

**BUSINESS COMBINATION AGREEMENT**

**AMONG:**

**REBEL CAPITAL INC.**

**- AND -**

**ELECTRIC ROYALTIES LTD.**

**- AND -**

**1238383 B.C LTD.**

**Dated January 28, 2020**

## TABLE OF CONTENTS

<b>ARTICLE I GENERAL</b> .....	<b>2</b>
<b>1.1 Defined Terms</b> .....	<b>2</b>
<b>1.2 Business Combination</b> .....	<b>2</b>
<b>1.3 Board of Directors and Officers</b> .....	<b>4</b>
<b>ARTICLE II DISSENT RIGHTS</b> .....	<b>5</b>
<b>2.1 Dissent Rights</b> .....	<b>5</b>
<b>ARTICLE III REPRESENTATIONS AND WARRANTIES</b> .....	<b>6</b>
<b>3.1 Representations and Warranties of ERL</b> .....	<b>6</b>
<b>3.2 Representations and Warranties of Rebel and Rebel Subco</b> .....	<b>11</b>
<b>ARTICLE IV COVENANTS OF ERL</b> .....	<b>18</b>
<b>4.1 Access</b> .....	<b>18</b>
<b>4.2 Ordinary Course</b> .....	<b>18</b>
<b>4.3 Closing Conditions</b> .....	<b>19</b>
<b>4.4 Rebel Consent Resolutions and Filing Statement</b> .....	<b>19</b>
<b>ARTICLE V COVENANTS OF REBEL</b> .....	<b>20</b>
<b>5.1 Access</b> .....	<b>20</b>
<b>5.2 Ordinary Course</b> .....	<b>20</b>
<b>5.3 Insurance</b> .....	<b>21</b>
<b>5.4 Consolidation</b> .....	<b>21</b>
<b>5.5 Closing Conditions</b> .....	<b>21</b>
<b>5.6 Rebel Subco</b> .....	<b>22</b>
<b>5.7 Directors and Management</b> .....	<b>22</b>
<b>5.8 Name Change</b> .....	<b>22</b>
<b>ARTICLE VI OTHER COVENANTS OF THE PARTIES</b> .....	<b>22</b>
<b>6.1 Amalgamation</b> .....	<b>22</b>
<b>6.2 Consents and Notices</b> .....	<b>22</b>
<b>6.3 Consent Resolutions, Circulars and Filing Statement</b> .....	<b>22</b>
<b>6.4 Stock Exchange Listing</b> .....	<b>24</b>
<b>6.5 Defense of Proceedings</b> .....	<b>24</b>
<b>6.6 Press Releases</b> .....	<b>24</b>
<b>6.7 Non-Solicitation</b> .....	<b>24</b>
<b>6.8 Refrain from Certain Actions</b> .....	<b>26</b>
<b>6.9 Indemnity</b> .....	<b>26</b>
<b>6.10 Exemptions from Registration Requirements of U.S. Securities Laws</b> .....	<b>26</b>
<b>ARTICLE VII CONDITIONS TO OBLIGATIONS OF REBEL</b> .....	<b>26</b>
<b>7.1 Conditions Precedent to Completion of the Business Combination</b> .....	<b>26</b>
<b>ARTICLE VIII CONDITIONS TO OBLIGATIONS OF ERL</b> .....	<b>27</b>
<b>8.1 Conditions Precedent to Completion of the Business Combination</b> .....	<b>27</b>
<b>ARTICLE IX MUTUAL CONDITIONS PRECEDENT</b> .....	<b>28</b>
<b>9.1 Mutual Conditions Precedent</b> .....	<b>28</b>
<b>ARTICLE X CLOSING</b> .....	<b>29</b>
<b>10.1 Closing</b> .....	<b>29</b>
<b>10.2 Termination of this Agreement</b> .....	<b>29</b>
<b>10.3 Survival of Representations and Warranties; Limitation</b> .....	<b>30</b>

<b>ARTICLE XI MISCELLANEOUS.....</b>	<b>30</b>
<b>11.1 Further Actions.....</b>	<b>30</b>
<b>11.2 Expenses .....</b>	<b>31</b>
<b>11.3 Entire Agreement .....</b>	<b>31</b>
<b>11.4 Descriptive Headings.....</b>	<b>31</b>
<b>11.5 Notices.....</b>	<b>31</b>
<b>11.6 Governing Law .....</b>	<b>32</b>
<b>11.7 Enurement and Assignability .....</b>	<b>33</b>
<b>11.8 Confidentiality .....</b>	<b>33</b>
<b>11.9 Remedies.....</b>	<b>33</b>
<b>11.10 Waivers and Amendments.....</b>	<b>33</b>
<b>11.11 Illegalities .....</b>	<b>33</b>
<b>11.12 Currency.....</b>	<b>34</b>
<b>11.13 Counterparts.....</b>	<b>34</b>
<b>11.14 Time of Essence.....</b>	<b>34</b>
<b>SCHEDULE A      DEFINITIONS.....</b>	<b>A-1</b>
<b>SCHEDULE B      AGREEMENT OF AMALGAMATION.....</b>	<b>B-1</b>

## BUSINESS COMBINATION AGREEMENT

**THIS AGREEMENT** dated January 28, 2020 is made

**AMONG:**

**REBEL CAPITAL INC.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**Rebel**”)

- and -

**ELECTRIC ROYALTIES LTD.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**ERL**”)

-and -

**1238383 B.C. LTD.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**Rebel Subco**”)

**WHEREAS** the Parties (as hereinafter defined) have agreed, subject to the satisfaction of certain conditions precedent, to carry out a three-cornered Amalgamation (as hereinafter defined) pursuant to Section 270 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) pursuant to which, among other things:

- (a) each Rebel Subco Share (as hereinafter defined) will be exchanged for one Amalco Share (as hereinafter defined); and
- (b) each ERL Share (as hereinafter defined) held by ERL Shareholders (as hereinafter defined) (other than ERL Dissenting Shareholders (as hereinafter defined)) will be exchanged for one New Rebel Share (as hereinafter defined);

**AND WHEREAS** prior to the Effective Date (as hereinafter defined) of the Amalgamation, Rebel will complete the Consolidation (as hereinafter defined) on the basis of one New Rebel Share for each two existing Rebel Shares;

**AND WHEREAS**, immediately following the Effective Time, Rebel will complete the Name Change (as hereinafter defined);

**AND WHEREAS**, the Parties wish to make certain representations, warranties, covenants and agreements in connection with the Business Combination (as hereinafter defined);

**NOW THEREFORE**, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and intending to be legally bound hereby, the Parties agree as follows:

## ARTICLE I GENERAL

### 1.1 Defined Terms

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Schedule A.

### 1.2 Business Combination

- (a) ERL and Rebel agree to effect the combination of their respective businesses and assets by way of a “three-cornered amalgamation” among Rebel, Rebel Subco and ERL.
- (b) As soon as reasonably practicable following the execution and delivery of this Agreement:
  - (i) ERL shall use commercially reasonable efforts to either obtain a written consent resolution of the ERL Shareholders approving the ERL Amalgamation Resolution or call and hold the ERL Meeting for the purpose of approving the ERL Amalgamation Resolution; (ii) Rebel shall use commercially reasonable efforts to prepare and mail the Rebel Consent Resolutions to the Rebel Shareholders for the purpose of approving the Consolidation Resolution; and (iii) Rebel shall sign a written consent resolution approving the Rebel Subco Amalgamation Resolution.
- (c) Upon the approval of the Consolidation Resolution by the Rebel Shareholders in accordance with the requirements of the BCBCA, and prior to the Effective Time, Rebel shall complete and give effect to the Consolidation upon and subject to the terms of this Agreement.
- (d) Upon the approval of the Rebel Subco Amalgamation Resolution by Rebel and the ERL Amalgamation Resolution by the ERL Shareholders, in accordance with the requirements of the BCBCA, and the completion of the Consolidation set forth in paragraph (c) above, Rebel Subco and ERL shall jointly complete and file a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA, substantially in the form set forth in Schedule “B” hereto giving effect to the Amalgamation of Rebel Subco and ERL upon and subject to the terms of this Agreement.
- (e) Upon the issue of a Certificate of Amalgamation giving effect to the Amalgamation, Rebel Subco and ERL shall be amalgamated and shall continue as one corporation effective on the date of the Certificate of Amalgamation (the “**Effective Date**”) under the terms and conditions prescribed in the Amalgamation Agreement.
- (f) At the Effective Time each Rebel Option shall remain outstanding and be exercisable for New Rebel Shares in accordance with its terms.
- (g) At the Effective Time and as a result of the Amalgamation:
  - (i) each holder of ERL Shares (other than ERL Dissenting Shareholders described in Section 1.2(i)) shall receive one fully paid and non-assessable New Rebel Share for each ERL Share held, following which all such ERL Shares shall be cancelled;

- (ii) Rebel shall receive one fully paid and non-assessable Amalco Share for each one Rebel Subco Share held by Rebel, following which all such Rebel Subco Shares shall be cancelled;
  - (iii) in consideration of the issuance of New Rebel Shares pursuant to paragraph 1.2(g)(i), Amalco shall issue to Rebel one Amalco Share for each New Rebel Share issued;
  - (iv) Rebel shall add to the capital maintained in respect of the New Rebel Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the ERL Shares immediately prior to the Effective Time (less the paid-up capital of any ERL Shares held by dissenting ERL Shareholders who do not exchange their ERL Shares for New Rebel Shares on the Amalgamation);
  - (v) Amalco shall add to the capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Rebel Subco Shares and ERL Shares immediately prior to the Amalgamation;
  - (vi) no fractional New Rebel Shares shall be issued to holders of ERL Shares; in lieu of any fractional entitlement, the number of New Rebel Shares issued to each former holder of ERL Shares shall be rounded down to the next lesser whole number of New Rebel Shares;
  - (vii) Rebel shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of ERL Shares such amounts as are required to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the ERL Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
  - (viii) Amalco will become a wholly-owned subsidiary of Rebel.
- (h) At the Effective Time:
- (i) subject to subsection 1.2(g)(i), the registered holders of ERL Shares shall become the registered holders of the New Rebel Shares to which they are entitled, calculated in accordance with the provisions hereof, and the holders of share certificates representing such ERL Shares may surrender such certificates to the Depositary and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Time shall receive, share certificates representing the number of New Rebel Shares to which they are so entitled; and
  - (ii) Rebel shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.

- (i) At the Effective Time, each ERL Share held by a ERL Dissenting Shareholder shall be deemed to be sold by the holder thereof, without any further act or formality on its part, free and clear of any Encumbrance, to Amalco and Amalco shall be deemed to have purchased and thereupon be obliged to pay the amount therefor determined and payable in accordance with Article II hereof, the name of such holder shall be removed from the central securities register as a holder of ERL Shares and such ERL Dissenting Shareholder will cease to have any rights as a ERL Shareholder other than the right to be paid the fair value of its ERL Shares in accordance with Article II.
- (j) If an ERL Dissenting Shareholder fails to perfect or effectively withdraws its claim under Division 2 of Part 8 of the BCBCA or forfeits its right to make a claim under Division 2 of Part 8 of the BCBCA or if its rights as a ERL Shareholder are otherwise reinstated, such holder of ERL Shares shall thereupon be deemed to have been exchanged as of the Effective Time as prescribed by paragraph 1.2(g)(i).
- (k) Subject to the approval of the Name Change Resolution by the board of directors of Rebel in accordance with the requirements of the BCBCA and the Articles of Rebel and immediately following the Effective Time, Rebel shall complete and file Notice of Alteration, in the prescribed form, giving effect to the Name Change upon and subject to the terms of this Agreement.
- (l) Subject to the provisions of the BCBCA, the following provisions shall apply to Amalco:
  - (i) without in any way restricting the powers conferred upon Amalco or its board of directors by the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
    - (A) borrow money upon the credit of Amalco;
    - (B) issue, re-issue, sell or pledge debt obligations of Amalco;
    - (C) subject to the provisions of the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and
    - (D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco; and
  - (ii) the board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

### **1.3 Board of Directors and Officers**

Each of the Parties hereby agrees that concurrently with the completion of the Business Combination, all of the current directors and officers of Rebel and Rebel Subco (other than Craig Lindsay)

shall resign without payment by or any liability to Rebel, ERL, Rebel Subco or Amalco, and each such director and officer shall execute and deliver a release in favour of Rebel, Rebel Subco, ERL and Amalco, in a form acceptable to Rebel and ERL, each acting reasonably, and the board of directors of Rebel shall consist of four directors and be comprised of the following persons (collectively, the “**New Rebel Directors**”) and management of Rebel shall be comprised of the following persons (collectively, the “**New Rebel Management**”):

Brendan Yurik	President and Chief Executive Officer and Director
Luqman Khan	Chief Financial Officer
Craig Lindsay	Director
Robert Schafer	Director
Marchand Snyman	Director

## **ARTICLE II DISSENT RIGHTS**

### **2.1 Dissent Rights**

Registered ERL Shareholders may exercise rights of dissent (“**Dissent Rights**”) from the ERL Amalgamation Resolution pursuant to and in the manner set forth under Division 2 of Part 8 of the BCBCA, provided that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their ERL Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the ERL Meeting, shall be paid an amount equal to such fair value by Amalco; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their ERL Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of ERL Shares and shall be entitled to receive only the consideration contemplated in paragraph 1.2(g)(i) hereof that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights;

but in no case shall Rebel, Rebel Subco or ERL or any other Person be required to recognize holders of ERL Shares who exercise Dissent Rights as holders of ERL Shares after the time that is immediately prior to the Effective Time, and the names of such holders of ERL Shares who exercise Dissent Rights shall be deleted from the register of ERL Shareholders at the Effective Time. In no circumstances shall Rebel, Rebel Subco, ERL or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of ERL Shares in respect of which such Dissent Rights are sought to be exercised. A registered holder of ERL Shares is not entitled to exercise Dissent Rights with respect to ERL Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the ERL Amalgamation Resolution.

**ARTICLE III  
REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties of ERL**

Except as disclosed in the ERL Disclosure Letter, ERL represents and warrants to and in favour of Rebel and Rebel Subco and acknowledges that Rebel and Rebel Subco are relying on such representations and warranties in connection with this Agreement and the transactions contemplated herein:

- (a) ERL is a corporation duly organized, validly existing and in good standing under the BCBCA with respect to the filing of annual returns, and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, and has the corporate power to enter into this Agreement and perform its obligations hereunder;
- (b) the authorized capital of ERL consists of an unlimited number of common shares of which as at the date hereof 10,000,001 ERL Shares are issued and outstanding as fully paid and non-assessable;
- (c) other than as disclosed in the ERL Disclosure Letter or in connection with the ERL Private Placement, no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued ERL Shares;
- (d) the financial statements of ERL to be contained in the Filing Statement and the ERL Circular present fairly the financial position of ERL at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the said statements and have been prepared in accordance with IFRS;
- (e) there are reasonable grounds for believing that no creditor of ERL will be prejudiced by the Business Combination and the transaction contemplated herein;
- (f) ERL may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) consents, approvals, authorizations and waivers which have been obtained (or will be obtained prior to the Effective Date) and are in full force and effect, and notices which have been given on a timely basis;
  - (ii) the approval of the ERL Amalgamation Resolution by the ERL Shareholders;
  - (iii) the filing of a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA; or
  - (iv) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent ERL from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on ERL;
- (g) the execution and delivery of this Agreement has been duly approved by the board of directors of ERL;

- (h) ERL has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to complete the Amalgamation, subject to the approval of the ERL Amalgamation Resolution by the ERL Shareholders;
- (i) this Agreement has been duly executed and delivered by ERL and constitutes a legal, valid, and binding obligation of ERL, enforceable against it in accordance with its terms, except:
  - (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought;
- (j) the execution and delivery of this Agreement and the consummation of the Arrangement do not and will not:
  - (i) result in the breach or violate any term or provision of the constating documents of ERL;
  - (ii) conflict with, result in a breach of, constitute a default under, trigger or accelerate or permit the triggering or acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which ERL is a party or by which it is bound or to which any property of ERL is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of ERL under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or
  - (iii) to the knowledge of ERL, violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to ERL;
- (k) there are no agreements, covenants, undertakings or other commitments of ERL or any partnership or joint venture in which it is a partner or participant or any instruments binding on any of them or any of their respective properties:
  - (i) under which the consummation of the Business Combination would have the effect of imposing restrictions or obligations on ERL or any such partnership or joint venture materially greater than those imposed upon ERL or any such partnership or joint venture at the date hereof;
  - (ii) which would give a third party, as a result of the Arrangement, a right to terminate any material Contract, or a right to acquire ERL's interest in any material Contract, to which ERL or any such partnership or joint venture is a party or to purchase any of their respective assets;

- (iii) under which the consummation of the Business Combination would impose material restrictions on the ability of ERL to carry on any business which it might choose to carry on within any geographical area, to acquire property or dispose of its property and assets in their entirety or to change its corporate status; or
    - (iv) under which the consummation of the Business Combination would impose material restrictions on the ability of ERL to borrow money and to mortgage and pledge its property as security therefor;
  - (l) other than in connection with the ERL Private Placement, if applicable, ERL has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Business Combination or the transaction contemplated herein;
  - (m) there are no actions, suits, claims or proceedings, whether in equity or at law or, any Governmental investigations pending or, to the knowledge of ERL, threatened:
    - (i) against or affecting ERL or with respect to or affecting any asset or property owned, leased or used by ERL; or
    - (ii) which question or challenge the validity of this Agreement, or the Amalgamation or any action taken or to be taken pursuant to this Agreement, or the Amalgamation,
- nor is ERL aware of any basis for any such action, suit, claim, proceeding or investigation;
- (n) ERL has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to its business or operations, except for non-compliance, defaults and violations which would not, in the aggregate, have a Material Adverse Effect on ERL;
  - (o) neither ERL, nor any asset of ERL is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on ERL or which is reasonably likely to prevent ERL from performing its obligations under this Agreement;
  - (p) ERL has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with its business and operations, except where the failure to do so has not had and would not have a Material Adverse Effect on ERL;
  - (q) there are no known or anticipated material liabilities of ERL of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which ERL is or may become liable other than the liabilities disclosed on or reflected in the financial statements referred to in Section 3.1(d) or incurred in the ordinary course of business;
  - (r) ERL has no subsidiaries;

- (s) the corporate records and minute books of ERL as required to be maintained by it under the laws of its jurisdiction of incorporation are up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;
- (t) other than as disclosed in the ERL Disclosure Letter, to the knowledge of ERL, ERL is the absolute legal and beneficial owner of, and has good and marketable title to, all of its property and assets (real and personal, tangible and intangible, including leasehold interests) free and clear of any and all mortgages, liens, pledges, charges, security interests, Encumbrances, actions, claims or demands of any nature whatsoever or howsoever arising (excluding any royalty interests, rights of first refusal or rights of first offer with respect to its properties that have been disclosed in the Filing Statement or the ERL Circular or exist under legislation of general application) which would have a Material Adverse Effect on the property or assets of ERL;
- (u) ERL has duly filed on a timely basis all Tax Returns required to be filed by it and has paid all Taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; adequate provision has been made for Taxes payable for the current period for which Tax Returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax Return by, or payment of any Tax, governmental charge or deficiency against ERL; to the knowledge of ERL, there are no actions, suits, proceedings, investigations or claims now threatened or pending against ERL in respect of Taxes, governmental charges or assessments, or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges or assessments asserted by any such authority;
- (v) to the knowledge of ERL, ERL has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all Taxes including, but not limited to, income tax and other deductions required to be withheld therefrom and has paid the same to the proper Government Officials within the time required under any applicable tax legislation;
- (w) ERL is not, and will not be at the Effective Time, a “non-resident” as that term is used for the purposes of the ITA;
- (x) the only material assets of ERL consist of those set forth in the ERL Disclosure Letter, free and clear of all mortgages, liens, charges, security interests, adverse claims, pledges, Encumbrances or demands whatsoever except as disclosed in the ERL Disclosure Letter;
- (y) except as contemplated by the ERL Private Placement, the Business Combination and this Agreement, since January 1, 2020:
  - (i) there has been no Material Adverse Change to ERL;
  - (ii) ERL has not:
    - (A) sold, transferred, distributed or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;

- (B) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on ERL;
  - (C) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$1,000;
  - (D) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice;
  - (E) conducted its operations other than in all material respects in the normal course of business;
  - (F) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; and
  - (G) agreed or committed to do any of the foregoing; and
- (iii) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to ERL's share capital;
- (z) the information in the Filing Statement and the ERL Circular relating to ERL is true, correct and complete in all material respects. The information in the Filing Statement and the ERL Circular relating to ERL does not contain any untrue statement of any material fact, nor does it omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they were made;
- (aa) ERL is not a reporting issuer in any jurisdiction, has not been, to the knowledge of ERL, the subject of a cease trade order or investigation under Canadian Securities Laws, has not been, to the knowledge of ERL, the subject of any investigation by any other regulatory or administrative authority or body, is current with all filings required to be made under Canadian Securities Laws;
- (bb) ERL is not in breach of any agreement to which ERL is a party due to any engagement of an agent or agents in connection with the ERL Private Placement;
- (cc) neither ERL nor to the knowledge of ERL, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to ERL, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper

advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of ERL in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither ERL nor to the knowledge of ERL, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded ERL or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

### **3.2 Representations and Warranties of Rebel and Rebel Subco**

Each of Rebel and Rebel Subco hereby represents and warrants to ERL as follows and acknowledges that ERL is relying on such representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

- (a) each of Rebel and Rebel Subco, is a company duly organized, validly existing and in good standing under the BCBCA with respect to the filing of annual reports, and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, and has the corporate power to enter into this Agreement and perform its obligations hereunder;
- (b) the authorized capital of Rebel consists of an unlimited number of Rebel Shares of which at the date hereof, (i) 4,660,000 Rebel Shares are issued and outstanding as fully paid and non-assessable of which 2,660,000 Rebel Shares are subject to an escrow agreement dated August 29, 2017 between Rebel, TSX Trust Company as escrow agent and certain founding shareholders of Rebel and (ii) 200,000 Rebel Shares are issuable on the exercise of all outstanding Rebel Options;
- (c) the authorized capital of Rebel Subco consists of an unlimited number of common shares of which as of the date hereof 1 common share is issued and outstanding as fully paid and non-assessable and are held by Rebel;
- (d) except as described in Section 3.2(b) above, no person has any Contract, agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued Rebel Shares or unissued common shares of Rebel Subco;
- (e) the financial statements of Rebel appearing on [www.SEDAR.com](http://www.SEDAR.com) and the financial statements of Rebel to be contained in the Filing Statement present fairly the financial position of Rebel at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the said statements, and have been prepared in accordance with IFRS (except as to changes in accounting policies publicly disclosed by Rebel);

- (f) there are reasonable grounds for believing that no creditor of Rebel or Rebel Subco will be materially prejudiced by the Business Combination;
- (g) each of Rebel and Rebel Subco is presently able to pay its liabilities as they become due;
- (h) each of Rebel and Rebel Subco has full corporate power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder and to complete the Amalgamation, subject to the approval of the Consolidation Resolution by Rebel Shareholders and the Rebel Subco Amalgamation Resolution by Rebel by written consent resolution;
- (i) this Agreement has been duly executed and delivered by Rebel and Rebel Subco and constitutes a legal, valid, and binding obligation of Rebel and Rebel Subco enforceable against each of them in accordance with its terms, except:
  - (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought;
- (j) the execution and delivery of this Agreement and the consummation of the Business Combination and the transaction contemplated by this Agreement do not and will not:
  - (i) result in the breach of or violate any term or provision of the constating documents of Rebel or Rebel Subco;
  - (ii) conflict with, result in a breach of, constitute a default under, trigger or accelerate or permit the triggering or the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Rebel or Rebel Subco is a party or by which it is bound or to which any property of Rebel or Rebel Subco is subject or result in the creation of any lien, charge or Encumbrance upon any of the assets of Rebel or Rebel Subco under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or
  - (iii) to the knowledge of Rebel, violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Rebel or Rebel Subco;
- (k) the board of directors of Rebel have unanimously: (i) approved the Business Combination and the execution, delivery and performance of this Agreement; (ii) directed that the Consolidation Resolution be submitted to the Rebel Shareholders, and unanimously recommended approval thereof, (iii) approved the Name Change Resolution; and (iv) approved the execution and delivery of the Rebel Subco Amalgamation Resolution by Rebel;

- (l) the board of directors of Rebel Subco have unanimously approved the Amalgamation and the execution, delivery and performance of this Agreement;
- (m) Rebel and Rebel Subco may execute, deliver, and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) the approval of the Consolidation Resolution ;
  - (ii) the approval of the Name Change Resolution by the board of directors of Rebel;
  - (iii) the approval of Rebel Subco Amalgamation Resolution by Rebel as sole shareholder of Rebel Subco;
  - (iv) the approval of the TSX-V for the Business Combination and other transactions contemplated hereby;
  - (v) consents, approvals, authorizations and waivers, which have been obtained (or will be obtained prior to the Effective Date), and are unconditional and in full force and effect and notices which have been given on a timely basis;
  - (vi) the filing of a Notice of Alteration under the BCBCA and a Form 13 (Amalgamation Application) with the British Columbia Registrar of Companies under the BCBCA;
  - (vii) the filing of the documents prescribed under the BCBCA to effect the appointment of the New Rebel Directors and the New Rebel Management; or
  - (viii) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent Rebel from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on the Rebel Group.
- (n) other than as contemplated herein or as filed on SEDAR, there are no Contracts, agreements, covenants, undertakings or other commitments of Rebel, Rebel Subco or any partnership or joint venture in which it is a partner or participant or any instruments binding on any of them or any of their respective properties;
- (o) other than in connection with the Rebel Private Placement, if applicable, neither Rebel nor Rebel Subco has incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated herein;
- (p) there are no actions, suits, claims or proceedings, whether in equity or at law, or any Governmental investigations pending or, to the knowledge of Rebel, threatened:
  - (i) against or affecting any Rebel Group Member or with respect to or affecting any asset or property owned, leased or used by any Rebel Group Member; or
  - (ii) which question or challenge the validity of this Agreement or the Amalgamation or any action taken or to be taken pursuant to this Agreement or the Amalgamation;

nor is Rebel aware of any basis for any such action, suit, claim, proceeding or investigation;

- (q) each Rebel Group Member has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to the businesses or operations of the Rebel Group, except for non-compliance, defaults, and violations which would not, in the aggregate, have a Material Adverse Effect on the Rebel Group;
- (r) no Rebel Group Member, and no asset of any Rebel Group Member, is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on the Rebel Group or which is reasonably likely to prevent Rebel or Rebel Subco from performing its respective obligations under this Agreement;
- (s) each Rebel Group Member has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with the business and operations of the Rebel Group, except where the failure to do so has not had and will not have a Material Adverse Effect on the Rebel Group;
- (t) other than the Rebel Stock Option Plan, Rebel does not maintain or contribute to any Employee Plan. The Rebel Stock Option Plan has been approved by the TSX-V and was adopted by Rebel in accordance with the requirements of the TSX-V and complies in all material respects with the applicable policies of the TSX-V;
- (u) no employees of any Rebel Group Member are covered by any collective bargaining agreement. There are no representation questions, arbitration proceedings, labour strikes, slow-downs or stoppages, material grievances, or other labour troubles pending or, to the knowledge of Rebel, threatened with respect to the employees of any Rebel Group Member; and (ii) to Rebel's knowledge, there are no present or pending applications for certification (or the equivalent procedure under any applicable Law) of any union as the bargaining agent for any employees of any Rebel Group Member;
- (v) there are no known or anticipated material liabilities of Rebel or Rebel Subco of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Rebel or Rebel Subco is or may become liable other than the liabilities disclosed on, reflected in or provided for in the financial statements referred to in Section 3.2(e) hereof or incurred in the ordinary course of business;
- (w) Rebel does not have any subsidiaries other than Rebel Subco, which is wholly-owned by Rebel, and is not a party to any Contract to acquire or lease any other businesses or business operations;
- (x) neither Rebel nor Rebel Subco is a party to any lease, management or service agreement that cannot be immediately terminated without notice or penalty or both;
- (y) the corporate records and minute books of each of Rebel and Rebel Subco as required to be maintained by it under the Laws of its jurisdiction of incorporation are up to date and

contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;

- (z) each of Rebel and Rebel Subco is the absolute legal and beneficial owner of, and has good and marketable title to, all of its property and assets (real and personal, tangible and intangible, including leasehold interests) free and clear of any and all mortgages, liens, pledges, charges, security interests, Encumbrances, actions, claims or demands of any nature whatsoever or howsoever arising which would have a Material Adverse Effect on the property or assets of Rebel and Rebel Subco;
- (aa) each of Rebel and Rebel Subco has duly filed on a timely basis all Tax Returns required to be filed by it and has paid all Taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; adequate provision has been made for Taxes payable for the current period for which Tax Returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax Return by, or payment of any Tax, governmental charge or deficiency against Rebel or Rebel Subco; to the knowledge of Rebel, there are no actions, suits, proceedings, investigations or claims now threatened or pending against Rebel or Rebel Subco in respect of Taxes, governmental charges or assessments, or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges or assessments asserted by any such Governmental Authority;
- (bb) each of Rebel and Rebel Subco is not, and will not be at the Effective Time, a “non-resident” as that term is used for the purposes of the ITA;
- (cc) each of Rebel and Rebel Subco has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all Taxes including, but not limited to, income tax and other deductions required to be withheld therefrom and has paid the same to the proper Government Official within the time required under any applicable tax legislation;
- (dd) the Rebel Shares are at present listed and posted for trading on the TSX-V and on no other stock exchange, but were halt traded on November 7, 2019;
- (ee) Rebel is now, and on the Effective Date will be, a “reporting issuer” (or its equivalent) under Canadian Securities Laws of each of the Provinces of Ontario, Alberta and British Columbia. Rebel is not currently in default in any material respect of any requirement of Canadian Securities Laws and Rebel is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of such Provinces;
- (ff) Rebel has filed all documents required pursuant to applicable Canadian Securities Laws (the “**Rebel Securities Documents**”). As of their respective dates, the Rebel Securities Documents complied in all material respects with the then applicable requirements of the Canadian Securities Laws and, at the respective times they were filed, none of the Rebel Securities Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading. Rebel has not filed any confidential disclosure reports which have not at the date hereof become public knowledge;

- (gg) the only material assets of Rebel consist of 1 common share of Rebel Subco and cash and cash equivalents, all of which are owned by Rebel directly or indirectly, free and clear of all mortgages, liens, charges, security interests, adverse claims, pledges, Encumbrances or demands whatsoever;
- (hh) except as contemplated by the Rebel Private Placement, the Business Combination and this Agreement, since January 1, 2020:
  - (i) there has been no Material Adverse Change in the Rebel Group;
  - (ii) no Rebel Group Member has:
    - (A) sold, transferred, distributed, or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;
    - (B) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on the Rebel Group;
    - (C) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$5,000;
    - (D) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreement or past practice;
    - (E) conducted its operations other than in all material respects in the normal course of business;
    - (F) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; and
    - (G) agreed or committed to do any of the foregoing; and
  - (iii) there has not been any declaration, setting aside or payment of any dividend with respect to Rebel's share capital;
- (ii) as of December 31, 2019, Rebel had current assets of \$141,408 and current liabilities of \$14,347, for a net working capital position of \$127,061;
- (jj) the information in the Filing Statement relating to Rebel and Rebel Subco is and will be true, correct and complete in all material respects; and does not and will not contain any untrue statement of any material fact, nor does it omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they were made;

- (kk) Rebel has adequate public distribution immediately before the Effective Time and, provided that adequate distribution is created in the Rebel Private Placement and the ERL Private Placement, the Resulting Issuer will have adequate distribution as required under the TSX-V's Policy 2.1 – *Initial Listing Requirements*;
- (ll) Rebel is not in breach of any agreement to which Rebel is a party due to any engagement of an agent or agents in connection with the Rebel Private Placement;
- (mm) since November 20, 2019, the business of Rebel has been carried on in its usual and ordinary course and Rebel has not entered into any transaction or incurred any liability without the prior written approval of ERL other than transactions or liabilities with a value of \$5,000 or less or other than in the usual and ordinary course of business or in relation to the completion of the terms of this Agreement;
- (nn) there has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the present or former auditors of the Rebel Group;
- (oo) Rebel is a “capital pool company” as defined in TSX-V Policy 2.4 – *Capital Pool Companies*, the Rebel Shares are listed and posted for trading on the TSX-V and Rebel has never carried on any active business other than as required in connection with the search for and evaluation of potential Qualifying Transaction;
- (pp) Rebel maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (qq) there are no contracts with Rebel, on the one hand, and: (i) any officer or director of the Rebel Group; (ii) any holder of 5% or more of the equity securities of Rebel; or (iii) an associate or affiliate of a person in (i) or (ii), on the other hand;
- (rr) neither Rebel nor Rebel Subco nor to the knowledge of Rebel, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Rebel or Rebel Subco, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada’s *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Rebel or Rebel Subco in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Rebel nor Rebel Subco nor to the knowledge of Rebel, any

director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Rebel or Rebel Subco or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

#### **ARTICLE IV COVENANTS OF ERL**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided), unless Rebel shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

##### **4.1 Access**

ERL shall permit:

- (a) Rebel and its Advisers to have reasonable access at reasonable times to all properties, books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to ERL including auditors' working papers and management letters and to discuss such matters with the executive officers of ERL; ERL shall make available to Rebel and its Advisers a copy of each report or document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as Rebel may reasonably request; and
- (b) Rebel to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of ERL as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner.

##### **4.2 Ordinary Course**

ERL shall conduct business only in the ordinary course consistent with past practice, except as otherwise contemplated in this Agreement or as agreed to between the parties or as required by applicable Laws. ERL shall not:

- (a) amend its notice of articles or articles;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding share capital;
- (c) issue or agree to issue any securities except in connection with (i) the ERL Private Placement or upon conversion of the securities issued in connection with the ERL Private Placement; (ii) the Business Combination and this Agreement; (iii) the exercise of currently outstanding convertible securities; (iv) a *bona fide* purchase of assets or shares from an arm's length third party; (v) one or more debt financing transactions in connection with the acquisition of any property or assets; and (vi) any tax planning transaction undertaken by any ERL Shareholder in the context of the Business Combination (including without limitation any "safe income" crystallization transaction);

- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its share capital other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its share capital or any securities convertible into or exchangeable or exercisable into any of its shares;
- (f) make loans, advances or other payments other than in the ordinary course of business or as required in connection with the Business Combination;
- (g) incur, guarantee, assume or modify any additional indebtedness for borrowed money in an aggregate amount in excess of \$10,000;
- (h) other than pursuant to obligations or rights under existing written Contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (i) amend or propose to amend the rights, privileges and restrictions attaching to the ERL Shares as they exist at the date of this Agreement, or reduce its stated capital;
- (j) reorganize, amalgamate or merge with another Person;
- (k) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (l) enter into any agreements outside of the ordinary course with its directors or officers or their respective Affiliates; or
- (m) except as required by generally accepted accounting principles to which ERL may be subject, or any applicable Law, make any changes to the existing accounting practices of ERL or make any material tax election inconsistent with past practice.

#### **4.3 Closing Conditions**

ERL shall use all commercially reasonable efforts to cause all of the conditions to the obligations of Rebel and Rebel Subco under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of ERL).

#### **4.4 Rebel Consent Resolutions and Filing Statement**

ERL shall use all commercially reasonable efforts to assist Rebel in connection with the preparation of the Rebel Consent Resolutions and the Filing Statement, and prepare as promptly as possible any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required in respect of the Business Combination and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding ERL (including financial statements) prescribed under applicable Canadian Securities Laws and described in the form of prospectus that ERL would be eligible to use, for inclusion in the Rebel Consent Resolutions or the Filing Statement, as the case may be, unless such cooperation and efforts would subject ERL to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

**ARTICLE V  
COVENANTS OF REBEL**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided), unless ERL shall otherwise consent in writing, which consent shall not be unreasonably withheld, delayed or conditioned:

**5.1 Access**

Rebel shall permit, and shall cause each Rebel Group Member to permit:

- (a) ERL and its Advisers to have reasonable access at reasonable times to all properties books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to the Rebel Group including auditor's working papers and management letters and to discuss such matters with the executive officers of the Rebel Group; Rebel shall make available to ERL and its Advisers a copy of each report or other document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as ERL may reasonably request; and
- (b) ERL to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of the Rebel Group as they deem necessary or advisable provided such reviews are conducted at reasonable times and in a reasonable manner.

**5.2 Ordinary Course**

Each Rebel Group Member shall conduct business only in the ordinary course consistent with past practice, except as otherwise contemplated in this Agreement or as agreed to between the parties or as required by applicable Laws. Each of Rebel and Rebel Subco shall not, and shall cause each Rebel Group Member not to:

- (a) amend its articles or notice of articles;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding share capital;
- (c) issue or agree to issue any securities, except as contemplated by the Business Combination and this Agreement;
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its share capital other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its share capital or any securities convertible into or exchangeable or exercisable into any of its shares;
- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money;
- (g) make loans, advances or other payments other than in the ordinary course of business or as required in connection with the Business Combination;

- (h) other than pursuant to obligations or rights under existing written Contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (i) amend or propose to amend the rights, privileges and restrictions attaching to the Rebel Shares or any of the terms of the Rebel Options as they exist at the date of this Agreement, or reduce its stated capital;
- (j) reorganize, amalgamate or merge with another Person;
- (k) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (l) enter into any agreements outside of the ordinary course with its directors or officers or their respective affiliates;
- (m) except as required by IFRS or any other generally accepted accounting principles to which any Rebel Group Member may be subject, or any applicable Law, make any changes to the existing accounting practices of Rebel or make any material tax election inconsistent with past practice;
- (n) enter into, without prior consultation with and the written consent of ERL, such consent not to be unreasonably withheld, conditioned or delayed, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures required by Law; (B) expenditures made in connection with transactions contemplated in this Agreement; and (C) expenditures required to prevent the occurrence of a Material Adverse Effect; or
- (o) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of the Rebel Group.

### **5.3 Insurance**

Rebel shall ensure that all property, real and personal, owned or leased by any Rebel Group Member continues to be insured substantially in the manner and to the extent they are currently insured.

### **5.4 Consolidation**

Prior to the Effective Time and subject to the requisite approval by Rebel Shareholders of the Consolidation Resolution, Rebel shall complete and give effect to the Consolidation.

### **5.5 Closing Conditions**

Rebel shall use all commercially reasonable efforts to cause all of the conditions to the obligations of ERL under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of the Rebel Group).

## **5.6 Rebel Subco**

Rebel, as sole shareholder of Rebel Subco, shall execute and deliver a written consent resolution approving the Rebel Subco Amalgamation Resolution and the Amalgamation.

## **5.7 Directors and Management**

Upon the change of directors and officers of Rebel and Rebel Subco as described in Section 1.3, Rebel shall complete and file, or cause to be completed and filed, such documents prescribed under the BCBCA to give effect to such change of directors and officers of Rebel and the appointment of the New Rebel Directors and the New Rebel Management.

## **5.8 Name Change**

Immediate following the Effective Time and subject to the requisite approval by board of directors of Rebel of the Name Change Resolution, Rebel shall complete and file the Notice of Alteration in accordance with the requirements of the BCBCA giving effect to the Name Change.

# **ARTICLE VI OTHER COVENANTS OF THE PARTIES**

## **6.1 Amalgamation**

On or before the Effective Date, Rebel and ERL shall use commercially reasonable efforts to take all necessary steps to amalgamate ERL with Rebel Subco.

## **6.2 Consents and Notices**

Promptly after the date hereof and, if necessary, for a reasonable time after the Effective Date:

- (a) The Parties shall use all commercially reasonable efforts, and shall cooperate with each other to obtain, all consents, waivers, approvals, and authorizations, in addition to those set forth in clause (b) below which may be necessary to effect the Business Combination and shall provide copies of such documents to the other Party.
- (b) Each of ERL, Rebel and Rebel Subco will promptly execute and file, or join in the execution and filing of, any application or other document that may be necessary in order to obtain the authorization, approval or consent of any Governmental Authority which may be reasonably required, or which any other Party may reasonably request in connection with the consummation of the transactions contemplated by this Agreement and shall provide copies of such documents to the other Party. Each of ERL, Rebel and Rebel Subco will use all commercially reasonable efforts to obtain promptly all such authorizations, approvals and consents.

## **6.3 Consent Resolutions, Circulars and Filing Statement**

- (a) Each of Rebel and ERL shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Rebel Consent Resolutions and, if necessary, the ERL Circular, respectively, together with any other documents required under Canadian Securities Laws and applicable corporate laws in connection with, if necessary, the ERL Meeting and each of Rebel and ERL shall co-operate with each other

in preparation of their respective written consent resolutions or circulars, as applicable, and in connection therewith provide the other Party with such information and material concerning its affairs as such other Party shall reasonably request, unless such cooperation and efforts would subject such Party to unreasonable cost or liability or would be in breach of statutory or regulatory requirements applicable to such Party.

- (b) As soon as practicable after the date hereof, ERL shall, in its sole discretion, either circulate a written consent resolution to the ERL Shareholders or call the ERL Meeting and hold the ERL Meeting as soon as practicable thereafter and mail the ERL Circular and all other documentation required in connection with the ERL Meeting to each ERL Shareholder for the purpose of obtaining approval of the ERL Amalgamation Resolution and the Amalgamation by the ERL Shareholders. As soon as practicable after the date hereof, Rebel shall mail the Rebel Consent Resolutions and all other documentation required in connection with the approval of the Consolidation Resolution to its shareholders. Rebel (or ERL on behalf of Rebel) shall file the Filing Statement with the TSX-V as soon as practicable after the date of this Agreement.
- (c) The Rebel Consent Resolutions shall include, *inter alia*, the unanimous recommendation of the board of directors of Rebel that its shareholders vote in favour of approval of the Consolidation Resolution. ERL shall advise its shareholders that the board of directors of ERL unanimously recommends that ERL Shareholders approve the ERL Amalgamation Resolution.
- (d) ERL covenants that none of the information regarding ERL to be supplied by ERL that is required to be included or incorporated by reference in the Rebel Consent Resolutions or the Filing Statement, as the case may be, will as of the date of such document contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to ERL or its officers and directors shall occur that is required to be described in the Rebel Consent Resolutions or the Filing Statement, as the case may be, ERL shall give prompt notice to Rebel of such event and shall cooperate in the preparation of a supplement or amendment to the Rebel Consent Resolutions or the Filing Statement, as the case may be, if such supplement or amendment, as applicable, is required, unless such cooperation and efforts would subject ERL to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.
- (e) Rebel covenants that the Rebel Consent Resolutions and the Filing Statement will comply as to form in all material respects with Canadian Securities Law and the requirements of the TSX-V and that none of the information regarding Rebel and Rebel Subco that is included or incorporated by reference in the Rebel Consent Resolutions or the Filing Statement, as the case may be, contains any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Rebel also covenants that none of the information regarding Rebel and Rebel Subco to be supplied by Rebel for inclusion or incorporation by reference in the ERL Circular, if necessary, will at the time of the mailing of the ERL Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Rebel, its officers and directors or any Rebel Group Member shall occur

that is required to be described in the Rebel Consent Resolutions, Filing Statement or ERL Circular, as the case may be, Rebel shall give prompt notice to ERL of such event and shall cooperate in the preparation of a supplement or amendment to the Rebel Consent Resolutions, Filing Statement or ERL Circular, as the case may be, if such supplement or amendment, as applicable, is required, unless such cooperation and efforts would subject Rebel to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

#### **6.4 Stock Exchange Listing**

- (a) Each of Rebel and ERL shall use all commercially reasonable efforts to obtain the conditional approval of the TSX-V to the Business Combination and the listing of the New Rebel Shares issuable to holders of ERL Shares pursuant to the Business Combination, which shall include the filing by Rebel (or by ERL on behalf of Rebel) of the Filing Statement with the TSX-V. Each of Party shall furnish to other Party and its legal counsel, as applicable, for review and comment, a reasonable amount of time prior to the time of filing of any document with the TSX-V, a copy of each document to be filed with the TSX-V, including, without limitation, the Filing Statement.
- (b) Each of Rebel and ERL shall use commercially reasonable efforts to obtain any necessary waivers from the TSX-V in order for the Resulting Issuer to maintain its listing on the TSX-V in the event the Resulting Issuer does not have satisfy all of the initial listing criteria under the TSX-V's Policy 2.1 – *Initial Listing Requirements*.

#### **6.5 Defense of Proceedings**

Rebel and Rebel Subco, on the one hand, and ERL, on the other hand, shall vigorously defend, or shall cause to be vigorously defended, any lawsuits or other legal proceedings brought against Rebel, ERL or any Rebel Group Member, or their respective officers, directors or shareholders, challenging this Agreement or the completion of the Business Combination, and the Parties shall cooperate with each other in all respects in such defense. Neither Rebel, Rebel Subco nor ERL shall compromise or settle any claim brought in connection with the Business Combination, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed.

#### **6.6 Press Releases**

Before issuing any press release or otherwise making any public statements with respect to the this Agreement or the Business Combination, Rebel, Rebel Subco and ERL shall consult with each other and shall undertake reasonable efforts to agree upon the terms of such press release, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law or by obligations pursuant to any listing agreement with any stock exchange.

#### **6.7 Non-Solicitation**

- (a) From and after the date hereof until the termination of this Agreement, none of ERL nor any of its officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than Rebel, relating to the possible acquisition of ERL or any of its Affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (ii) provide information with respect to ERL or any of its

Affiliates to any Person, other than the Parties, relating to the possible acquisition of ERL (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets by any Person, other than by the Parties. In addition to the foregoing, if ERL or any of its officers, directors, agents, or Affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, ERL shall immediately notify Rebel thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of ERL from exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of ERL, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve ERL of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to Rebel or Rebel Subco, as applicable.

- (b) From and after the date hereof until the termination of this Agreement, none of Rebel or any of its officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than ERL, relating to the possible acquisition of Rebel or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (ii) provide information with respect to Rebel or any of its affiliates to any Person, other than the Parties, relating to the possible acquisition of Rebel or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets by any Person, other than by the Parties. In addition to the foregoing, if Rebel or any of its officers, directors, agents, or Affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, Rebel shall immediately notify ERL thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the board of directors of Rebel from exercising its fiduciary duties under applicable Law where in the good faith judgment of the board of directors of Rebel, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve Rebel of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to ERL.

## **6.8 Refrain from Certain Actions**

No Party shall take any action, refrain from taking any action (subject to commercially reasonable efforts) or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could reasonably be expected to have a Material Adverse Effect on such Party.

## **6.9 Indemnity**

Each Party (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Parties hereto (and such other Parties’ respective directors, officers and Advisers) (collectively, the “**Indemnified Party**”) from and against all claims, damages, liabilities, actions or demands to which the Indemnified Party may become subject insofar as such claims, damages, liabilities, actions or demands arise out of or are based upon: (i) the information supplied by an Indemnifying Party (other than the Indemnified Party) and contained in a circular having contained a misrepresentation; or (ii) any breach of a representation, warranty, covenant or obligation of the Indemnifying Party contained in this Agreement or any certificate or notice delivered by it in connection herewith, and will reimburse such Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability, action or demand. Each Party hereto shall obtain and hold the rights and benefits of this Section 6.9 in trust for and on behalf of such Party’s directors, officers and Advisers.

## **6.10 Exemptions from Registration Requirements of U.S. Securities Laws**

The Parties hereto intend for the issuances and exchanges of shares contemplated hereby to be exempt from the registration requirements of any applicable United States federal and state securities laws and, accordingly, each agrees to take such further commercially reasonable actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to ensuring the availability of and maintaining such exemptions.

# **ARTICLE VII CONDITIONS TO OBLIGATIONS OF REBEL**

## **7.1 Conditions Precedent to Completion of the Business Combination**

The obligation of Rebel and Rebel Subco to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by Rebel and Rebel Subco:

- (a) The representations and warranties of ERL set forth in Section 3.1 qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date of this Agreement and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date; and Rebel shall have received a certificate signed on behalf of ERL by an executive officer thereof to such effect dated as of the Effective Date.
- (b) ERL shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it prior to or

on the Effective Date and Rebel shall have received a certificate signed on behalf of ERL by an executive officer thereof to such effect dated as of the Effective Date.

- (c) There shall not have occurred any Material Adverse Change in ERL since the date of this Agreement.
- (d) The ERL Shareholders shall have approved the ERL Amalgamation Resolution in accordance with applicable Law.
- (e) The Rebel Shareholders shall have approved the Consolidation Resolution.
- (f) Dissent Rights shall have been exercised in respect of no more than 10% of the issued and outstanding ERL Shares.
- (g) Current officers and/or employees of ERL shall have duly waived any termination or change of control payments triggered upon completion of the Business Combination.
- (h) The Financing shall have been completed.

## **ARTICLE VIII CONDITIONS TO OBLIGATIONS OF ERL**

### **8.1 Conditions Precedent to Completion of the Business Combination**

The obligation of ERL to complete the Business Combination is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by ERL:

- (a) The representations and warranties of Rebel and Rebel Subco set forth in Section 3.2 qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date hereof and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date, and ERL shall have received certificates signed on behalf of Rebel and Rebel Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (b) Rebel and Rebel Subco shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Rebel and Rebel Subco, respectively, prior to or on the Effective Date and ERL shall have received certificates signed on behalf of Rebel and Rebel Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (c) There shall not have occurred any Material Adverse Change in the Rebel Group since the date of this Agreement.
- (d) The ERL Shareholders shall have approved the ERL Amalgamation Resolution in accordance with applicable Law.
- (e) Rebel shall have approved the Rebel Subco Amalgamation Resolution in accordance with applicable Law.

- (f) The Rebel Shareholders shall have approved the Consolidation Resolution .
- (g) Rebel shall have filed Notice of Alteration in accordance with the BCBCA in respect of the Name Change and the Consolidation and the Name Change shall be effective.
- (h) Dissent Rights shall have been exercised in respect of no more than 10% of the issued and outstanding ERL Shares.
- (i) ERL shall be satisfied that the exchange of New Rebel Shares for ERL Shares shall be qualified or exempt from registration or qualification under all applicable United States federal and state securities laws.
- (j) All of the current directors and officers of Rebel and Rebel Subco shall have resigned without payment by or any liability to Rebel, ERL, Rebel Subco or Amalco, and each such director and officer shall have executed and delivered a release in favour of Rebel, Rebel Subco, ERL and Amalco, in a form acceptable to Rebel and ERL, each acting reasonably.
- (k) ERL shall be satisfied in its sole discretion that: (A) at the time of the completion of the Business Combination, Rebel has a cash balance of not less than \$130,000; and (B) Rebel and Rebel Subco have no liabilities.
- (l) ERL shall be satisfied in its sole discretion of the maintenance of Rebel's listing on the TSX-V.
- (m) The Financing shall have been completed.

## **ARTICLE IX MUTUAL CONDITIONS PRECEDENT**

### **9.1 Mutual Conditions Precedent**

The obligations of Rebel and ERL to complete the Business Combination are subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived only with the consent in writing of Rebel, Rebel Subco and ERL:

- (a) all consents, waivers, permits, exemptions, orders, consents and approvals required to permit the completion of the Business Combination, the failure of which to obtain could reasonably be expected to have a Material Adverse Effect on ERL or Rebel or materially impede the completion of the Business Combination, shall have been obtained;
- (b) no temporary restraining order, preliminary injunction, permanent injunction or other order preventing the consummation of the Business Combination shall have been issued by any federal, state, or provincial court (whether domestic or foreign) having jurisdiction and remain in effect;
- (c) the New Rebel Shares to be issued pursuant to the Business Combination shall have been conditionally approved for listing on the TSX-V, subject to standard conditions on the Effective Date or as soon as practicable thereafter;
- (d) the TSX-V shall have accepted the Amalgamation, the Consolidation, the Rebel Private Placement, the ERL Private Placement and the other transactions contemplated by this

Agreement as part of Rebel’s “Qualifying Transaction” under the rules and policies of the TSX-V, subject to compliance with the usual requirements of such TSX-V;

- (e) on the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Rebel Shares, the New Rebel Shares, the ERL Shares or the Amalco Shares shall be in effect;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Authority, before any court or Governmental Authority, agency or tribunal, domestic or foreign, that has a significant likelihood of success, seeking to restrain or prohibit the consummation of the Business Combination or any of the other transactions contemplated by this Agreement or seeking to obtain from Rebel, Rebel Subco or ERL any damages that are material in relation to Rebel, Rebel Subco and ERL and their subsidiaries taken as a whole;
- (g) the distribution of Amalco Shares and the New Rebel Shares pursuant to the Business Combination shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Law either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons) or pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities of the Canadian Securities Administrators*); and
- (h) this Agreement shall not have been terminated in accordance with its terms.

## **ARTICLE X CLOSING**

### **10.1 Closing**

The Closing shall take place at the offices of ERL’s counsel, McCarthy Tétrault LLP at 10:00 a.m. (Vancouver time) on the Effective Date or on such other date as ERL and Rebel may agree.

### **10.2 Termination of this Agreement**

This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the ERL Amalgamation Resolution by the ERL Shareholders, the Rebel Subco Amalgamation Resolution or the Name Change Resolution by Rebel or the Consolidation Resolution by the Rebel Shareholders or any other matters presented in connection with the Business Combination:

- (a) by mutual written consent of Rebel, Rebel Subco and ERL;
- (b) by a Party if a condition in its favour or a mutual condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied) except where such failure is the result of a breach of this Agreement by such Party;
- (c) by Rebel or ERL if there has been a breach of any of the representations, warranties, covenants and agreements on the part of the other Party (the “**Breaching Party**”) set forth in this Agreement, which breach has or is likely to result in the failure of the conditions set forth in Section 7.1, 8.1 or 9.1, as the case may, to be satisfied and in each case has not

been cured within ten (10) Business Days following receipt by the Breaching Party of written notice of such breach from the non-breaching Party (the “**Non-Breaching Party**”);

- (d) by any Party if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Business Combination shall have become final and non-appealable;
- (e) by Rebel or ERL if:
  - (i) the other Party or the board of directors of such other Party, or any committee thereof, withdraws or modifies in a manner adverse to the initial Party, its approval of this Agreement or its recommendation to shareholders vote in favour of the Consolidation or the ERL Amalgamation Resolution, as applicable;
  - (ii) the ERL Amalgamation Resolution is not approved by the ERL Shareholders; or
  - (iii) the Consolidation Resolution is not approved by the Rebel Shareholders;
  - (iv) the Name Change Resolution is not approved by the board of directors of Rebel;
  - (v) the initial submission (as described in Section 12.3 of the Exchange’s Policy 2.4 – *Capital Pool Companies*) has not been filed with the TSX-V by February 28, 2020 or such filing has been made, but ERL is unable to meet any of the material requirements imposed by the TSX-V on or before the Termination Date;
- (f) by Rebel or ERL if the Amalgamation is not completed by the Termination Date provided that the Party then seeking to terminate this Agreement is not then in default of any of its obligations hereunder; and
- (g) by Rebel or ERL if the other Party has breached the provisions of Section 6.7 hereof in any material manner.

### **10.3 Survival of Representations and Warranties; Limitation**

The representations and warranties set forth in herein shall expire and be terminated on the earlier of the Effective Date or the termination of this Agreement.

## **ARTICLE XI MISCELLANEOUS**

### **11.1 Further Actions**

From time to time, as and when requested by any Party, the other Parties shall execute and deliver, and use all commercially reasonable efforts to cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably requested in order to:

- (a) carry out the intent and purposes of this Agreement;
- (b) effect the Amalgamation (or to evidence the foregoing); and

- (c) consummate and give effect to the other transactions, covenants and agreements contemplated by this Agreement.

## **11.2 Expenses**

- (a) Except as expressly set forth herein, each of the Parties shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of the Letter of Intent and all legal and accounting fees and disbursements relating to preparing this Agreement or otherwise relating to the transactions contemplated herein; provided, however (and for greater certainty).
- (b) If the Business Combination is not completed because Rebel elects not to proceed with the Business Combination (other than an election consequent upon a breach of this Agreement by ERL, or the frustration of a term of this Agreement), breaches this Agreement or the Business Combination is abandoned due to non-performance of Rebel of any of its obligations hereunder, other than those obligations for which TSX-V approval was not obtained, Rebel will pay ERL's reasonable out-of-pocket expenses incurred in connection with the Business Combination to a maximum of \$70,000. If the Arrangement is not completed because ERL elects not to proceed with the Business Combination (other than an election consequent upon a breach of this Agreement by Rebel, or the frustration of a term of this Agreement), breaches this Agreement or the Business Combination is abandoned due to non-performance of ERL of any of its obligations hereunder, other than those obligations for which TSX-V approval was not obtained, ERL will pay Rebel's reasonable out-of-pocket expenses incurred in connection with the Business Combination to a maximum of \$70,000.

## **11.3 Entire Agreement**

This Agreement, which includes the Schedules hereto and the other documents, agreements, and instruments executed and delivered pursuant to or in connection with this Agreement, contains the entire Agreement between the Parties with respect to matters dealt within herein and, except as expressly provided herein, supersedes all prior arrangements or understandings with respect thereto, including the Letter of Intent.

## **11.4 Descriptive Headings**

The descriptive headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

## **11.5 Notices**

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by fax or other electronic communication, nationally recognized overnight courier, or registered or certified mail, postage prepaid, addressed as follows:

- (a) If to Rebel:

Rebel Capital Inc.  
20<sup>th</sup> Floor, 250 Howe Street  
Vancouver, BC V6C 3R8

Attention: Craig Lindsay  
E-mail: *[Contact information has been redacted]*

with a copy (which shall not constitute notice) to:

DuMoulin Black LLP  
10th Floor, 595 Howe Street  
Vancouver, BC V6C 2T5

Attention: David Gunasekera  
Email: dgunasekera@dumoulinblack.com

(b) If to ERL:

Electric Royalties Ltd.  
15th Floor, 1040 West Georgia Street  
Vancouver, BC V6E 4H1

Attention: Brendan Yurik  
E-mail: *[Contact information has been redacted]*

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP  
Suite 2400, 745 Thurlow Street  
Vancouver BC V6E 0C5

Attention: Roger Taplin and Bosa Kosoric  
E mail: rtaplin@mccarthy.ca; bkosoric@mccarthy.ca

(c) If to Rebel Subco:

c/o Rebel Capital Inc.  
20<sup>th</sup> Floor, 50 Howe Street  
Vancouver, BC V6C 3R8

Attention: Craig Lindsay  
E-mail: *[Contact information has been redacted]*

Any such notices or communications shall be deemed to have been received: (i) if delivered personally or sent by fax (with transmission confirmed) or other electronic communication, nationally recognized overnight courier or by e-mail, on the date of such delivery; or (ii) if sent by registered or certified mail, on the third Business Day following the date on which such mailing was postmarked. Any Party may by notice change the address to which notices or other communications to it are to be delivered or mailed.

## **11.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein, but references to such laws shall not, by conflict of laws, rules or otherwise require application of the law of any jurisdiction other than the Province of British Columbia and the Parties hereby further irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection with the transactions contemplated in this Agreement.

### **11.7 Enurement and Assignability**

This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, provided that this Agreement shall not be assignable otherwise than by operation of law by either Party without the prior written consent of the other Parties, and any purported assignment by any Party without the prior written consent of the other Party shall be void.

### **11.8 Confidentiality**

The Parties agree that no disclosure or announcement, public or otherwise, in respect of the Business Combination, this Agreement or the transactions contemplated herein shall be made by any Party or its representatives without the prior agreement of the other Parties as to timing, content and method, hereto, provided that the obligations herein will not prevent any Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the TSX-V (or any other relevant stock exchange). If either Rebel, ERL or Rebel Subco is required by applicable Law or regulatory instrument, rule or policy to make a public announcement with respect to the Business Combination, such Party hereto will provide as much notice to the other of them as reasonably possible, including the proposed text of the announcement.

Except as and only to the extent required by applicable Law, the Receiving Party will not disclose or use, and it will cause its representatives not to disclose or use, any Confidential Information furnished by a Disclosing Party or its representatives to the Receiving Party or its representatives at any time or in any manner, other than for the purposes of evaluating the Business Combination.

### **11.9 Remedies**

The Parties acknowledge that an award of money damages may be inadequate for any breach of the obligations undertaken by the Parties and that the Parties shall be entitled to seek equitable relief, in addition to remedies at law. In the event of any action to enforce the provisions of this Agreement, each of the Parties waive the defense that there is an adequate remedy at law. Without limiting any remedies any Party may otherwise have, in the event any Party refuses to perform its obligations under this Agreement, the other Party shall have, in addition to any other remedy at law or in equity, the right to specific performance.

### **11.10 Waivers and Amendments**

Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a Party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

### **11.11 Illegalities**

In the event that any provision contained in this Agreement shall be determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this Agreement shall not, at the election of the Party for whose benefit the provision exists, be in any way impaired.

### **11.12 Currency**

Except as otherwise set forth herein, all references to amounts of money in this Agreement are to Canadian Dollars.

### **11.13 Counterparts**

This Agreement may be executed in any number of counterparts by original or telefacsimile signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

### **11.14 Time of Essence**

Time is of the essence of this Agreement and of each of its provisions.

[REMAINDER OF THE AGREEMENT IS INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the undersigned have executed and delivered this Agreement as of the day and year first above written.

**REBEL CAPITAL INC.**

By: “Craig Lindsay”

Name: Craig Lindsay

Title: Director

**ELECTRIC ROYALTIES LTD.**

By: “Brendan Yurik”

Name: Brendan Yurik

Title: Chief Executive Officer

**1238383 B.C. LTD.**

By: “Craig Lindsay”

Name: Craig Lindsay

Title: Director

## **SCHEDULE A DEFINITIONS**

“**Advisers**” when used with respect to any Person, shall mean such Person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants.

“**Affiliate**” shall have the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

“**Agreement**” means this Business Combination Agreement, as it may be amended or supplemented at any time and from time to time after the date hereof.

“**Amalco**” means the corporation resulting from Amalgamation.

“**Amalco Shares**” means common shares in the capital of Amalco.

“**Amalgamation**” means an amalgamation of Rebel Subco and ERL pursuant to Section 270 of the BCBCA, on the terms and subject to the conditions set out in this Agreement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement.

“**Amalgamation Agreement**” means the amalgamation agreement in the form attached hereto as Schedule “B” to be entered into between Rebel Subco and ERL pursuant to Section 270 of the BCBCA, to effect the Amalgamation.

“**Associate**” shall have the meaning ascribed to such term in the *Securities Act* (British Columbia).

“**BCBCA**” means the *Business Corporations Act* (British Columbia) as amended;

“**Breaching Party**” shall have the meaning ascribed to such term in Section 10.2(c).

“**Business Combination**” means the business combination among Rebel, Rebel Subco and ERL pursuant to which ERL Shareholders will receive New Rebel Shares on the basis of one New Rebel Share for each one ERL Share held and Rebel will become the parent company of Amalco.

“**Business Day**” means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the City of Vancouver are required or permitted to close.

“**Canadian Securities Laws**” means the *Securities Act* (British Columbia), or equivalent legislation, in each of the provinces and territories of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such provinces and territories.

“**Confidential Information**” means any information concerning the Disclosing Party or its business, properties and assets made available to the Receiving Party; provided that it does not include information which: (a) is generally available to or known by the public other than as a result of improper disclosure by the Receiving Party or pursuant to a breach of Section 11.8 by the Receiving Party; (b) is obtained by the Receiving Party from a source other than the Disclosing Party, provided that, to the reasonable knowledge of the Receiving Party, such source was not bound by a duty of confidentiality to the Disclosing Party or another party with respect to such information; (c) is developed by the Receiving Party independently of any disclosure by the Disclosing Party; or (d) was in the Receiving Party's possession prior to its disclosure by the Disclosing Party.

“**Consolidation**” means the consolidation of the Rebel Shares on the basis of one New Rebel Share for each two existing Rebel Shares.

**“Consolidation Resolution”** means the written consent resolution of at least 2/3 of the Rebel Shareholders authorizing the Consolidation.

**“Contract”** means any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral.

**“Depository”** means TSX Trust Company, or such other depository as may be mutually agreed to by the Parties.

**“Disclosing Party”** means any Party or its representatives disclosing Confidential Information to the Receiving Party.

**“Dissent Rights”** shall have the meaning ascribed to such term in Section 2.1.

**“Effective Date”** shall have the meaning ascribed to such term in Section 1.2(e).

**“Effective Time”** means 12:01 a.m. (Vancouver time) on the Effective Date.

**“Employee Plans”** means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation:

- (a) any employee benefit plan or material fringe benefit plan;
- (b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan;
- (c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees; and
- (d) where applicable, all statutory plans, including, without limitation, the Canada or Québec Pension Plans.

**“Encumbrance”** includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

**“ERL Amalgamation Resolution”** means the resolution of the holders of ERL Shares approving the Amalgamation and adopting the Amalgamation Agreement, either at the ERL Meeting or by unanimous written consent.

**“ERL Circular”** means the management information circular of ERL to be provided to the ERL Shareholders in respect of the ERL Amalgamation Resolution and the other matters (if any) to be considered at the ERL Meeting if such ERL Meeting is called by ERL.

**“ERL Disclosure Letter”** means a letter dated as of the date of this Agreement and delivered by ERL to Rebel and Rebel Subco contemporaneous with the execution of this Agreement.

**“ERL Dissenting Procedures”** means the dissent procedures provided to ERL Shareholders pursuant to Division 2 of Part 8 of the BCBCA.

**“ERL Dissenting Shareholder”** means a registered shareholder of ERL who dissents in respect of the ERL Amalgamation Resolution in strict compliance with ERL Dissenting Procedures.

**“ERL Meeting”** means the special meeting of the shareholders of ERL to be held, if necessary, to approve, *inter alia*, the Amalgamation and any and all adjournments or postponements of such meeting.

**“ERL PP Shares”** means the ERL Shares issued pursuant to the ERL Private Placement.

**“ERL Private Placement”** means the private placement by ERL of ERL PP Shares and/or such other securities of ERL, raising up to \$5,000,000 or such other minimum amount as may be agreed to by Rebel and ERL at a price per ERL PP Share and/or such other security to be determined by ERL, but subject to a minimum price of \$0.25 per ERL PP Share or other security, to be closed concurrently with the Business Combination.

**“ERL Shareholders”** means the holders of the issued and outstanding ERL Shares.

**“ERL Shares”** means the common shares in the capital of ERL.

**“Filing Statement”** means the filing statement of Rebel to be prepared in accordance with the requirements of the TSX-V and filed with the TSX-V in connection with the Business Combination.

**“Financing”** means the ERL Private Placement and the Rebel Private Placement.

**“Government”** means:

- (a) the government of Canada, or any foreign country;
- (b) the government of any Province, county, municipality, city, town, or district of Canada, or any foreign country; and
- (c) any ministry, agency, department, authority, commission, administration, corporation, bank, court, magistrate, tribunal, arbitrator, instrumentality, or political subdivision of, or within the geographical jurisdiction of, any government described in the foregoing clauses (a) and (b), and for greater certainty, includes the TSX-V.

**“Government Official”** means:

- (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority;
- (b) any salaried political party official, elected member of political office or candidate for political office; or
- (c) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses.

**“Governmental”** means pertaining to any Government.

**“Governmental Authority”** means and includes, without limitation, any Government or other political subdivision of any Government, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in

question and, for greater certainty, includes the TSX-V.

“**Group Member**” means and includes any Party and its other group members as the context requires.

“**IFRS**” means International Financial Reporting Standards.

“**ITA**” means the *Income Tax Act* (Canada), as amended and all regulations thereunder.

“**Income Tax**” means any Tax based on or measured by income (including without limitation, based on net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits); and any interest, Penalties and additions to tax with respect to any such tax (or any estimate or payment thereof).

“**Law**” means any of the following of, or issued by, any Government, in effect on or prior to the date hereof, including any amendment, modification or supplementation of any of the following from time to time subsequent to the original enactment, adoption, issuance, announcement, promulgation or granting thereof and prior to the date hereof: any statute, law, act, ordinance, code, rule or regulation of any writ, injunction, award, decree, judgment or order.

“**Letter of Intent**” means the letter of intent, dated November 21, 2019, between ERL and Rebel related to the Business Combination.

“**liability**” of any Person means and include:

- (a) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured;
- (b) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and
- (c) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise).

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to either Party any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, properties, assets, liabilities (including contingent liabilities), results of operations or financial condition of the party and its subsidiaries, as applicable, taken as a whole. The foregoing shall not include any change or effects attributable to: (i) any matter that has been disclosed in writing to the other Party or any of its Advisers by a Party or any of its Advisers in connection with this Agreement; (ii) changes relating to general economic, political or financial conditions; (iii) relating to the state of securities markets in general; (iv) the Financing; or (v) the announcement of the Amalgamation.

“**Name Change**” means the change of Rebel’s name to “Electric Royalties Ltd.” or such other name as is acceptable to the regulatory authorities.

“**Name Change Resolution**” means the resolution of the board of directors of Rebel authorizing the name change of Rebel to “Electric Royalties Ltd.”.

“**New Rebel Directors**” shall have the meaning ascribed to such term in Section 1.3.

“**New Rebel Management**” shall have the meaning ascribed to such term in Section 1.3.

“**New Rebel Shares**” means the common shares Rebel is authorized to issue after giving effect to the Consolidation.

“**Non-Breaching Party**” shall have the meaning ascribed to such term in Section 10.2(c).

“**Non-Offending Persons**” shall have the meaning ascribed to such term in Section 6.9.

“**Parties**” and “**Party**” means the parties to this Agreement.

“**penalty**” means any civil or criminal penalty (including any interest thereon), fine, levy, lien, assessment, charge, monetary sanction or payment, or any payment in the nature thereof, of any kind, required to be made to any Government under any Law.

“**Person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government.

“**Qualifying Transaction**” shall have the meaning ascribed thereto in TSX-V Policy 2.4 – *Capital Pool Companies*.

“**Rebel**” means Rebel Capital Inc., a corporation existing under the BCBCA.

“**Rebel Consent Resolutions**” means the Consolidation Resolution and the other matters (if any), together with any other documents required under Canadian Securities Laws and applicable corporate Laws to be provided to the Rebel Shareholders in connection the approval of the Consolidation Resolution.

“**Rebel Group**” means and includes Rebel, Rebel Subco and the other Rebel Group Members.

“**Rebel Group Member**” means and includes Rebel and any corporation, partnership or company in which Rebel beneficially owns or controls, directly or indirectly, more than 50% of the equity, voting rights, profit interest, capital or other similar interest thereof or any joint venture in which Rebel has a direct or indirect interest.

“**Rebel Options**” means currently outstanding options to purchase Rebel Shares.

“**Rebel Private Placement**” means the private placement by Rebel Subscription Receipts, raising up to \$5,000,000 or such other minimum amount as may be agreed to by Rebel and ERL at a price per Rebel Subscription Receipt to be determined by ERL, but subject to a minimum price of \$0.25 per Rebel Subscription Receipt or other security, to be closed concurrently with the Business Combination.

“**Rebel Subscription Receipts**” means the subscription receipts issued by Rebel pursuant to the Rebel Private Placement.

“**Rebel Securities Documents**” shall have the meaning ascribed to such term in Section 3.2(ff).

“**Rebel Shareholders**” means the holders of Rebel Shares.

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

“**Rebel Stock Option Plan**” means the stock option plan of Rebel.

“**Rebel Subco**” means 1238383 B.C Ltd., a wholly-owned subsidiary of Rebel, created for the purpose of effecting the Business Combination.

**“Rebel Subco Amalgamation Resolution”** means the resolution of Rebel, as sole shareholder of Rebel Subco, approving the Amalgamation and adopting the Amalgamation Agreement.

**“Rebel Subco Shares”** means the common shares in the capital of Rebel Subco.

**“Receiving Party”** means any Party or its representatives receiving Confidential Information from a Disclosing Party.

**“Related to the Business”** means, directly or indirectly, used in, arising from, or relating in any manner to the business of ERL.

**“Resulting Issuer”** means the resulting issuer after completion of the Business Combination, being Rebel Capital Inc. (which shall be renamed “Electric Royalties Ltd.”);

**“subsidiary”** means, with respect to a specified corporation, any corporation of which more than fifty per cent (50%) of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified corporation, and shall include any corporation in like relation to a subsidiary.

**“Tax”** means any tax, levy, charge or assessment imposed by or due any Government, together with any interest, penalties, and additions to tax relating thereto, including without limitation, any of the following:

- (a) any Income Tax;
- (b) any franchise, sales, use and value added tax or any license or withholding tax; any payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, alternative or add-on minimum tax; and any customs duties or other taxes;
- (c) any tax on property (real or personal, tangible or intangible, based on transfer or gains);
- (d) any estimate or payment of any of tax described in the foregoing clauses (a) through (d); and
- (e) any interest, Penalties and additions to tax with respect to any tax (or any estimate or payment thereof) described in the foregoing clauses (a) through (e).

**“Tax Return”** means all returns, amended returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority in Canada.

**“Termination Date”** means April 30, 2020.

**“TSX-V”** means the TSX Venture Exchange.

**SCHEDULE B**  
**AGREEMENT OF AMALGAMATION**

See Attached

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2020.

BETWEEN:

**ELECTRIC ROYALTIES INC.**, a company incorporated under the laws of the Province of British Columbia

(“**ERL**”)

AND:

**REBEL CAPITAL INC.**, a company incorporated under the laws of the Province of British Columbia

(“**Rebel**”)

AND:

**1238383 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia

(“**Rebel Subco**”)

WHEREAS:

A. ERL and Rebel Subco wish to amalgamate pursuant to the provisions of the *Business Corporations Act* and to continue as one company in accordance with the terms and conditions set out in this Agreement;

B. The authorized and issued share structure of ERL, as at the date of this Agreement, is set out in the table below:

<u>Number Authorized</u>	<u>Number Issued</u>	<u>Class</u>
No Maximum Number	10,000,001	Common Shares Without Par Value

C. The authorized and issued share structure of Rebel Subco, as at the date of this Agreement, is set out in the table below:

<u>Number Authorized</u>	<u>Number Issued</u>	<u>Class</u>
No Maximum Number	1	Common Share Without Par Value

D. Each of ERL, Rebel and Rebel Subco has made full disclosure to the others of all of its respective assets and liabilities;

E. ERL and Rebel Subco, acting under the authority set out in the *Business Corporations Act*, have agreed to amalgamate on the terms and conditions set forth herein; and

F. Pursuant to the Amalgamation, Rebel will issue Rebel Shares to the holders of Common Shares Without Par Value of ERL.

IN CONSIDERATION of the mutual promises set out below and for other good and valuable consideration, the parties agree as follows:

Defined Terms

1. In this Agreement:

- (1) “**Agreement**” means this Amalgamation Agreement as it may be supplemented and amended from time to time;
- (2) “**Amalgamated Company**” means the company that will continue as a result of the Amalgamation;
- (3) “**Amalgamation**” means the amalgamation of the Predecessor Companies pursuant to the terms of this Agreement and the provisions of the *Business Corporations Act*;
- (4) “**Amalgamation Application**” means the amalgamation application to be filed with the Registrar pursuant to subsection 275(1)(a) of the *Business Corporations Act*;
- (5) “**Business Corporations Act**” means the *Business Corporations Act* of British Columbia, S.B.C. 2002, c. 57, as from time to time amended;
- (6) “**Effective Date**” means the date of the Amalgamation as set out in the relevant certificate of amalgamation to be issued by the Registrar, namely the later of:
  - (a) the date and time that the Amalgamation Application is filed with the Registrar; and
  - (b) the date and time specified in the Amalgamation Application;
- (7) “**Rebel Shares**” means Common Shares Without Par Value of Rebel;
- (8) “**Predecessor Companies**” means, together, Rebel Subco and ERL; and
- (9) “**Registrar**” means the Registrar of Companies for British Columbia.

Amalgamation

2. Subject to the terms and conditions set out in this Agreement, the Predecessor Companies will amalgamate and continue as one company on the Effective Date pursuant to the *Business Corporations Act*.

Effective Date

3. It is the intention of the Predecessor Companies that the Amalgamation will take place on, and will be effective on and from the Effective Date as set out in the form of Amalgamation Application attached hereto as Schedule A.

Name of Amalgamated Company

4. The name of the Amalgamated Company will be the name assigned by the Registrar upon the effective time of the Amalgamation, being the Amalgamated Company's incorporation number followed by the words "B.C. Ltd.".

Articles

5. The articles of the Amalgamated Company will be in the form attached hereto as Schedule B.

Registered and Records Offices

6. The registered office and the records office of the Amalgamated Company will both be located at Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5.

First Director

The first director of the Amalgamated Company will be:

Craig Lindsay

**Mailing Address:**

20<sup>th</sup> Floor, 250 Howe Street  
Vancouver, British Columbia V6C 3R8

**Delivery Address:**

20<sup>th</sup> Floor, 250 Howe Street  
Vancouver, British Columbia V6C 3R8

Authorized Capital

7. The authorized share structure of the Amalgamated Company will consist of the shares set out in the table below, namely:

<u>Number Authorized</u>	<u>Class</u>
No Maximum Number	Common Shares Without Par Value

Cancellation and Exchange of Shares

8. On the Effective Date, by virtue of the Amalgamation and pursuant to subsections 270(2)(b) and 270(2)(c) of the *Business Corporations Act*, the issued shares in the capital of each of the Predecessor Companies will be exchanged as follows:
- (1) each Common Share Without Par Value in the capital of ERL will be exchanged for one Rebel Share, following which all issued Common Shares Without Par Value in the capital of ERL will be cancelled;
  - (2) Rebel will receive one Common Share Without Par Value of the Amalgamated Company in consideration for the Rebel Shares issued to the holders of Common Shares Without Par Value of ERL pursuant to section 8(1) above; and
  - (3) the issued Common Share Without Par Value in the capital of Rebel Subco registered in the name of Rebel will be exchanged for one Common Share Without Par Value in the capital of the Amalgamated Company.

9. The Amalgamated Company will issue shares in the Amalgamated Company and Rebel will issue the Rebel Shares in the manner referred to in section 8 on the Effective Date.

#### Share Certificates

10. The Amalgamated Company will cancel each share certificate representing shares in a Predecessor Company that is surrendered to the Amalgamated Company and, in exchange for each such cancelled share certificate, Rebel or the Amalgamated Company, as applicable, will forthwith issue to the holder thereof, without charge, certificates representing the Rebel Shares or shares in the Amalgamated Company (as applicable) to which such holder is entitled on the basis set out in section 8.

#### Effect of Amalgamation

11. On the Effective Date, the Predecessor Companies will be amalgamated and will continue as one company on the terms set out in this Agreement and, in accordance with Section 282 of the *Business Corporations Act*:
  - (a) the Amalgamated Company will become capable immediately of exercising the functions of an incorporated company;
  - (b) the shareholders of the Amalgamated Company will have the powers and the liability provided in the *Business Corporations Act*;
  - (c) each shareholder of each Predecessor Company will be bound by this Agreement;
  - (d) the property, rights and interests of the Predecessor Companies will continue to be the property, rights and interests of the Amalgamated Company;
  - (e) the Amalgamated Company will continue to be liable for the obligations of the Predecessor Companies;
  - (f) an existing cause of action, claim or liability to prosecution will be unaffected;
  - (g) a legal proceeding being prosecuted or pending by or against a Predecessor Company may be prosecuted, or its prosecution may be continued, as the case may be, by or against the Amalgamated Company; and
  - (h) a conviction against, or a ruling, order or judgment in favour of or against, a Predecessor Company may be enforced by or against the Amalgamated Company.

#### Alterations

12. The Predecessor Companies and Rebel may, by resolution of their respective directors, assent to any amendment or variation of this Agreement that the shareholders of the Predecessor Companies may approve, and this Agreement as so altered or modified will be binding upon the Predecessor Companies and Rebel and will be binding upon each shareholder of each of the Predecessor Companies.

Condition Precedent

13. The Amalgamation is subject to satisfaction of the following condition precedent, which may not be waived by any of the Predecessor Companies: namely, that the shareholders of each of the Predecessor Companies will adopt this Agreement in the manner required by the *Business Corporations Act*.

Termination

14. If the Amalgamation does not occur on or before April 30, 2020 then, unless otherwise agreed by the parties in writing, this Agreement will terminate and become null and void at such time after April 30, 2020 as written notice to that effect is given by any party to the other parties.

BY SIGNING BELOW each of the Predecessor Companies and Rebel confirms that this document sets out the agreement reached by them and each acknowledges its intention to be bound by this Agreement.

*[Signature page follows.]*

**REBEL CAPITAL INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**ELECTRIC ROYALTIES LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**1238383 B.C. LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**THIS IS SCHEDULE A** to the Amalgamation Agreement made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 between Rebel Capital Inc., Electric Royalties Ltd. and 1238383 B.C. Ltd.

Amalgamation Application

See attached.



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:

[ ] The name \_\_\_\_\_ is the name reserved for the amalgamated company. The name reservation number is: \_\_\_\_\_, OR

[X] 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. Electric Royalties Ltd.	BC0931190	
2. 1238383 B.C. Ltd.	BC1238383	
3.		
4.		
5.		
6.		

**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 <b>Electric Royalties Ltd.</b>	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 <b>1238383 B.C. Ltd.</b>	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.		

**NOTICE OF ARTICLES**

**A. NAME OF COMPANY**

Set out the name of the company as set out in Item B of the Amalgamation Application.

\_\_\_\_\_ B.C. Ltd.

**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
Lindsay	Craig		20 <sup>th</sup> Floor, 250 Howe Street Vancouver, B.C. V6C 3R8	20 <sup>th</sup> Floor, 250 Howe Street Vancouver, B.C. V6C 3R8

**D. REGISTERED OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5

**E. RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5

**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	Without	n/a	No

**THIS IS SCHEDULE B** to the Amalgamation Agreement made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 between Rebel Capital Inc., Electric Royalties Ltd. and 1238383 B.C. Ltd.

Articles

See attached.

*BUSINESS CORPORATIONS ACT*

BRITISH COLUMBIA

**ARTICLES**

**[\*COMPANY NAME]**

BUSINESS CORPORATIONS ACT  
BRITISH COLUMBIA

**ARTICLES**

[\*COMPANY NAME].

I N D E X

PART 1 INTERPRETATION	1
PART 2 ALTERATIONS.....	2
PART 3 SHARES AND SHARE CERTIFICATES .....	4
PART 4 SHARE TRANSFERS .....	5
PART 5 PURCHASE OF SHARES.....	6
PART 6 BORROWING POWERS .....	6
PART 7 SHAREHOLDER MEETINGS.....	7
PART 8 PROCEEDINGS AT SHAREHOLDER MEETINGS.....	7
PART 9 SHAREHOLDERS VOTES.....	10
PART 10 ELECTION AND REMOVAL OF DIRECTORS.....	13
PART 11 PROCEEDINGS OF DIRECTORS .....	14
PART 12 COMMITTEES OF DIRECTORS.....	17
PART 13 OFFICERS.....	18
PART 14 DISCLOSURE OF INTEREST OF DIRECTORS .....	19
PART 15 INDEMNIFICATION .....	19
PART 16 DIVIDENDS.....	21
PART 17 AUDITOR .....	22
PART 18 EXECUTION OF INSTRUMENTS .....	23
PART 19 NOTICES .....	23
PART 20 RESTRICTION ON SHARE TRANSFER.....	24

## ARTICLES

Company Name:	[*Company Name]
Translations of Company Name	n/a
Incorporation Number:	[*number]

### PART 1 INTERPRETATION

#### Definitions

1.1 In these Articles, unless the context otherwise requires:

- (a) “these Articles” means the articles of the Company from time to time and all amendments thereto, and the words “herein”, “hereto”, “hereby”, “hereunder”, “hereof” and similar words refer to these Articles as so defined and not to any particular Part, article or other subdivision of these Articles;
- (b) “board” and “directors” mean the directors or sole director, as the case may be, of the Company for the time being;
- (c) “Business Corporations Act” means the *Business Corporations Act* (British Columbia) from time to time in force and includes amendments thereto, and all regulations made pursuant thereto;
- (d) “Interpretation Act” means the *Interpretation Act* (British Columbia) from time to time in force and includes amendments thereto, and all regulations made pursuant thereto;
- (e) “shareholder” means a shareholder of the Company; and
- (f) “trustee”, in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

#### Application of Business Corporations Act Definitions

1.2 The definitions in the Business Corporations Act apply to these Articles.

#### Application of Interpretation Act

1.3 The Interpretation Act applies to the interpretation of these Articles as if these Articles were an enactment.

**Conflict**

- 1.4 If there is a conflict between a definition or rule in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition or rule in the Business Corporations Act will prevail.

**Severability of Invalid Provisions**

- 1.5 The invalidity or unenforceability of any provision of these Articles will not affect the validity or enforceability of the remaining provisions of these Articles.

**Effect of Omissions and Errors in Notices**

- 1.6 The accidental omission to send notice of any meeting of shareholders or directors (including any committee of directors) to any person entitled to notice or the non-receipt of any notice by any of the persons entitled to notice or any error in any notice not affecting its substance will not invalidate any action or proceeding taken at that meeting or otherwise founded on the notice.

**Signing**

- 1.7 Expressions referring to signing shall be construed as including facsimile signatures and the receipt of messages by telecopy or electronic mail or any other method of transmitting writing and indicating thereon that the requisite instrument is signed, notwithstanding that no actual original or copy of an original signature appears thereon.

**PART 2  
ALTERATIONS**

**Change in Authorized Share Structure by Shareholders**

- 2.1 The shareholders may from time to time, by ordinary resolution, authorize the Company to effect a change to the authorized share structure of the Company and to the Notice of Articles and these Articles where applicable, to:
- (a) create one or more classes of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares;
  - (c) if the Company is authorized to issue shares of a class of shares with par value,
    - (i) subject to section 74 of the Business Corporations Act, decrease the par value of those shares, or

- (ii) increase the par value of those shares if none of the shares of that class of shares are allotted or issued; or
- (d) otherwise alter its authorized share structure when required or permitted to do so by the Business Corporations Act.

**Change in Authorized Share Structure by Directors**

2.2 The directors may from time to time, by resolution, authorize the Company to effect a change to the authorized share structure of the Company and to the Notice of Articles and these Articles where applicable, to:

- (a) create one or more series of shares and if no such shares of such a series are issued, to also attach special rights and restrictions to such series or to alter any such special rights and restrictions;
- (b) 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;
- (c) subdivide all or any of its unissued, or fully paid issued, shares with par value into shares of smaller par value;
- (d) subdivide all or any of its unissued, or fully paid issued, shares without par value;
- (e) consolidate all or any of its unissued, or fully paid issued, shares with par value into shares of larger par value;
- (f) consolidate all or any of its unissued, or fully paid issued, shares without par value;
- (g) eliminate any class or series of shares if none of the shares of that class or series of shares are allotted or issued;
- (h) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value;
- (i) change all or any of its unissued shares without par value into shares with par value; or
- (j) alter the identifying name of any of its shares.

**Special Rights or Restrictions**

- 2.3 Subject to Article 2.4, the shareholders may from time to time, by ordinary resolution, authorize the Company to effect a change to these Articles to:
- (a) 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
  - (b) 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.

**No Interference with Class or Series Rights without Consent**

- 2.4 A right or special right attached to issued shares must not be prejudiced or interfered with under the Business Corporations Act or under the Notice of Articles or these Articles unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of those shareholders.

**Other Alterations**

- 2.5 Unless otherwise provided in these Articles, the shareholders may from time to time, by ordinary resolution, make any alteration to the Notice of Articles and these Articles as permitted by the Business Corporations Act.

**PART 3  
SHARES AND SHARE CERTIFICATES**

**Sending of Share Certificate**

- 3.1 Any share certificate which a shareholder is entitled to receive may be sent to the shareholder by mail and neither the Company nor any agent of the Company is liable for any loss to the shareholder arising as a result of the accidental omission to send any share certificate or non-receipt of any share certificate so sent.

**Joint Ownership**

- 3.2 Where a share is registered in the names of two or more persons, unless the registration on the share certificate specifies otherwise, the share shall, for the purposes of these Articles, be considered to be jointly held by such persons and such persons shall, for the purposes of these Articles, be considered joint holders of such share.

**Limit on Registration of Joint Holders**

- 3.3 Except in the case of the trustees of a shareholder, the directors may refuse to register in the central securities register more than three persons as the joint holders of a share.

**Delivery of Jointly Held Certificate**

- 3.4 A share certificate for a share registered in the names of two or more persons shall be delivered to that one of them whose name appears first on the central securities register in respect of the share.

**Unregistered Interests**

- 3.5 Except as required by law or these Articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is registered as the holder.

**PART 4  
SHARE TRANSFERS**

**Form of Instrument of Transfer**

- 4.1 The instrument of transfer in respect of any share of the Company will be either in the form on the back of the certificate representing such share or in such other form as may be approved by the directors from time to time.

**Effect of Signed Instrument of Transfer**

- 4.2 If a shareholder, or the duly authorized attorney of that shareholder, 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, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer,
- (a) in the name of the person named as transferee in that instrument of transfer; or
  - (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

**PART 5  
PURCHASE OF SHARES**

**Authority to Purchase Shares**

- 5.1 Subject to the special rights and restrictions attached to any class or series of shares, the Company may purchase or otherwise acquire any of its shares if authorized to do so by resolution of the directors.

**PART 6  
BORROWING POWERS**

**Powers of Directors**

- 6.1 The directors may from time to time at their discretion on behalf of the Company:
- (a) borrow money for the purposes of the Company in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
  - (b) raise or secure the repayment of any borrowed money, including by the issuance of bonds, perpetual or redeemable, debentures or debenture stock and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;
  - (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; or
  - (d) mortgage or charge, whether by way of specific or floating charge, grant a security interest or give other security on the whole or any part of the present and future property and undertaking of the Company, including uncalled capital.

**Terms of Debt and Security Instruments**

- 6.2 Any debentures, debenture stock, bonds, mortgages, security interests and other securities may be issued at a discount, premium or otherwise, and with special or other rights or privileges as to redemption, surrender, drawings, allotment of or conversion into shares, attending and voting at a general meeting of the Company, appointment of directors and otherwise as the directors may determine at or prior to the time of issuance.

**PART 7  
SHAREHOLDER MEETINGS**

**Calling of Shareholder Meetings**

7.1 Meetings of shareholders of the Company shall be held at such time or times as the directors from time to time determine, and at such location or locations as the board, by resolution, may approve.

**Notice**

7.2 Subject to the provisions of the Business Corporations Act regarding requisitions for general meetings and waiver of notice, the Company will send notice of the date, time and location of a meeting of shareholders to each shareholder entitled to vote at the meeting and to each director at least 10 days before the meeting.

**Special Business**

7.3 If a general meeting is to consider special business within the meaning of Article 8.1, the notice of meeting will:

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

**PART 8  
PROCEEDINGS AT SHAREHOLDER MEETINGS**

**Special Business**

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

- (a) 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;

- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of, or voting at, the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;
  - (iii) consideration of any reports of the directors or auditor;
  - (iv) the setting or changing of the number of directors;
  - (v) the election or appointment of directors;
  - (vi) the appointment of an auditor;
  - (vii) the setting of the remuneration of an auditor; and
  - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution.

### **Quorum**

8.2 Subject to Article 8.3 and the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is 2 persons present in person or by proxy who, in the aggregate, hold or represent by proxy not less than 10% of the votes entitled to be cast at the meeting.

### **Sole Shareholder**

- 8.3 If there is only one shareholder entitled to vote at a meeting of shareholders:
- (a) the quorum is one person who is, or who represents by proxy, that shareholder; and
  - (b) that shareholder, present in person or by proxy, may constitute the meeting.

### **Lack of Quorum**

- 8.4 If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present,
- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
  - (b) 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, unless those shareholders present determine otherwise.

**Quorum at Succeeding Meeting**

- 8.5 If a meeting referred to in Article 8.4 was adjourned and if a quorum as provided in Article 8.2 is not present within 1/2 hour from the time set for the holding of the adjourned meeting, the persons present and being, or representing by proxy, shareholders entitled to attend and vote at the meeting constitute a quorum.

**Chair**

- 8.6 The following individual is entitled to preside as chair at a meeting of shareholders:
- (a) the chair of the board, if any; and
  - (b) if there is no chair of the board or if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

**Alternate Chair**

- 8.7 If, at any meeting of shareholders:
- (a) there is no chair of the board or president present within 15 minutes after the time set for holding the meeting;
  - (b) the chair of the board and the president are unwilling to act as chair of the meeting; or
  - (c) 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 may 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 present in person or by proxy may choose any person present at the meeting to chair the meeting.

**Postponement or Cancellation of Meetings**

- 8.8 A meeting of shareholders may be postponed or cancelled by the Company at any time prior to the holding of the meeting upon such notice or communication to shareholders, if any, as the board may determine, and, if postponed, the postponed meeting may be held at such time or times, and at such location or locations, as the board, by resolution, may approve.

**Procedure at Meetings**

- 8.9 The board may determine the procedures to be followed at any meeting of shareholders including, without limitation, the rules of order. Subject to the foregoing, the chair of a meeting may determine the procedures of the meeting in all respects.

**Casting Vote**

- 8.10 In case of an equality of votes cast at a meeting of shareholders, the chair does not have a casting or second vote.

**PART 9  
SHAREHOLDERS VOTES**

**Joint Shareholders**

- 9.1 If there are joint shareholders registered in respect of any share:
- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
  - (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

**Trustees**

- 9.2 Two or more trustees of a shareholder in whose name any share is registered are, for the purposes of Article 9.1, deemed to be joint shareholders.

**Representative of Corporate Shareholder**

- 9.3 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:
- (a) for that purpose, the instrument appointing a representative must:
    - (i) 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 1 business day before the day set for the holding of the meeting; or
    - (ii) be provided, at the meeting, to the chair of the meeting; and
  - (b) if a representative is appointed under this Article 9.3:
    - (i) the representative is entitled to exercise in respect of and at that meeting the same rights that the appointing corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

- (ii) 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.

**Application of Proxy Provisions**

- 9.4 Articles 9.5 to 9.12 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company.

**Appointment of Proxy Holder**

- 9.5 Each shareholder, 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 individuals (who need not be shareholders) as such shareholder's nominee to attend, speak, act and vote for and on behalf of such shareholder at the meeting in the manner, to the extent and with the power conferred by the proxy.

**Execution of Proxy**

- 9.6 A shareholder's proxy will be in writing, dated the date on which it is executed (or if not dated, will be deemed to be dated the date on which it is received by the Company), and will be executed by such shareholder or such shareholder's attorney authorized in writing, or if the shareholder is a corporation, by a duly authorized officer or attorney.

**Continuing Proxy**

- 9.7 A shareholder may appoint one or more individuals (who need not be shareholders) as such shareholder's nominee to attend, speak, act and vote for and on behalf of such shareholder at every general meeting of the Company or at one or more general meetings which are held within such period of time as the proxy specifies.

**Form of Proxy**

- 9.8 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 undersigned, being a shareholder of the above named Company, hereby appoints \_\_\_\_\_, or, failing that person, \_\_\_\_\_, as proxy holder for the undersigned to attend, speak, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ and at any adjournment of that meeting.

Signed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Signature of shareholder

**Delivery of Proxy**

- 9.9 Unless the board determines otherwise, a proxy for a meeting of shareholders must:
- (a) 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, 1 business day, before the day set for the holding of the meeting; or
  - (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting.

**Revocation of Proxy**

- 9.10 A shareholder's proxy will, to the extent that it is inconsistent with a proxy of prior date, be deemed to revoke such prior proxy. Subject to Article 9.11, every proxy may be revoked by an instrument in writing that is:
- (a) received 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 at which the proxy is to be used; or
  - (b) provided at the meeting to the chair of the meeting.

**Signing of Revocation of Proxy**

- 9.11 An instrument referred to in Article 9.10 must be signed as follows:
- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the trustee of the shareholder; and
  - (b) 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 9.3.

**Validity of Proxy Votes**

- 9.12 A vote given in accordance with the terms of a proxy is valid despite 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:
- (a) 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 at which the proxy is to be used; or
  - (b) by the chair of the meeting, before the vote is taken.

**Authority to Vote**

- 9.13 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 10  
ELECTION AND REMOVAL OF DIRECTORS**

**Number of Directors**

- 10.1 The Company will have a board of directors consisting of initially the number of directors that is equal to the number of the first directors and thereafter the number of directors set by ordinary resolution of the shareholders from time to time.

**Change in Number of Directors**

- 10.2 If the number of directors is changed pursuant to Article 10.1, the shareholders may elect, or appoint by ordinary resolution, the directors needed to fill any vacancies in the board of directors that result from that change.

**Election of Directors**

- 10.3 At every annual general meeting:
- (a) the shareholders entitled to vote at the annual general meeting for the election or appointment of directors will elect a board of directors consisting of the number of directors for the time being required under these Articles; and
  - (b) subject to Article 10.6, all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or reappointment.

**Failure to Elect or Appoint Directors**

- 10.4 If the Company fails to hold an annual general meeting in accordance with the Business Corporations Act or fails, at an annual general meeting, to elect or appoint any directors, the directors then in office continue to hold office until the earlier of:
- (a) the date on which the failure is remedied; and
  - (b) the date on which they otherwise cease to hold office under the Business Corporations Act or these Articles.

**Additional Directors**

- 10.5 Notwithstanding Articles 10.1 and 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 10.5 will not at any time exceed:
- (a) 1/3 of the number of first directors if, at the time of the appointment, one or more of the first directors have not yet completed their first term of office; or
  - (b) in any other case, 1/3 of the number of the current directors who were elected or appointed as directors other than under this Article 10.5.

**Removal of Director**

- 10.6 The shareholders may, by ordinary resolution, remove any director from office at any time.

**PART 11  
PROCEEDINGS OF DIRECTORS**

**Timing of Meetings**

- 11.1 Meetings of the board will be held on such day and at such time and place as the president or secretary of the Company or any two directors may determine.

**Chair**

- 11.2 Meetings of directors are to be chaired by:
- (a) the chair of the board, if any,
  - (b) in the absence of the chair of the board, the president, if any, if the president is a director, or
  - (c) any other director chosen by the directors if:
    - (i) 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,
    - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or
    - (iii) 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.

**Voting**

11.3 At all meetings of directors every question will be decided by a majority of votes cast on the question and, in the case of an equality of votes, the chair of the meeting will not be entitled to a second or casting vote.

**Notice**

11.4 Subject to Articles 1.6 and 11.5, if a meeting of the board is called under Article 11.1 notice of that meeting will be given to each director not less than 24 hours before the time when the meeting is to be held, specifying the place, date and time of that meeting:

- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose;
- (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose;
- (c) orally, including, by telephone, voice mail or on other recorded media; or
- (d) by e-mail, fax or any other method of reliably transmitting messages.

**Notice not Required**

11.5 It is not necessary to give notice of a meeting of the directors to a director if:

- (a) 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
- (b) the director has filed a waiver under Article 11.6.

**Waiver of Notice**

11.6 Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors or a direction that notice of meetings of the directors be given to the alternate of such director and may, at any time, withdraw the waiver or direction, as the case may be, by instrument in writing delivered to the registered office of the Company, and until the waiver or direction, as the case may be, is withdrawn, no notice of meetings of the directors shall be given to that director or notice of meetings of the directors shall be sent to the alternate of such director, as the case may be; and any and all meetings of the directors, notice of which has not been given to such director or has been given to the alternate of such director, as the case may be, shall, provided a quorum of the directors is present, be valid and effective.

**Quorum**

11.7 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors, or if the number of directors is fixed at one, shall be one director and any alternate director shall be counted in a quorum at a meeting at which such alternate's appointor is absent. A director holding a disclosable interest in a contract or transaction to be considered at a meeting is to be counted in a quorum notwithstanding such director's interest.

**Alternate Directors**

- 11.8 (a) A director (in these Articles called an "appointor") may appoint as such director's alternate any person who is not disqualified to be a director.
- (b) An appointment of an alternate shall not be effective until an instrument in writing declaring the appointment and signed by the appointor, and the consent of the alternate to so act, is delivered to the registered office of the Company.
- (c) An appointor may revoke an appointment of an alternate by instrument in writing delivered to the registered office of the Company.
- (d) The appointment of an alternate terminates if such alternate's appointor ceases to be a director or if the alternate is at any time not qualified to act as a director under the Business Corporations Act.
- (e) The Company is not obligated to remunerate any alternate or to reimburse an alternate for any expense incurred in carrying out such alternate's function.
- (f) If an appointor is absent from any meeting of the directors or of a committee of directors, the alternate for such appointor shall be entitled to attend, speak, act and vote at such meeting as a director in place of such appointor, and may sign or concur in resolutions pursuant to Article 11.9.
- (g) A director or other person may act as alternate for any one or more directors and at any meeting of the directors or of a committee of directors shall be counted as one director for each director for whom such person is the alternate for purposes of determining the quorum and be entitled to cast one vote for each director for whom such person is the alternate in addition to, in the case of a director acting as the alternate for any one or more directors, being counted and voting as a director in his or her own right.

**Resolutions in Writing**

11.9 A resolution in writing signed by each director or such director's alternate, or if there is only one director by that one director, shall be as valid and effectual as if it had been passed at a meeting of the board duly convened and held.

**Counterparts**

11.10 A resolution in writing may be in one or more counterparts, each of which may be signed by one or more directors or alternates or one or more committee members, and which together shall be deemed to constitute a resolution in writing.

**Remuneration of Directors**

11.11 Unless the shareholders by ordinary resolution otherwise resolve, the directors may fix the remuneration of the directors and officers of the Company.

**PART 12  
COMMITTEES OF DIRECTORS**

**Appointment**

12.1 The directors may, by resolution:

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

**Duties**

12.2 Any committee formed under Article 12.1, in the exercise of the powers delegated to it, shall:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

**Powers of Board**

- 12.3 The board may, at any time:
- (a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding;
  - (b) terminate the appointment of, or change the membership of, a committee; and
  - (c) fill vacancies in a committee.

**Meetings**

- 12.4 Subject to Article 12.2(a):
- (a) the members of a directors' committee may meet and adjourn as they think proper;
  - (b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any 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;
  - (c) a majority of the members of a directors' committee constitutes a quorum of the committee; and
  - (d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

**PART 13  
OFFICERS**

**Functions, Duties and Powers**

- 13.1 The board may appoint any officers it considers necessary and for each officer:
- (a) determine the functions and duties the officer is to perform;
  - (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit;
  - (c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer; and
  - (d) may terminate such officer's appointment at any time.

**PART 14**  
**DISCLOSURE OF INTEREST OF DIRECTORS**

**Other Office**

- 14.1 A director may hold any office or position 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.

**No Disqualification**

- 14.2 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.

**Professional Services**

- 14.3 Subject to compliance with the provisions of the Business Corporations Act, a director or officer of the Company, or any corporation or firm in which that individual 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 corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

**Accountability**

- 14.4 A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of 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 corporation, firm or entity.

**PART 15**  
**INDEMNIFICATION**

**Mandatory Indemnification**

- 15.1 The Company will indemnify a director or officer of the Company, a former director or officer of the Company or another individual who acts or acted at the Company's request as a director or officer, or in a similar capacity, of another entity, and such person's heirs and legal representatives to the extent permitted by the Business Corporations Act.

**Deemed Contract**

- 15.2 Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in this Part.

**Optional Indemnification**

- 15.3 Except as otherwise required by the Business Corporations Act and subject to Article 15.1, the Company may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was an employee or agent of the Company, or is or was serving at the request of the Company as an employee, agent of or participant in another entity against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted honestly and in good faith with a view to the best interests of the Company or, as the case may be, to the best interests of the other entity for which he or she served at the Company's request and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Company or other entity and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his or her conduct was lawful.

**Right of Indemnity not Exclusive**

- 15.4 The provisions for indemnification contained in these Articles will not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of that person's heirs and legal representatives.

**Limit on Liability**

- 15.5 To the extent permitted by law, no director or officer for the time being of the Company will be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Company will be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the

Company will be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Company or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same will happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Company and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Company is employed by or performs services for the Company otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Company, the fact that the person is a director or officer of the Company will not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

## **PART 16 DIVIDENDS**

### **Declaration**

- 16.1 Subject to the Business Corporations Act and any special rights or restrictions as to dividends, the directors may from time to time by resolution declare and authorize payment of any dividends the directors consider appropriate out of profits, capital or otherwise, including, without limitation, retained earnings, other income, contributed surplus, capital surplus, any share premium account or appraisal surplus or any other unrealized appreciation in the value of the assets of the Company, if any.

### **No Notice**

- 16.2 The directors need not give notice to any shareholder of any declaration under Article 16.1.

### **Timing of Payment**

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

### **Dividends Proportionate to Number of Shares**

- 16.4 Subject to any special rights or restrictions as to dividends, all dividends on shares of any class or series of shares will be declared and paid according to the number of such shares held.

**Manner of Payment**

16.5 The Company may pay any dividend wholly or partly by issuing shares or warrants or by the distribution of property, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific property.

**Rounding**

16.6 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.

**Method of Payment**

16.7 Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed:

- (a) subject to paragraphs (b) and (c), to the address of the shareholder;
- (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares; or
- (c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

**Joint Shareholders**

16.8 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.

**PART 17  
AUDITOR****Remuneration**

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

**PART 18  
EXECUTION OF INSTRUMENTS**

**Authority to Execute Instruments**

- 18.1 The following persons have authority to execute and deliver and certify documents on behalf of the Company:
- (a) such director, officer or other person(s) as are prescribed by resolution of the board;
  - (b) any two directors;
  - (c) if there is only one director, that director, alone; or
  - (d) the president, alone.

**Seal**

- 18.2 The Company's seal, if any, shall not be impressed on any record except when that impression is attested by the signature or signatures of:
- (a) any two directors;
  - (b) any officer, together with any director;
  - (c) if there is only one director, that director; or
  - (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

**Certified Copies**

- 18.3 For the purpose of certifying under seal a true copy of any resolution or other document, the seal shall be impressed on that copy and, notwithstanding Article 18.2, may be attested by the signature of any director or officer.

**PART 19  
NOTICES**

**Notice to Joint Shareholders**

- 19.1 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder whose name stands first on the central securities register in respect of the share.

**Trustees**

19.2 If a person becomes entitled to a share as a result of the death, bankruptcy or incapacity of a shareholder, the Company may provide a notice, statement, report or other record to that person by:

- (a) mailing the record, addressed to that person:
  - (i) by name, by the title of representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (ii) at the address, if any, supplied to the Company for that purpose by the person claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) 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.

**PART 20  
RESTRICTION ON SHARE TRANSFER**

**Consent Required**

20.1 No security of the Company, other than a non-convertible debt security, may be transferred without the consent of:

- (a) the board of directors of the Company, expressed by a resolution duly passed at a meeting of the directors;
- (b) a majority of the directors of the Company, expressed by an instrument or instruments in writing signed by such directors;
- (c) the holders of the voting shares of the Company, expressed by a resolution duly passed at a meeting of the holders of voting shares; or
- (d) the holders of the voting shares of the Company representing a majority of the votes attached to all the voting shares, expressed by an instrument or instruments in writing signed by such holders.

SIGNED on [\*date].

\_\_\_\_\_  
*Signature of Incorporator*

Name of Incorporator: [\*name]

## AMENDMENT NO. 1 TO BUSINESS COMBINATION AGREEMENT

THIS AMENDMENT dated April 20, 2020 is made

### AMONG:

**REBEL CAPITAL INC.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**Rebel**”)

- and -

**ELECTRIC ROYALTIES LTD.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**ERL**”)

-and -

**1238383 B.C. LTD.**, a corporation existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**Rebel Subco**”)

**WHEREAS** Rebel, ERL and Rebel Subco (collectively, the “**Parties**”, and each a “**Party**”) entered into a business combination agreement dated January 28, 2020 (the “**Business Combination Agreement**”) providing for, subject to the satisfaction of certain conditions precedent, the carrying out of a three-cornered Amalgamation (as defined in the Business Combination Agreement) pursuant to Section 270 of the *Business Corporations Act* (British Columbia);

**AND WHEREAS** the Parties wish to amend the Business Combination Agreement on and subject to the terms and conditions of this Amendment.

**NOW THEREFORE**, in consideration of the mutual benefits to be derived and the conditions and promises herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and intending to be legally bound hereby, the Parties agree as follows:

### ARTICLE I INTERPRETATION

#### 1.1 Defined Terms

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Business Combination Agreement.

## ARTICLE II AMENDMENTS

### 2.1 Amendments

Schedule A to the Business Combination Agreement is hereby amended as follows:

- (a) the definition of “ERL Private Placement” is amended by deleting the words “raising up to \$5,000,000 or such other minimum amount as may be agreed to by Rebel and ERL” and replacing them with the following:

“raising up to \$3,500,000 or such other minimum amount as may be agreed to by Rebel and ERL”;

- (b) the definition of “Rebel Private Placement” is amended by deleting the words “raising up to \$5,000,000 or such other minimum amount as may be agreed to by Rebel and ERL” and replacing them with the following:

“raising up to \$3,500,000 or such other minimum amount as may be agreed to by Rebel and ERL”; and

- (c) the definition of Termination Date is deleted and replaced with the following:

“**Termination Date**” means June 25, 2020.

### 2.2 Business Combination Agreement Remains in Force

Except as amended hereby, the Business Combination Agreement shall continue in full force and effect. All references to the Business Combination Agreement in any other document, instrument or certificate delivered in connection with the Amalgamation or the Business Combination shall be deemed to be references to the Business Combination Agreement, as amended hereby.

## ARTICLE III MISCELLANEOUS

### 3.1 Further Actions

From time to time, as and when requested by any Party, the other Parties shall execute and deliver, and use all commercially reasonable efforts to cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably requested in order to carry out the intent and purposes of this Amendment.

### 3.2 Descriptive Headings

The descriptive headings of this Amendment are for convenience only and shall not control or affect the meaning or construction of any provision of this Amendment.

### 3.3 Governing Law

This Amendment shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein, but references to such laws shall

not, by conflict of laws, rules or otherwise require application of the law of any jurisdiction other than the Province of British Columbia and the Parties hereby further irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia in respect of any matter arising hereunder or in connection with the transactions contemplated in this Amendment.

### **3.4 Enurement and Assignability**

This Amendment shall be binding upon and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, provided that this Amendment shall not be assignable otherwise than by operation of law by either Party without the prior written consent of the other Parties, and any purported assignment by any Party without the prior written consent of the other Party shall be void.

### **3.5 Counterparts**

This Amendment may be executed in any number of counterparts by original or telefacsimile signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

[REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the undersigned have executed and delivered this Amendment as of the day and year first above written.

**REBEL CAPITAL INC.**

By: "Craig Lindsay"

Name: Craig Lindsay

Title: Director

**ELECTRIC ROYALTIES LTD.**

By: "Brendan Yurik"

Name: Brendan Yurik

Title: Chief Executive Officer

**1238383 B.C. LTD.**

By: "Craig Lindsay"

Name: Craig Lindsay

Title: Director