 2016, have been paid or accrued on the books of WAR and its Subsidiaries, calculated in accordance with Canadian generally acceptable accounting principles, and all payments by WAR and its Subsidiaries to any non-resident have been made in accordance with all applicable legislation in respect of withholding tax; and WAR and its Subsidiaries have withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;
- (u) all filings made by each of WAR and WAR Nunavut under which it has received or is entitled to government incentives, have been made in accordance, in all material

respects, with all applicable legislation, contain no Misrepresentation which could cause any amount previously paid to it or previously accrued on the accounts thereof to be recovered or disallowed;

- (v) there are no outstanding agreements or waivers material to WAR or WAR Nunavut extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period and there are no issued, or to the knowledge of WAR proposed, assessments or reassessments respecting WAR or WAR Nunavut pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority;
- (w) Except for employment contracts which have been provided to Petrodorado and are identified in section 8.1(w) of the WAR Disclosure Letter, WAR is not a party to any written contract of employment or collective bargaining agreement and there are no currently existing employment benefit plans, arrangements or agreements to which WAR is a party or by which it is bound;
- (x) WAR is not a “reporting issuer” and does not have equivalent status in any province or territory of Canada;
- (y) except to the extent that any violations or other matters referred to in this paragraph are not material:
 - (i) each of WAR and WAR Nunavut is not in violation of any applicable Environmental Laws;
 - (ii) each of WAR and WAR Nunavut has operated the WAR Business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) to the best of the knowledge of WAR, 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 WAR or WAR Nunavut or under their control;
 - (iv) to the best of the knowledge of WAR, 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 each of WAR and WAR Nunavut;
 - (v) to the best of the knowledge of WAR, no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of each of WAR and WAR Nunavut;
 - (vi) each of WAR and WAR Nunavut has not failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law; and

- (vii) each of WAR and WAR Nunavut holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by it, it has not received any notification pursuant to any Environmental Laws that any work, repairs, construction or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, 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;
- (z) WAR or WAR Nunavut, as applicable, is the legal and beneficial owner of and has good title to the exploitation permits, mining claims, concessions, licenses, leases, options or other instruments conferring mineral rights to WAR or WAR Nunavut in respect of the properties in which WAR or WAR Nunavut has an interest, comprising part of the WAR Assets, and all agreements by which WAR or WAR Nunavut holds an interest in the WAR Assets are in good standing according to their respective terms and, to the knowledge of WAR, the WAR Assets are in good standing under Applicable Laws and all filings and work commitments required by WAR or WAR Nunavut to maintain the WAR Assets in good standing have been properly recorded and filed in a timely manner with the appropriate Governmental Authority.
- (aa) Neither WAR nor WAR Nunavut has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the mining claims listed in section 8.1(aa) of the WAR Disclosure Letter (being all of the mineral rights forming part of the WAR Assets), and without limiting the generality of the foregoing, WAR has obtained all material licences and permits necessary for the operation of the business of WAR as presently conducted, and has not taken any action which would impair the ability of WAR 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 Authority;
- (bb) 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 WAR or WAR Nunavut are bound on or in relation to the WAR Assets and WAR does not have any continuing financial obligations or liabilities in relation to its mining properties;
- (cc) the WAR Assets are free and clear of all mortgages, pledges, liens, charges, burdens and Encumbrances (other than those in favour of its lenders, those Encumbrances incurred in the ordinary course of business and those burdens and Encumbrances which do not and will not have a Material Adverse Effect on the ownership or operation or its assets and properties ("**Permitted Encumbrances**")) and other than Permitted Encumbrances, it has done no act or suffered or permitted no action to be done whereby any Person has acquired or may acquire an interest in or to its material properties or assets, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets;

- (dd) WAR is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation;
- (ee) all of the data and information in respect of WAR and WAR Nunavut provided or disclosed to Petrodorado or any of its officers, employees, agents or other representatives by or on behalf of WAR was and is accurate and correct in all material respects as of the date on which such information was provided;
- (ff) WAR has no obligations or liabilities to pay any amount to its employees, consultants, officers and directors other than salary to employees in the ordinary course, to the Effective Date, in each case in amounts consistent with its historic practices;
- (gg) each of WAR and WAR Nunavut has duly and timely satisfied all of the obligations required to be satisfied, performed and 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 it under any leases, or any other agreement pertaining to WAR Assets which would be material;
- (hh) WAR holds policies of insurance which are in good standing and which are customary in respect of the properties and assets of, and the WAR Business;
- (ii) WAR owns all registered and/or beneficial interests in any property or equipment used in or by WAR in the conduct of the WAR Business;
- (jj) WAR has made available true and complete copies of all contracts that are material to WAR and to which it is a party, each of which is a valid and binding obligation of WAR, and to the knowledge of WAR, of the Other Party or parties thereto, enforceable in accordance with its terms and WAR has not terminated, cancelled, renewed or modified in any material respect, any terms or conditions of any material contracts and no proposal or discussions with third parties for such termination, cancellation, modification, amendment or waiver is ongoing. Such agreements do not contain any "change of control" provision, which would be triggered or affected by the transactions contemplated hereby. WAR has performed in all material respects the obligations required to be performed by it and is entitled to all the benefits under such material contracts. WAR has not violated or breached, in any material respect, any terms or conditions of such material contracts and there exists no default or event of default or event, occurrence, condition or act, which with the giving of notice, lapse of time or the happening of any other event or condition, would become a default or event of default by WAR under any such material contract, subject to obtaining any required consents and to the "change of control" of WAR arising pursuant to the Amalgamation; and
- (kk) WAR has no shareholders who are U.S persons.

**ARTICLE 9
REPRESENTATIONS AND WARRANTIES OF PETRODORADO AND SUBCO**

- 9.1 Except as disclosed in the Petrodorado Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), each of Petrodorado and Subco jointly and severally represents, warrants and covenants to WAR that:
- (a) each of Petrodorado and Subco is duly organized and validly existing under the laws of the jurisdiction of its organization, has the capacity, power and authority to own or lease its property and assets and to carry on its business as now conducted by it;
 - (b) each of Petrodorado and Subco is duly qualified to carry on business in each jurisdiction in which the nature of its business or the property or assets owned or leased by it makes such qualification necessary, except where the failure to be so qualified is not material;
 - (c) Petrodorado does not have any Subsidiaries other than Subco. Petrodorado beneficially owns directly all of the issued and outstanding securities of Subco. All of the outstanding shares in the capital of Subco are: (i) validly issued and fully-paid and all such shares are owned free and clear of all Encumbrances of any kind or nature whatsoever; and (ii) are free of any other material restrictions including any restriction on the right to vote, sell or otherwise dispose of shares;
 - (d) each of Petrodorado and Subco has complied with and is in compliance with all laws or regulations applicable to the operation of its business, including all Applicable Laws, except where failure to do so is not material, and Petrodorado has all licenses, permits, orders or approvals of, and have made all required registrations with any government or regulatory body that are material to the conduct of its business;
 - (e) each of Petrodorado and Subco has all requisite corporate power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and, subject to the terms hereof, to perform its obligations hereunder and thereunder;
 - (f) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and will not:
 - (i) result in the breach of or violate any term or provision of the articles, by-laws or governing documents of either of Petrodorado or Subco;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Petrodorado or Subco is a party or by which any of them are bound or to which any of their property is subject;
 - (iii) result in the creation of any Encumbrance upon any of the Petrodorado Assets;

- (iv) give to any Person any material interest or right, including the right of purchase, termination, cancellation or acceleration under any such agreement, instrument, license, permit or authority; or
- (v) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to any of Petrodorado, Subco, the Petrodorado Shares or the Petrodorado Assets,

except to the extent such results or occurrences as set forth in this Subsection 8.1(f) collectively are not material;

- (g) this Agreement has been duly authorized, executed and delivered by each of Petrodorado and Subco and all documents to be executed and delivered by Petrodorado and Subco pursuant hereto to WAR shall be duly executed and delivered and this Agreement constitutes, legal, valid and binding obligations of each of Petrodorado and Subco enforceable against them in accordance with their respective terms except as the enforcement thereof may be limited by bankruptcy, insolvency and other Applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (h) Petrodorado has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents commission, financial advisory fees or other similar forms of compensation with respect to the transactions contemplated herein;
- (i) there are no actions, suits, other legal, administrative or arbitration proceedings or government investigations commenced, or to the knowledge of Petrodorado contemplated, at law or in equity or before or by any court or other Governmental Authority and which involve or affect Petrodorado or the Petrodorado Assets which is material and, to the best of the knowledge, information and belief of Petrodorado, there are no grounds upon which any such actions, suits or proceedings may be commenced with a reasonable likelihood of success;
- (j) as of the date hereof, the authorized capital of Petrodorado consists of an unlimited number of Petrodorado Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, 23,274,268 Petrodorado Shares are issued and outstanding, 676,900 Petrodorado Shares are issuable pursuant to outstanding Petrodorado Options, and 6,666,666 Petrodorado Shares are issuable pursuant to outstanding Petrodorado Warrants;
- (k) Petrodorado has reserved a sufficient number of Petrodorado Shares for issuance in connection with the Amalgamation based upon the number of WAR Shares issued and outstanding and authorized for issuance as contemplated by this Agreement and the Petrodorado Shares to be issued in connection with the Amalgamation will, upon issue, be issued as fully paid and non-assessable common shares in the capital of Petrodorado;
- (l) the authorized capital of Subco consists of an unlimited number of common shares, of which as at the date hereof, one (1) common share of Subco is issued and outstanding,

which is issued as fully paid and non-assessable and legally and beneficially owned by Petrodorado;

- (m) no Person has any agreement, option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of Petrodorado other than Petrodorado Shares issuable pursuant to Petrodorado Options and Petrodorado Shares issuable pursuant to Petrodorado Warrants;
- (n) no Person has any agreement, option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of Subco;
- (o) the respective minute books of each of Petrodorado and Subco are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof;
- (p) the Petrodorado Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods (except as stated therein) and present fairly, in all materials respects, the financial position of Petrodorado, as of the dates provided therein and the results of its operations and the changes in financial position for the periods then ended in accordance with IFRS as at the dates thereof;
- (q) no securities commission, stock exchange or similar regulatory authority has issued any order preventing or suspending trading of any securities of Petrodorado or Subco and Petrodorado and Subco are not in default of any requirement of Applicable Laws which is material;
- (r) the information and statements set forth in the Petrodorado Public Documents were true, correct and complete in all material respects and did not contain any Misrepresentation, as of their respective dates, and Petrodorado has not filed any confidential material change reports which continue to be confidential;
- (s) since March 31, 2017, Petrodorado has:
 - (i) not amended its articles, by-laws or other governing documents;
 - (ii) not disposed of any property or assets out of the ordinary course of business;
 - (iii) conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice;
 - (iv) not suffered any Material Adverse Change, financial or otherwise, in its business, assets, rights, properties, condition (financial or otherwise) liabilities, capitalization, operations, prospects or results of operation (taken as a whole)

- or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change thereto;
- (v) not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
 - (vi) maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; and
 - (vii) neither paid any bonuses or other payments nor entered into any agreements, whether in writing or verbal, providing for payments to be made to any employees, consultants, officers or directors of Petrodorado in respect of loss of office or loss of employment in connection with the transactions contemplated hereby;
 - (viii) not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Petrodorado;
 - (ix) not issued any guarantees or made any commitments outside the normal course of business other than as disclosed elsewhere in this Agreement or in writing to WAR prior to the date hereof;
 - (x) not entered into or closed any hedge, swap or other like transaction; and
 - (xi) not incurred any material liabilities of any nature, whether accrued, contingent or otherwise or which would be required by IFRS to be reflected on the balance sheet of Petrodorado;
- (t) no officer, director, employee or consultant of Petrodorado, any associate or Affiliate of any such Person or any party not at arm's length to Petrodorado owns, has or is entitled to any royalty, net profits interest, carried interest or other Encumbrances of any nature whatsoever which are based on production from Petrodorado's properties or assets or any revenue or rights attributed thereto;
- (u) except for employment contracts, agreements in respect of the outstanding Petrodorado Options and agreements in respect of certain of the outstanding Petrodorado Warrants, in each case which have been provided to WAR and are identified in section 9.1(u) of the Petrodorado Disclosure Letter there are no contracts or arrangements to which any of Petrodorado or Subco is a party with any director, officer, employee or consultant of Petrodorado or Subco, or any associate or Affiliate of any such director, officer, employee or consultant, nor is there any indebtedness owing by Petrodorado or Subco to any such parties or by any such parties to Petrodorado or Subco;
- (v) Petrodorado is not aware of any defects, failures or impairments in the title of Petrodorado or Subco to their properties or facilities, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any

Person, which in aggregate could have a Material Adverse Effect, financial or otherwise, on the business of Petrodorado or the Petrodorado Assets or the anticipated cash-flow of Petrodorado;

- (w) Petrodorado has duly and timely filed, in proper form, returns in respect of taxes under the Tax Act, the Alberta *Corporate Tax Act* (Alberta), the income tax legislation of any other province of Canada or any foreign country in which it carries on business or to the jurisdiction of which it is otherwise subject for all prior periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing with respect to periods ending on or prior to December 31, 2016, have been paid or accrued on the books of Petrodorado, calculated in accordance with Canadian generally acceptable accounting principles and all payments by Petrodorado to any non-resident of Canada have been made in accordance with all applicable legislation in respect of withholding tax; and Petrodorado has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;
- (x) all filings made by Petrodorado under which it has received or is entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation, contain no Misrepresentation which could cause any amount previously paid to such corporation or previously accrued on the accounts thereof to be recovered or disallowed;
- (y) there are no outstanding agreements or waivers material to Petrodorado extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period and there are no proposed or issued assessments or reassessments respecting Petrodorado material to Petrodorado or the Petrodorado Assets pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority;
- (z) except for employment agreements, copies of which have been made available to WAR or WAR's Counsel, Petrodorado is not a party to any written contract of employment or collective bargaining agreement and there are no currently existing employment benefit plans, arrangements or agreements, other than the Petrodorado Option Plan, vacation entitlements, health and group insurance plans and customary government plans such as Canada Pension Plan, Employment Insurance and Workers Compensation, to which Petrodorado is a party or by which it is bound;
- (aa) Petrodorado is a "reporting issuer" or has equivalent status in each of the Provinces of Alberta, British Columbia and Ontario, the Petrodorado Shares are listed on the Exchange and Petrodorado is not in default of any requirement of Applicable Laws that remains outstanding;
- (bb) except to the extent that any violations or other matters referred to in this paragraph are not material:

- (i) neither Petrodorado nor Subco is not in violation of any applicable Environmental Laws;
 - (ii) Petrodorado and Subco have operated their respective businesses at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) to the best of the knowledge of Petrodorado, 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 Petrodorado or Subco or under their control;
 - (iv) to the best of the knowledge of Petrodorado, 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 Petrodorado or Subco;
 - (v) to the best of the knowledge of Petrodorado, no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Petrodorado or Subco;
 - (vi) neither Petrodorado nor Subco has failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law; and
 - (vii) Petrodorado holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by it, it has not received any notification pursuant to any Environmental Laws that any work, repairs, construction or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, 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;
- (cc) Petrodorado or Subco, as applicable, is the legal and beneficial owner of and has good title to the exploitation permits, mining claims, concessions, licenses, leases, options or other instruments conferring mineral rights to Petrodorado or Subco in respect of the properties in which Petrodorado or Subco has an interest, comprising part of the Petrodorado Assets, and all agreements by which Petrodorado or Subco holds an interest in the Petrodorado Assets are in good standing according to their respective terms and, to the knowledge of Petrodorado, the Petrodorado Assets are in good standing under Applicable Laws and all filings and work commitments required by Petrodorado or Subco to maintain the Petrodorado Assets in good standing have been

properly recorded and filed in a timely manner with the appropriate Governmental Authority.

- (dd) Petrodorado has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the exploitation permits, concessions, licenses, leases or other instruments conferring mineral rights in respect of the Petrodorado Assets that would, individually or in the aggregate, result in a Material Adverse Effect on Petrodorado and without limiting the generality of the foregoing, Petrodorado has obtained all material licences and permits necessary for the operation of the business of Petrodorado as presently conducted, and has not taken any action which would impair the ability of Petrodorado 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 Authority;
- (ee) except as disclosed in section 9.1(ee) of the Petrodorado Disclosure Letter, 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 Petrodorado or Subco are bound on or in relation to the Petrodorado Assets and Petrodorado does not have any continuing financial obligations or liabilities in relation to its properties;
- (ff) the Petrodorado Assets are free and clear of all mortgages, pledges, liens, charges, burdens and Encumbrances (other than Permitted Encumbrances), and other than Permitted Encumbrances it has done no act or suffered or permitted no action to be done whereby any Person has acquired or may acquire an interest in or to its material properties or assets, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets;
- (gg) neither Petrodorado nor Subco nor any of their respective branches is a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, firm or corporation, or in respect of any assets currently held by them, or formerly held by them and transferred, sold or otherwise disposed of or abandoned by them, including without limitation Colombian assets;
- (hh) all of the data and information in respect of Petrodorado provided or disclosed to WAR or any of its officers, employees, agents or other representatives by or on behalf of WAR was and is accurate and correct in all material respects as of the date on which such information was provided;
- (ii) Petrodorado has no obligations or liabilities to pay any amount to its employees, consultants, officers and directors other than salary to employees in the ordinary course and quarterly payments to the directors, to the Effective Date, in each case in amounts consistent with its historic practices;
- (jj) Petrodorado and Subco have duly and timely satisfied all of the obligations required to be satisfied, performed and 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 it under any leases, or any other agreement pertaining to Petrodorado Assets which would be material;

- (kk) Petrodorado holds policies of insurance which are in good standing and which are customary in respect of the properties and assets of, and the business carried on by Petrodorado;
- (ll) Petrodorado owns all registered and/or beneficial interests in any property or equipment used in or by Petrodorado in the conduct of the Petrodorado Business; and
- (mm) Petrodorado has made available true and complete copies of all contracts that are material to Petrodorado and to which it is a party, each of which is a valid and binding obligation of Petrodorado, and to the knowledge of Petrodorado, of the Other Party or parties thereto, enforceable in accordance with its terms and Petrodorado has not terminated, cancelled, renewed or modified in any material respect, any terms or conditions of any material contracts and no proposal or discussions with third parties for such termination, cancellation, modification, amendment or waiver is ongoing. Such agreements do not contain any "change of control" provision, which would be triggered or affected by the transactions contemplated hereby. Petrodorado has performed in all material respects the obligations required to be performed by it and is entitled to all the benefits under such material contracts. Petrodorado has not violated or breached, in any material respect, any terms or conditions of such material contracts and there exists no default or event of default or event, occurrence, condition or act, which with the giving of notice, lapse of time or the happening of any other event or condition, would become a default or event of default by Petrodorado under any such material contract;
- (nn) Petrodorado is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (oo) Petrodorado's cash balance and accounts payable list as at the date of this Agreement is accurately disclosed in section 9.1(oo) of the Petrodorado Disclosure Letter; and
- (pp) Subco has no assets, no liabilities, has not carried on any business since its incorporation, and this Agreement is the only agreement to which Subco is or at any time has been a party.

ARTICLE 10 COVENANTS OF WAR

10.1 WAR covenants and agrees that, until the earlier of the Effective Date or the date on which this Agreement is terminated and unless otherwise contemplated herein:

- (a) other than as contemplated herein or as otherwise approved by Petrodorado in writing, WAR will not directly or indirectly, do or permit to occur, any of the following unless approved by Petrodorado:
 - (i) except for (A) payables existing at the date hereof which are disclosed in the WAR Financial Statements or in section 10.1(a)(i)the WAR Disclosure Letter, and (B) legal, audit and printing costs in connection with the transactions

contemplated by this Agreement, including the WAR Meeting, or with the consent of Petrodorado, acting reasonably, make, commit, or allow commitments to make, any expenditures exceeding, in the aggregate, \$10,000;

- (ii) issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber any additional shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares or other securities of, any capital stock or other securities of WAR, other than issuing such number of WAR shares as may be required to raise gross proceeds of \$500,000 at a minimum price of \$0.15 per WAR share, which share issuance shall not have any effect on the Exchange Ratio;
- (iii) split, combine or reclassify any outstanding shares or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any shares;
- (iv) redeem, purchase or offer to purchase any WAR Shares or other securities of WAR;
- (v) reorganize, amalgamate, arrange or merge WAR with any other Person;
- (vi) reduce the stated capital of WAR;
- (vii) acquire or agree to acquire (by merger, amalgamation, arrangement, acquisition of securities or assets or otherwise) any Person or division or any assets or properties other than in the ordinary course of business consistent with past practices;
- (viii) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (ix) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or grant any bonuses, salary increases, benefit increases, severance or termination pay to, any officers, directors, employees or consultants other than pursuant to agreements and arrangements previously entered into or in accordance with this Agreement;
- (x) adopt or amend any bonus, profit sharing, incentive, compensation, stock option, pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any employee;
- (xi) enter into any transaction not in the ordinary course of business or pay any dividends or make any distributions to the WAR Shareholders;
- (xii) conduct any activity or operations that would be otherwise detrimental to the completion of the Amalgamation;

- (xiii) other than pursuant to commitments entered into by WAR prior to the date of the Agreement and disclosed to Petrodorado in writing prior to the date hereof, pay, discharge or satisfy any material claims, liabilities or obligations other than in the ordinary course of business consistent with past practices;
 - (xiv) enter into or close any hedge, swap or other like transaction;
 - (xv) make any payment to any director, officer or employee outside of their ordinary and usual compensation for services provided;
 - (xvi) grant any officer, director or employee an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements;
 - (xvii) disclose to any Person other than officers, directors, key employees and professional advisors of WAR, any confidential information relating to Petrodorado, except for disclosure required to be disclosed by law or otherwise known to WAR or the public;
 - (xviii) take any action that would render, or that reasonably may be expected to render, any material representation or warranty made by it in this Agreement untrue at any time prior to the Amalgamation becoming effective unless as otherwise contemplated herein; and
 - (xix) except as may be required by law or to secure any approvals, consents or authorizations necessary to carry out the transactions contemplated by this Agreement, issue any public statements with respect to the transactions contemplated by this Agreement without the prior consent and approval of Petrodorado.
- (b) WAR shall:
- (i) use its reasonable commercial efforts to fulfil or cause the fulfillment of the conditions set forth in Sections 6.1 and 7.1 as soon as reasonably possible to the extent the fulfillment of the same is within the control of WAR;
 - (ii) conduct its business only in, not take any action except in, the usual, ordinary and regular course of business and consistent with past practice and will not take any action which may reasonably be expected to result in a Material Adverse Change of WAR, including, without limiting the generality of the foregoing, the entering into of employment, consultancy or severance agreements or other arrangements with any director or officer of WAR without Petrodorado's written consent or as contemplated herein;
 - (iii) maintain insurance on and in respect of all WAR Assets in like kind to, and in an amount not less than the amount of, insurance with respect of the WAR Assets in effect on the date hereof;

- (iv) use its reasonable commercial efforts to preserve intact the business organization and goodwill of WAR, to keep available the services of the officers and employees of WAR and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with WAR;
- (v) provide to Petrodorado reports on its operations affairs as may be reasonably requested from time to time by Petrodorado;
- (vi) cooperate with Petrodorado to enable an orderly integration of the business and affairs of WAR and Petrodorado after the Effective Date;
- (vii) promptly notify Petrodorado orally and in writing of any Material Adverse Change of WAR, and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) which is material to WAR;
- (viii) make available and cause to be made available to Petrodorado, its agents and advisors, as Petrodorado may reasonably request, all documents and agreements (including without limitation, any correspondence between WAR and its advisors or any governmental body and all minute books) and access to WAR's premises, records, computer systems and employees in any way relating to or affecting the financial status of WAR and such other documents or agreements as may be necessary to enable Petrodorado to verify the truth of the representations and warranties of WAR herein and compliance by WAR with the terms and conditions hereof, except where WAR is contractually precluded from making such document or agreement available, and cooperate with Petrodorado in securing access for Petrodorado to any such documentation not in the possession or under the control of WAR;
- (ix) conduct the WAR Meeting in compliance with the articles of WAR and any instrument governing such meeting, and as otherwise required by Applicable Laws, or alternately, take such steps as are required to obtain the approval of the WAR Shareholders for the Amalgamation by a unanimous consent resolution in writing in accordance with Applicable Law and the articles of WAR;
- (x) if applicable, solicit proxies to be voted at the WAR Meeting in favour of the matters to be considered at such meeting, including the WAR Resolution;
- (xi) WAR will prepare (in consultation with Petrodorado), file and distribute to WAR Shareholders in a timely and expeditious manner, the notice of meeting for the WAR Meeting, as required by law, in all jurisdictions where the same is required, complying in all material respects with all Applicable Laws, or alternately, prepare (in consultation with Petrodorado) and distribute to WAR Shareholders in a timely and expeditious manner such materials as are required to obtain the approval of the WAR Shareholders for the Amalgamation by a unanimous consent resolution in writing in accordance with Applicable Law and the articles of WAR;

- (xii) WAR shall indemnify and save harmless Petrodorado and the directors, officers and agents of Petrodorado from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Petrodorado, or any director, officer or agent thereof, may be subject or which Petrodorado, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any Misrepresentation or alleged Misrepresentation in the notice of meeting for the WAR Meeting or other materials delivered to WAR Shareholders to obtain their approval of the Amalgamation, other than Misrepresentations respecting Petrodorado, its business and assets contained in information provided to WAR by Petrodorado for inclusion in such materials;
- (xiii) make other necessary filings and applications under applicable Canadian federal and provincial laws and regulations required on the part of WAR in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such laws and regulations;
- (xiv) will use its reasonable commercial efforts to conduct its affairs so that all of WAR's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made thereon except as otherwise contemplated herein.

10.2 Subject to the provisions of Sections 10.3 and 10.4, WAR shall not, directly or indirectly, through officers, directors, employees, Affiliates, representatives, advisors, agents, investment bankers, consultants or otherwise, take any action to solicit, initiate, encourage, or participate in any discussions or negotiations with any Person, provide any non-public information to any Person or otherwise assist or cause or facilitate anyone else to solicit, initiate, encourage, or participate in any discussions or negotiations with any Person, or provide any nonpublic information to any Person or otherwise assist with respect to: (A) any transaction that may constitute a WAR Take-over Proposal; or (B) 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 which would or could reasonably be expected to reduce the benefits to Petrodorado under this Agreement and will not waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits of WAR under confidentiality agreements, including, without limitation, any standstill provisions thereunder; provided, however, that subject to Sections 10.3 and 10.4 hereof, the board of directors of WAR may consider, negotiate, accept, approve or recommend to its shareholders, or enter into an agreement, understanding or arrangement in respect of, an unsolicited WAR Superior Proposal (as defined herein).

10.3 Prior to considering, negotiating, accepting, approving or recommending to the WAR Shareholders or entering into an agreement, understanding or arrangement in respect of, an unsolicited WAR Superior Proposal, WAR shall:

- (a) advise Petrodorado in writing of the existence and terms of any such offer or proposal and provide copies thereof as soon as reasonably possible following receipt thereof by WAR;
- (b) provide copies of any information provided to such Other Party, which has not already been made available to Petrodorado; and
- (c) if requested by Petrodorado, prior to accepting, recommending, approving or entering into any agreement to implement the WAR Superior Proposal, to negotiate in good faith with Petrodorado and its legal and financial advisors for a period of up to three (3) Business Days in a manner to permit Petrodorado to make such adjustments in the terms and conditions of this Agreement as may be necessary or advisable in order to enable WAR to proceed with the Amalgamation as amended rather than the WAR Superior Proposal. In the event that Petrodorado proposed to so amend this Agreement to provide substantially equivalent or superior value to that provided under the WAR Superior Proposal, WAR shall not accept, recommend, approve or enter into any agreement to implement the WAR Superior Proposal.

10.4 Subject to compliance with Section 10.3 hereof, if prior to the completion of the Amalgamation, a bona fide WAR Take-Over Proposal is proposed, offered or made to the WAR Shareholders or to WAR which, in the bona fide opinion of WAR's board of directors would result in a financially superior transaction, directly or indirectly, for the WAR Shareholders than that contemplated by the Amalgamation (any such WAR Take-Over Proposal being referred to herein as a "WAR Superior Proposal"), the WAR board of directors may withdraw, modify or change its approval of the Amalgamation if, in the opinion of such board of directors acting reasonably and upon the written advice of its legal counsel, such withdrawal, modification or change is required or would be consistent with the fiduciary duties of the board of directors of WAR under Applicable Laws.

ARTICLE 11 COVENANTS OF PETRODORADO

11.1 Petrodorado covenants and agrees that, until the earlier of the Effective Date or the date on which this Agreement is terminated and unless otherwise contemplated herein:

- (a) other than as contemplated herein or as otherwise approved by WAR in writing, Petrodorado will not directly or indirectly, do or permit to occur, any of the following unless approved by WAR:
 - (i) except for (A) payables existing at the date hereof which are disclosed in the Petrodorado Financial Statements or in the Petrodorado Disclosure Letter, and (B) legal, audit and printing costs in connection with the transactions contemplated by this Agreement, including the Petrodorado Meeting, or with the consent of WAR, acting reasonably, make, commit, or allow commitments to make, any expenditures exceeding, in the aggregate, \$10,000;
 - (ii) issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber any additional shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares or other securities of, any capital stock or other securities of Petrodorado (other

than pursuant to the exercise of Petrodorado Options and Petrodorado Warrants currently outstanding;

- (iii) split, combine or reclassify any outstanding shares or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any shares;
- (iv) redeem, purchase or offer to purchase any Petrodorado Shares or other securities of Petrodorado;
- (v) reorganize, amalgamate, arrange or merge Petrodorado with any other Person;
- (vi) reduce the stated capital of Petrodorado;
- (vii) acquire or agree to acquire (by merger, amalgamation, arrangement, acquisition of securities or assets or otherwise) any Person or division or any assets or properties other than in the ordinary course of business consistent with past practices;
- (viii) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (ix) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or grant any bonuses, salary increases, benefit increases, severance or termination pay to, any officers, directors, employees or consultants other than pursuant to agreements and arrangements previously entered into or in accordance with this Agreement;
- (x) adopt or amend any bonus, profit sharing, incentive, compensation, stock option, pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any employee;
- (xi) enter into any transaction not in the ordinary course of business or pay any dividends or make any distributions to the Petrodorado Shareholders;
- (xii) conduct any activity or operations that would be otherwise detrimental to the completion of the Amalgamation;
- (xiii) other than pursuant to commitments entered into by Petrodorado prior to the date of the Agreement and disclosed to WAR in writing prior to the date hereof, pay, discharge or satisfy any material claims, liabilities or obligations other than in the ordinary course of business consistent with past practices;
- (xiv) enter into or close any hedge, swap or other like transaction;
- (xv) make any payment to any director, officer or employee outside of their ordinary and usual compensation for services provided;

- (xvi) grant any officer, director or employee an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements;
 - (xvii) disclose to any Person other than officers, directors, key employees and professional advisors of Petrodorado, any confidential information relating to WAR, except for disclosure required to be disclosed by law or otherwise known to Petrodorado or the public;
 - (xviii) take any action that would render, or that reasonably may be expected to render, any material representation or warranty made by it in this Agreement untrue at any time prior to the Amalgamation becoming effective unless as otherwise contemplated herein; and
 - (xix) except as may be required by law or to secure any approvals, consents or authorizations necessary to carry out the transactions contemplated by this Agreement, issue any public statements with respect to the transactions contemplated by this Agreement without the prior consent and approval of WAR.
- (b) Petrodorado will:
- (i) [details of pending confidential transaction redacted];
 - (ii) [details of pending confidential transaction redacted]; and
 - (iii) [details of pending confidential transaction redacted].
- (c) Petrodorado shall:
- (i) use its reasonable commercial efforts to fulfil or cause the fulfillment of the conditions set forth in Sections 6.1 and 7.1 as soon as reasonably possible to the extent the fulfillment of the same is within the control of Petrodorado;
 - (ii) conduct its business only in, not take any action except in, the usual, ordinary and regular course of business and consistent with past practice and will not take any action which may reasonably be expected to result in a Material Adverse Change of Petrodorado, including, without limiting the generality of the foregoing, the entering into of employment, consultancy or severance agreements or other arrangements with any director or officer of Petrodorado without WAR's written consent or as contemplated herein;
 - (iii) between the date of this agreement and the Effective Date, limit its expenditures to the expenditures described in section 11.1(b)(iii) of the Petrodorado Disclosure Letter, including ongoing salaries and office expenses, legal expenses;

- (iv) maintain insurance on and in respect of all Petrodorado Assets in like kind to, and in an amount not less than the amount of, insurance with respect of the Petrodorado Assets in effect on the date hereof;
- (v) use its reasonable commercial efforts to preserve intact the business organization and goodwill of Petrodorado, to keep available the services of the officers and employees of Petrodorado and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with Petrodorado;
- (vi) take steps to change its board and management to Persons designated by WAR and to effect the Name Change, the Petrodorado Articles Amendment and the Petrodorado Continuance effective at the Effective Date;
- (vii) provide to WAR reports on its operations and affairs as may be reasonably requested from time to time by WAR;
- (viii) cooperate with WAR to enable an orderly integration of the business and affairs of Petrodorado and WAR after the Effective Date;
- (ix) promptly notify WAR orally and in writing of any Material Adverse Change of Petrodorado, and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) which is material to Petrodorado;
- (x) make available and cause to be made available to WAR, its agents and advisors, as WAR may reasonably request, all documents and agreements (including without limitation, any correspondence between Petrodorado and its advisors or any governmental body and all minute books) and access to Petrodorado's premises, records, computer systems and employees in any way relating to or affecting the financial status of Petrodorado and such other documents or agreements as may be necessary to enable WAR to verify the truth of the representations and warranties of Petrodorado herein and compliance by Petrodorado with the terms and conditions hereof, except where Petrodorado is contractually precluded from making such document or agreement available, and cooperate with WAR in securing access for WAR to any such documentation not in the possession or under the control of Petrodorado;
- (xi) conduct the Petrodorado Meeting in compliance with the articles of Petrodorado and any instrument governing such meeting, and as otherwise required by Applicable Laws;
- (xii) if applicable, solicit proxies to be voted at the Petrodorado Meeting in favour of the matters to be considered at such meeting, including the Petrodorado Resolutions;
- (xiii) Petrodorado will prepare (in consultation with WAR), file and distribute to Petrodorado Shareholders in a timely and expeditious manner, the notice of meeting for the Petrodorado Meeting, as required by law, in all jurisdictions

where the same is required, complying in all material respects with all Applicable Laws;

- (xiv) Petrodorado shall indemnify and save harmless WAR and the directors, officers and agents of WAR from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which WAR, or any director, officer or agent thereof, may be subject or which WAR, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any Misrepresentation or alleged Misrepresentation in the notice of meeting for the Petrodorado Meeting other than Misrepresentations respecting WAR, its business and assets contained in information provided to Petrodorado by WAR for inclusion in such materials;
- (xv) make other necessary filings and applications under applicable Canadian federal and provincial laws and regulations required on the part of Petrodorado in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such laws and regulations;
- (xvi) will use its reasonable commercial efforts to conduct its affairs so that all of Petrodorado's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made thereon except as otherwise contemplated herein;
- (xvii) if required by the Exchange in connection with the approval of the Transaction, will obtain sponsorship of the Transaction under Policy 5.2 and Policy 2.2 of the Exchange. In such event, the sponsor shall be a member firm of the Exchange acceptable to each of Petrodorado and WAR, each acting reasonably
- (xviii) Petrodorado shall purchase directors' and officers' run-off insurance for a period of six years following the Effective Date on reasonable commercial terms satisfactory to each of Petrodorado and WAR, acting reasonably.

11.2 Subject to the provisions of Sections 11.3 and 11.4, Petrodorado shall not, directly or indirectly, through officers, directors, employees, Affiliates, representatives, advisors, agents, investment bankers, consultants or otherwise, take any action to solicit, initiate, encourage, or participate in any discussions or negotiations with any Person, provide any non-public information to any Person or otherwise assist or cause or facilitate anyone else to solicit, initiate, encourage, or participate in any discussions or negotiations with any Person, or provide any nonpublic information to any Person or otherwise assist with respect to: (A) any transaction that may constitute a Petrodorado Take-over Proposal; or (B) 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 which would or could reasonably be expected to reduce the benefits to WAR under this Agreement and will not waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits of Petrodorado under confidentiality agreements, including, without limitation, any standstill provisions thereunder;

provided, however, that subject to Sections 11.3 and 11.4 hereof, the board of directors of Petrodorado may consider, negotiate, accept, approve or recommend to its shareholders, or enter into an agreement, understanding or arrangement in respect of, an unsolicited Petrodorado Superior Proposal (as defined herein).

- 11.3 Prior to considering, negotiating, accepting, approving or recommending to the Petrodorado Shareholders or entering into an agreement, understanding or arrangement in respect of, an unsolicited Petrodorado Superior Proposal, Petrodorado shall:
- (a) advise WAR in writing of the existence and terms of any such offer or proposal and provide copies thereof as soon as reasonably possible following receipt thereof by Petrodorado;
 - (b) provide copies of any information provided to such Other Party, which has not already been made available to WAR; and
 - (c) if requested by WAR, prior to accepting, recommending, approving or entering into any agreement to implement the Petrodorado Superior Proposal, to negotiate in good faith with WAR and its legal and financial advisors for a period of up to three (3) Business Days in a manner to permit WAR to make such adjustments in the terms and conditions of this Agreement as may be necessary or advisable in order to enable Petrodorado to proceed with the Amalgamation as amended rather than the Petrodorado Superior Proposal. In the event that WAR proposed to so amend this Agreement to provide substantially equivalent or superior value to that provided under the Petrodorado Superior Proposal, Petrodorado shall not accept, recommend, approve or enter into any agreement to implement the Petrodorado Superior Proposal.
- 11.4 Subject to compliance with Section 11.3 hereof, if prior to the completion of the Amalgamation, a bona fide Petrodorado Take-Over Proposal is proposed, offered or made to the Petrodorado Shareholders or to Petrodorado which, in the bona fide opinion of Petrodorado's board of directors would result in a financially superior transaction, directly or indirectly, for the Petrodorado Shareholders than that contemplated by the Amalgamation (any such Petrodorado Take-Over Proposal being referred to herein as a "Petrodorado Superior Proposal"), the board of directors of Petrodorado may withdraw, modify or change its approval of the Amalgamation if, in the opinion of such board of directors acting reasonably and upon the written advice of its legal counsel, such withdrawal, modification or change is required or would be consistent with the fiduciary duties of the board of directors of Petrodorado under Applicable Laws. Petrodorado and Subco further covenant and agree that all rights to indemnification existing in favour of present and former directors and officers of WAR as provided by contract, in WAR's articles, or pursuant to Applicable Laws in effect as of the date of this Agreement, or otherwise, with respect to matters occurring prior to the Effective Time, shall survive and shall continue in full force and effect without modification for a period of not less than the statutes of limitations applicable to such matters.

**ARTICLE 12
TERMINATION**

- 12.1 This Agreement may, prior to the filing of the Amalgamation Application, be terminated by mutual written agreement of Petrodorado, WAR and Subco.
- 12.2 Notwithstanding any other rights contained herein, WAR may terminate this Agreement provided that it is not materially in default of any of its representations, warranties or covenants under this Agreement, upon notice to Petrodorado and Subco:
- (a) if the Amalgamation is not approved by WAR Shareholders in accordance with Applicable Laws on or before the Meeting Deadline;
 - (b) in the event the Amalgamation has not become effective on or before the Effective Date Deadline, unless otherwise agreed to by the Parties;
 - (c) if a Material Adverse Change in respect of Petrodorado shall have occurred after the date of this Agreement;
 - (d) if Petrodorado shall be in breach of any of its covenants, agreements or representations and warranties contained herein and Petrodorado fails to cure such breach within fourteen (14) Business Days after receipt of written notice thereof from WAR (except that no cure period shall be provided for a breach which by its nature cannot be cured);
or
 - (e) upon the termination of this Agreement by WAR pursuant to Section 10.4 hereof.
- 12.3 Notwithstanding any other rights contained herein, Petrodorado may terminate this Agreement provided that it is not materially in default of any of its representations, warranties or covenants under this agreement, upon notice to WAR:
- (a) if the Amalgamation is not approved by WAR Shareholders in accordance with the terms of the Applicable Laws on or before the Meeting Deadline;
 - (b) in the event the Amalgamation has not become effective on or before the Effective Date Deadline, unless otherwise agreed to by the Parties;
 - (c) a Material Adverse Change in respect of WAR shall have occurred;
 - (d) WAR shall be in breach of any of its covenants, agreements or representations and warranties contained herein and WAR fails to cure such breach within fourteen (14) Business Days after receipt of written notice thereof from Petrodorado (except that no cure period shall be provided for a breach which by its nature cannot be cured); or
 - (e) upon the termination of this Agreement by Petrodorado pursuant to 11.4 hereof.
- 12.4 The exercise by any Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party.

- 12.5 If this Agreement is validly terminated pursuant to any provision of this Agreement, the Parties shall return all materials and copies of all materials delivered to Petrodorado and Subco or WAR, as the case may be, or their agents and, except for the obligations set forth in Section 14.2 (which shall survive any termination of this Agreement and continue in full force and effect), no Party shall have any further obligations to any Other Party hereunder with respect to this Agreement. The covenants contained in this Section 12.5 shall survive any termination of this Agreement and continue in full force and effect.

ARTICLE 13 AMENDMENT

- 13.1 This Agreement may, at any time and from time to time before or after the date of approval of the WAR Resolution be amended by written agreement of the Parties without further notice to or authorization on the part of their respective securityholders, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation, term or provision contained herein or in any document delivered pursuant hereto; or
- (c) waive compliance with or modify any of the covenants or conditions herein contained and waive or modify performance of any of the obligations of the Parties;

provided that any such amendment may not reduce or materially adversely affect the consideration to be received by the WAR Shareholders.

ARTICLE 14 COSTS

- 14.1 Except as contemplated herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby. For clarity, the cost of retaining a sponsor to sponsor the Transaction if required by the Exchange shall be divided equally between Petrodorado and WAR.
- 14.2 In the event the Amalgamation does not occur and this Agreement is terminated by WAR under sections 12.2(d) or (e) or by Petrodorado under Section 12.3(d) or (e), WAR or Petrodorado, as the case may be, will be entitled to receive from the other a payment of \$250,000 in respect of its transactions costs incurred in connection with negotiation and performance of this Agreement and related transactions. For clarity, the termination of this Agreement due to the WAR Shareholders or the Petrodorado Shareholders failing to approve the WAR Resolution or the Petrodorado Resolutions at the WAR Meeting or the Petrodorado Meeting, as the case may be, shall not entitle the Other Party to receive such payment.
- 14.3 Each of the Parties acknowledges that the payment of the amount set out in Section 14.2 is a payment of liquidated damages which are a genuine pre-estimate of the damages which the Parties, as applicable, shall suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and is not a penalty. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or

punitive. For greater certainty, the Parties agree that payment of the amount pursuant to Section 14.2 is the sole remedy of the Parties, as applicable, in respect of the event giving rise to such payment provided, however, that this limitation shall not apply in the event of fraud by the Party that has made, or is required to make, a payment pursuant to this Article 14.

ARTICLE 15 DISCLOSURE

- 15.1 Upon execution of this Agreement, the Parties shall issue a joint press release which announces that the Parties have entered into a formal agreement providing for the implementation of the Amalgamation. No Party shall disclose, by press release, any aspect of the transactions contemplated hereby, without prior written consent of the Other Party. Notwithstanding the foregoing, if either Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will inform, to the extent reasonably feasible, the Other Party as to the wording of such disclosure prior to its being made.
- 15.2 *Announcement and Shareholder Communications*
- (a) WAR and Petrodorado shall each publicly announce the transactions contemplated hereby promptly following the execution of this Agreement by WAR and Petrodorado, the text and timing of each Party's announcement to be approved by the Other Party in advance, acting reasonably. WAR and Petrodorado agree to co-operate in the preparation of presentations, if any, to Petrodorado Shareholders or the WAR Shareholders regarding the transactions contemplated by this Agreement, and no Party shall: (i) issue any press release or otherwise make public announcements with respect to this Agreement or the Amalgamation without the consent of the Other Party (which consent shall not be unreasonably withheld or delayed); or (ii) make any filing with any Governmental Authority with respect thereto without prior consultation with the Other Party; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under Applicable Laws, and the Party making such disclosure shall use all commercially reasonable efforts to give prior written notice to the Other Party and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not permitted by applicable securities laws, to give such notice immediately following the making of such disclosure or filing.
 - (b) To the extent possible, Petrodorado shall provide prior notice to WAR of any material public disclosure that it proposes to make regarding its business or operations, together with a draft copy of such disclosure. WAR and its legal counsel shall be given a reasonable opportunity to review and comment on such information prior to such information being disseminated publicly or filed with any Governmental Authority, and reasonable consideration shall be given to any comments made by WAR and its counsel.
 - (c) To the extent reasonably possible, WAR shall provide prior notice to Petrodorado of any material public disclosure that it proposes to make regarding its business or operations, together with a copy of such disclosure.

ARTICLE 16
NOTICES

16.1 Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any Other Party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by hand delivery addressed to the Party to whom the notice is to be given at its address for service herein. 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 and, if not, the next succeeding Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

16.2 The address for service of each of the Parties shall be as follows:

if to Petrodorado or Subco:

Petrodorado Energy Ltd.
Suite 1500, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Fax No.: (403) 800-9241
Attention: President and CEO

with a copy to:

Field LLP
400, 444 – 7th Avenue SW
Calgary, Alberta T2P 0X8
Fax No.: (403) 264-7084
Attention: Peter Yates

if to WAR:

Western Atlas Resources Inc.
1700 666 Burrard Street
Vancouver, BC V6C 2X8
Fax No.: (604) 681-1825
Attention: Fabio Capponi

with a copy to:

Stikeman Elliott LLP
1700 666 Burrard Street
Vancouver, BC V6C 2X8
Fax No.: (604) 681-1825
Attention: Neville McClure

**ARTICLE 17
STANDSTILL**

- 17.1 Prior to termination of this Agreement, neither WAR nor Petrodorado, as the case may be, will, nor shall any of its representatives directly or indirectly, alone or jointly or in concert with any other Person:
- (a) acquire or agree to acquire, or make any proposal or make any offer to acquire, in any manner, either directly or indirectly, any assets or securities of the Other Party or any subsidiary thereof, including, without limitation, commencing any “take-over bid” or “exempt take-over bid” (as such terms are defined in the *Securities Act (Alberta)*) for any securities of the Other Party (provided that the provisions hereof shall not be interpreted to prohibit the Parties or their Affiliates from continuing to conduct business with the Other Party in the ordinary course and consistent with past practice);
 - (b) solicit proxies from, or otherwise attempt to influence the conduct of, holders of securities of the Other Party;
 - (c) form, join or in any way participate as a “control person” as such term is defined in the *Securities Act (Alberta)* with respect to the equity of the Other Party; or
 - (d) engage in any discussions or negotiations or enter into any agreement, commitment or understanding, or otherwise act jointly or in concert with any Person to propose or effect any business combination, equity or asset transaction of any nature or kind with respect to the Other Party or its Affiliates, or to influence the conduct of the Other Party, its Affiliates or its directors.

**ARTICLE 18
PRIVACY ISSUES**

- 18.1 For the purposes of this Article 18, the following definitions shall apply:
- (a) “**applicable law**” means, in relation to any Person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of and the terms of all judgements, orders and decrees issued by any authorized authority by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (b) “**applicable privacy laws**” means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act (Canada)* and/or any comparable provincial law including the *Personal Information Protection Act (Alberta)*;
 - (c) “**authorized authority**” means, in relation to any Person, transaction or event, any (a) federal provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or

functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and

(d) **“Personal Information”** means information about an individual.

- 18.2 The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the **“Disclosed Personal Information”**).
- 18.3 Neither Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Amalgamation.
- 18.4 Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Amalgamation, and that the disclosure of the Disclosed Personal Information relates solely to the carrying on of the business and the completion of the Amalgamation.
- 18.5 Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with Applicable Law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- 18.6 Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with Applicable Law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- 18.7 Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties’ obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access such information in order to complete the Amalgamation.
- 18.8 Each Party shall promptly notify the Other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the Persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.

- 18.9 Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the Other Party shall forthwith cease all use of the Personal Information acquired by such Party in connection with this Agreement and will return to the Other Party or, at such Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

**ARTICLE 19
TIME**

- 19.1 Time shall be of the essence in this Agreement.

**ARTICLE 20
ENTIRE AGREEMENT**

- 20.1 This Agreement, from the date hereof constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, among the Parties with respect to the subject matter hereof, including without limitation the letter agreement dated April 13, 2017, among Petrodorado and WAR, and is not intended to confer upon any other Person any rights or remedies hereunder.

**ARTICLE 21
SEVERABILITY**

- 21.1 If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:
- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
 - (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

**ARTICLE 22
FURTHER ASSURANCES**

- 22.1 Each Party shall, from time to time, and at all times hereafter, at the request of the Other Party, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

**ARTICLE 23
GOVERNING LAW**

- 23.1 This Agreement shall be governed by, and be construed in accordance with the laws of the Province of British Columbia and applicable laws of Canada 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 British Columbia.

- 23.2 Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

ARTICLE 24
EXECUTION IN COUNTERPARTS

- 24.1 This Agreement may be executed in identical counterparts, each of which is and is hereby conclusively deemed to be an original and counterparts collectively are to be conclusively deemed one instrument.

ARTICLE 25
WAIVER

- 25.1 No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

ARTICLE 26
ENUREMENT AND ASSIGNMENT

- 26.1 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns. This Agreement may not be assigned by any Party without the prior consent of the Other Parties.

(Signature page follows)

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

PETRODORADO ENERGY LTD.

By: (signed) "Christopher Reid"

Name: Christopher Reid

WESTERN ATLAS RESOURCES INC.

By: (signed) "Fabio Capponi"

Name: Fabio Capponi

1128014 BC Ltd.

By: (signed) "Christopher Reid"

Name: Christopher Reid

SCHEDULE A
ARTICLES OF AMALCO

Incorporation Number _____

**ARTICLES
OF
WESTERN ATLAS HOLDING CORP.**

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

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ARTICLES

WESTERN ATLAS HOLDING CORP.

(the "Company")

PART 1 INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) "**appropriate person**", has the meaning assigned in the *Securities Transfer Act*;
- (2) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;
- (3) "**Business Corporations Act**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (5) "**legal personal representative**" means the personal or other legal representative of a shareholder;
- (6) "**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;
- (7) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;
- (8) "**seal**" means the seal of the Company, if any;
- (9) "**Securities Act**" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (10) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes;

"**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and "**U.S. securities legislation**" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

- (11) "*Securities Transfer Act*" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2 SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3 ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4 SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

PART 5 SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
 - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
 - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
 - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7 ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

PART 8 BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors' resolution or ordinary resolution, unless an alteration to the Company's Notice of Articles would be required, in which case by ordinary resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and at such place, either in or outside British Columbia as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

- (2) at an annual general meeting, all business is special business except for the following:
- (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any),

the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to

be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or

proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12 VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder - printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13 DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:

- (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
- (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14 ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15 ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;

- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

PART 16 POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 17 INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or

otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 18 PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or

- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1 or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly

called or constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 19
EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and

- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 20 OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;

- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 21 INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) "expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal

representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part 21.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

PART 22 DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 23 ACCOUNTING RECORDS AND AUDITOR

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 24 NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is

returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 25 SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

**PART 26
PROHIBITIONS**

26.1 Definitions

In this Part 26:

- (1) "security" has the meaning assigned in the *Securities Act*;
- (2) "transfer restricted security" means
 - (a) a share of the Company;
 - (b) a security of the Company convertible into shares of the Company;
 - (c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

Dated _____ .

SIGNATURE AND FULL NAME OF A PROPOSED
DIRECTOR OF THE (AMALGAMATED) COMPANY

●

SCHEDULE B

WAR SPECIAL RESOLUTION

“BE IT RESOLVED, as a special resolution that:

1. the amalgamation (the “**Amalgamation**”) pursuant to the provisions of the *Business Corporations Act* (British Columbia) substantially in the form as provided for in the amalgamation agreement (“**Amalgamation Agreement**”), among Petrodorado Energy Ltd. (“**Petrodorado**”), Western Atlas Resources Inc. (“**WAR**”) and a wholly-owned subsidiary of Petrodorado is hereby adopted, approved and authorized;
2. the Amalgamation Agreement with such amendments or variations thereto as may be approved by any director or officer of WAR, such approval to be evidenced conclusively by their execution and delivery of such Amalgamation Agreement be and is hereby confirmed, ratified and approved;
3. notwithstanding that this resolution has been duly passed by the shareholders of WAR, the board of directors of WAR may agree to amend the Amalgamation Agreement (to the extent permitted in the Amalgamation Agreement) or decide not to proceed with the Amalgamation or revoke this resolution at any time prior to the issuance of the certificate giving effect to the Amalgamation without further approval of the shareholders of WAR; and
4. any one director or officer of WAR, for and on behalf of WAR be and is hereby authorized to execute and deliver Articles of Amalgamation and all other documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such documents and instruments and the taking of any such actions.”

SCHEDULE C
AMALGAMATION APPLICATION



Telephone: 1 877 526-1526

www.bcregistryservices.gov.bc.ca

DO NOT MAIL THIS FORM to the BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA) Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A. INITIAL INFORMATION – When the amalgamation is complete, your company will be a BC limited company.

What kind of company(ies) will be involved in the amalgamation?

(Check all applicable boxes.)

[X] BC company

[] BC unlimited liability company

B. NAME OF COMPANY – Choose one of the following:

[X] The name Western Atlas Holding Corp. is the name reserved for the amalgamated company. The name reservation number is: NR 7127275 OR

[] The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number, OR

[] The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies. The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C. AMALGAMATION STATEMENT – Please indicate the statement applicable to the amalgamation.

[] With Court Approval: This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

[X] Without Court Approval: This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D. AMALGAMATION EFFECTIVE DATE – Choose **one** of the following:

- The amalgamation is to take effect at the time that this application is filed with the registrar.
- The amalgamation is to take effect at 12:01 a.m. Pacific Time on _____ being a date that is not more than ten days after the date of the filing of this application.
- The amalgamation is to take effect at _____ a.m. or p.m. Pacific Time on _____ being a date and time that is not more than ten days after the date of the filing of this application.

E. AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. Western Atlas Resources Inc.	BC0982706	
2. _____ B.C. Ltd.	●	
3.		
4.		

F. FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

- This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G. CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
1. ●	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
2. ●	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
4.	X	

NOTICE OF ARTICLES

A. NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.
Western Atlas Holding Corp.

B. TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C. DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	DELIVERY ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE	MAILING ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE
Capponi, Fabio			2205 – 1211 Melville Street, Vancouver, BC V6E 0A7	2205 – 1211 Melville Street, Vancouver, BC V6E 0A7
Rubin, Susan			●	●

D. REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE
2 – 15621 Marine Drive, White Rock, BC V4B 1E1

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE
2 – 15621 Marine Drive, White Rock, BC V4B 1E1

E. RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE
2 – 15621 Marine Drive, White Rock, BC V4B 1E1

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE
2 – 15621 Marine Drive, White Rock, BC V4B 1E1

F. AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number	Kind of shares of this class or series of shares		Are there special rights or restrictions attached to the shares of this class or series of shares?
	MAXIMUM NUMBER OF SHARES AUTHORIZED OR NO MAXIMUM NUMBER	PAR VALUE OR WITHOUT PAR VALUE	TYPE OF CURRENCY	YES/NO
Common	no maximum number	without par value	n/a	No