

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 20th day of December, 2018.

BETWEEN:

HIGHWOOD OIL COMPANY LTD., a body corporate incorporated under the laws of Alberta (hereinafter called "**Highwood**")

OF THE FIRST PART

- and -

PREDATOR BLOCKCHAIN CAPITAL CORP., a body corporate incorporated under the laws of Alberta (hereinafter called "**Predator**")

OF THE SECOND PART

WHEREAS Predator is a capital pool company listed on the Exchange;

WHEREAS Predator and Highwood have agreed to structure a business combination by way of an amalgamation in accordance with the provisions of the ABCA;

WHEREAS the Amalgamation will constitute Predator's Qualifying Transaction;

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and other matters relating to the Amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement including in the preamble, unless there is something in the context or subject matter inconsistent therewith, the following defined terms shall have the meanings hereinafter set forth:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;
- (b) "**Agreement**", "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions mean or refer to this agreement, together with the schedules hereto and any amendments hereto.
- (c) "**Amalco**" means the continuing corporation to be constituted upon completion of the Amalgamation, to be named "Highwood Oil Company Ltd.", or such other name as Highwood may determine.
- (d) "**Amalco Board**" means the proposed board of directors of Amalco as constituted from time to time.
- (e) "**Amalco Escrow Agreement**" means the escrow agreement to be entered into among Amalco Registrar and Transfer Agent, Amalco and certain shareholders of Amalco in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released in accordance with the prescribed policies of the Exchange.

- (f) “**Amalco Options**” means stock options granted pursuant to Amalco Stock Option Plan.
- (g) “**Amalco Predator Agents’ Warrants**” means the warrants of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Predator Agents’ Warrants each entitling the holder to acquire one Amalco Share at a price of \$5.30 per share on or before April 30, 2023.
- (h) “**Amalco Predator Options**” means the stock options of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Predator Options, each entitling the holder to acquire one Amalco Share at a price of \$5.30 per share on or before the date that is five years following the listing of Predator Shares on the Exchange.
- (i) “**Amalco Registrar and Transfer Agent**” means Odyssey Trust Company, and any other person which may be appointed as registrar and transfer agent of Amalco from time to time.
- (j) “**Amalco PSU Plan**” means the performance share unit plan of Highwood to be approved at the Predator Meeting.
- (k) “**Amalco RSU Plan**” means the restricted share unit plan of Highwood to be approved at the Predator Meeting.
- (l) “**Amalco RSUs**” means restricted share units granted pursuant to the Amalco RSU Plan.
- (m) “**Amalco Shares**” means the common shares in the capital of Amalco having the attributes specified in the Articles of Amalgamation.
- (n) “**Amalco Stock Option Plan**” means the stock option plan of Highwood to be approved at the Predator Meeting.
- (o) “**Amalgamation**” means the amalgamation of Highwood and Predator pursuant to the ABCA provided for herein to form Amalco.
- (p) “**Applicable Securities Laws**” means, collectively, the applicable securities laws of each of the provinces of Canada, the respective regulations, rules and orders made and forms prescribed thereunder together with all applicable published rules, policy statements, blanket orders and rulings of the securities commissions in such provinces.
- (q) “**Articles of Amalgamation**” means the articles of amalgamation of Amalco, substantially in the form attached hereto as Schedule “A”.
- (r) “**associate**”, “**affiliate**”, “**insider**” and “**promoter**” have the respective meanings ascribed thereto in the *Securities Act* (Alberta).
- (s) “**Business Day**” means any day other than a Saturday or Sunday or a day when banks in the City of Calgary are not generally open for business.
- (t) “**Certificate of Amalgamation**” means the certificate of amalgamation for the Amalgamation issued by the Director pursuant to subsection 185(4) of the ABCA.
- (u) “**Closing**” means the completion of the Amalgamation.
- (v) “**Closing Date**” means the date of the Closing, which shall be within seven (7) Business Days following the later of the approval of the Highwood Amalgamation Resolution and Predator Amalgamation Resolution and the receipt of conditional approval of the Exchange, or such other date as Highwood and Predator may collectively agree, acting reasonably, and in any event not later than January 31, 2019 or any other date agreed upon by Highwood and Predator.

- (w) “**CPC**” means a corporation:
 - (i) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the policies of the Exchange; and
 - (ii) in regard to which a Final Exchange Bulletin has not yet been issued.
- (x) “**Dissent Rights**” means such rights of dissent as provided in the manner set forth in Section 191 of the ABCA in connection with the Amalgamation for the shareholders of Predator and Highwood.
- (y) “**Effective Date**” means the effective date of the Amalgamation, which shall be the date of the Certificate of Amalgamation.
- (z) “**Exchange**” or “**TSXV**” means the TSX Venture Exchange.
- (aa) “**Exchange Ratio**” means the exchange ratio for the Amalgamation, being one (1) Amalco Share for each one (1) Highwood Share and one (1) Amalco Share for every one (1) Predator Share.
- (bb) “**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.
- (cc) “**GLJ**” means GLJ Petroleum Consultants Ltd., independent petroleum reserve evaluators pursuant to NI 51-101.
- (dd) “**GLJ Report**” means the independent reserves report prepared by GLJ in relation to the crude oil and natural gas reserves of Highwood dated May 25, 2018, and with an effective date of March 31, 2018.
- (ee) “**Governmental Entity**” means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- (ff) “**Highwood**” means Highwood Oil Company Ltd., a company incorporated under the ABCA with its registered office located in Calgary, Alberta.
- (gg) “**Highwood Amalgamation Resolution**” means the special resolution of the shareholders of Highwood approving the Amalgamation and the Amalgamation Agreement in accordance with the ABCA.
- (hh) “**Highwood Board**” means the board of directors of Highwood, as constituted from time to time.
- (ii) “**Highwood Financial Statements**” has the meaning ascribed thereto in Section 3.2(f).
- (jj) “**Highwood Letter of Transmittal**” means the letter of transmittal to be used by holders of Highwood Shares for the purpose of surrendering certificates representing the Highwood Shares and exchanging them for certificates representing Amalco Shares.

- (kk) “**Highwood Option Plan**” means the current stock option plan of Highwood and in the form attached to the Information Circular.
- (ll) “**Highwood PSU Plan**” means the current performance share unit plan of Highwood and in the form attached to the Information Circular.
- (mm) “**Highwood RSU Plan**” means the current restricted share unit plan of Highwood and in the form attached to the Information Circular.
- (nn) “**Highwood Shares**” means the common shares in the capital of Highwood.
- (oo) “**Information Circular**” means the management information circular and proxy statement of Predator dated December 20, 2018, together with all Appendices thereto, distributed to the holders of Predator Shares in connection with the Predator Meeting, respectively.
- (pp) “**Material Adverse Change**” or “**Material Adverse Effect**” means, when used in connection with a company, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of the company and its subsidiaries, taken as a whole, and which change or effect may reasonably be expected to materially reduce the value of the equity securities of the company (other than a change or effect: (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the company to the other party prior to the date hereof; (ii) resulting from conditions affecting the oil and gas industry generally in jurisdictions in which the company or its subsidiaries carry on business; or (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere).
- (qq) “**NI 51-101**” means National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.
- (rr) “**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them as the case may be.
- (ss) “**Person**” means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.
- (tt) “**Predator**” means Predator Blockchain Capital Corp., a public company incorporated under the ABCA with its head office located in Calgary, Alberta.
- (uu) “**Predator Agents’ Warrants**” means the 100,000 warrants of Predator granted to certain agents, each entitling the holder to purchase one Predator Share at a price of \$0.10 per share for two years from the date of listing of the Predator Shares on the Exchange.
- (vv) “**Predator Amalgamation Resolution**” means the special resolution in accordance with the ABCA and Policy 2.4 of the Exchange of the shareholders of Predator approving the Amalgamation and the Amalgamation Agreement.
- (ww) “**Predator Board**” means the board of directors of Predator, as constituted from time to time.
- (xx) “**Predator Consolidation**” means the share consolidation of the Predator Shares, on the basis of one (1) post-consolidation Predator Share for each fifty-three (53) pre-consolidation Predator Shares, to be completed by Predator prior to Closing.
- (yy) “**Predator Escrow Agreement**” means the CPC escrow agreement dated March 20, 2018 among Predator, Odyssey Trust Company and certain shareholders of Predator.

- (zz) “**Predator Escrowed Shares**” means the Predator Shares held in escrow pursuant to the terms of the Predator Escrow Agreement.
- (aaa) “**Predator Financial Statements**” means the unaudited condensed interim financial statements of the Predator for the period from incorporation ending September 30, 2018.
- (bbb) “**Predator Meeting**” means the special meeting of the shareholders of Predator to approve, among other things, the Amalgamation.
- (ccc) “**Predator Option Plan**” means the current incentive stock option plan of Predator.
- (ddd) “**Predator Options**” means the 1,000,000, stock options of Predator granted to directors and officers of Predator, each entitling the holder to purchase one Predator Share at a price of \$0.10 per share for five years from the date of grant.
- (eee) “**Predator Shares**” means the common shares in the capital of Predator.
- (fff) “**Public Record**” means all information filed with the securities commissions, including without limitation, the documents and any other information filed with any securities commissions in compliance, or intended compliance, with any Applicable Securities Laws.
- (ggg) “**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.
- (hhh) “**Recognized Stock Exchange**” means a recognized Canadian or US Exchange, including but not limited to the Toronto Stock Exchange, TSXV, NYSE or NASDAQ.
- (iii) “**Registrar**” means the Registrar appointed under the ABCA.
- (jjj) “**Registrar and Transfer Agent**” means, in respect of Predator, Odyssey Trust Company, and in respect of Highwood, any person which may be appointed as registrar and transfer agent of Highwood, as applicable, from time to time.
- (kkk) “**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.
- (lll) “**Tax Act**” means the *Income Tax Act* (Canada) as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant thereto.
- (mmm) “**Termination Date**” shall have the meaning attributed to such term in Section 7.2.
- (nnn) “**TSXV Escrow Agreement**” means the escrow agreement to be entered into among the Amalco Registrar and Transfer Agent, Amalco and certain shareholders of Amalco in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released in accordance with the prescribed policies of the Exchange.
- (ooo) “**U.S.**” or “**United States**” means the United States of America, its territories and possession, any State of the United States and the District of Columbia.
- (ppp) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, and “hereunder” and similar expressions refer to this

Agreement and not to any particular article, section or other portion hereof and include any Agreement or instrument supplementary or ancillary hereto.

1.3 **Number, etc.** Words importing the singular number shall include the plural and vice versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

1.4 **Date for Any Action.** In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 **Rounding.** In performing the various mathematical calculations required to be performed hereunder, all numbers shall be rounded to the nearest three (3) decimal places.

1.6 **Currency.** All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 **Accounting.** Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under International Financial Reporting Standards (“IFRS”) and all determinations of an accounting nature that are required to be made shall be made in a manner consistent with IFRS.

1.8 **Knowledge.** Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Highwood or Predator, as applicable, it shall be deemed to refer to the actual knowledge after having made due inquiry of the officers and directors of the particular company.

1.9 **Meanings.** Words and phrases defined in the ABCA shall have the same meaning herein as in the ABCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

1.10 **Schedules.** The following schedule is annexed to this Agreement and is hereby incorporated by reference into this Agreement and forms part hereof:

Schedule “A” - Articles of Amalgamation

Schedule “B” - By-laws

ARTICLE 2 AMALGAMATION

2.1 **Amalgamation.** On or before the Closing Date, subject to the terms and conditions of this Agreement, Predator and Highwood shall take all steps required to complete the Amalgamation and, without limitation, use all reasonable commercial efforts to obtain the approval of the Predator Amalgamation Resolution and the Highwood Amalgamation Resolution, and to apply for and obtain all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Amalgamation and the filing of the Articles of Amalgamation with the Registrar pursuant to subsection 185 of the ABCA. The Amalgamation shall become effective on the Effective Date.

2.2 **Name.** The name of Amalco shall be “Highwood Oil Company Ltd.”.

2.3 **Registered Office.** The registered office of Amalco shall be situated at 250 2nd Street S.W., Suite 1000 Livingston Place West, Calgary, Alberta T2P 0C1.

2.4 **Authorized Capital.** Amalco shall be authorized to issue an unlimited number of Amalco Shares and an unlimited number of preferred shares, issuable in series, which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation.

2.5 **Restrictions on Share Transfer.** The transfer of the Amalco Shares shall not be subject to any restrictions.

2.6 **Number of Directors.** The minimum number of directors of Amalco shall be three and the maximum number of directors of Amalco shall be 15.

2.7 **First Directors.** The number of first directors of Amalco shall be four. The first directors of Amalco shall be:

<u>Name</u>	<u>Address</u>
Greg Macdonald	
Stephen J. Holyoake	
Trevor Wong-Chor	
Arif Shivji	

The first directors shall hold office until the first annual meeting of the shareholders of Amalco, or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the ABCA, in the Articles of Amalgamation and in the by-laws of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the Amalco Board as it is constituted from time to time.

2.8 **First Officers.** The first officers of Amalco shall be the persons whose names and titles appear below:

<u>Name</u>	<u>Title</u>
Greg Macdonald	President and Chief Executive Officer
Graydon Glans	Chief Financial Officer and Corporate Secretary
Kelly McDonald	Vice-President, Exploration

Each of such officers shall hold office until his successor is appointed.

2.9 **First Auditors.** The first auditors of Amalco shall be RSM Alberta LLP, whose office is located at 1400, 777 8th Avenue S.W., Calgary, Alberta, T2P 3R5.

2.10 **Fiscal Year.** The fiscal year end of Amalco shall be December 31.

2.11 **Restrictions on Business.** There shall be no restrictions on the business that Amalco may carry on.

2.12 **Articles of Amalgamation and By-laws.** The Articles of Amalgamation of Amalco shall be in the form set forth as Schedule "A" hereto and the by-laws of Amalco, until repealed, amended or altered, shall be the by-laws in the form set forth as Schedule "B" hereto.

2.13 **Effect of Certificate of Amalgamation.** On the Effective Date:

- (a) the Amalgamation of Predator and Highwood and their continuance as one corporation shall become effective;
- (b) the property of each of Predator and Highwood shall continue to be the property of Amalco;
- (c) Amalco shall continue to be liable for the obligations of each of Predator and Highwood;

- (d) any existing cause of action, claim or liability to prosecution of either Predator or Highwood shall be unaffected;
- (e) any civil, criminal or administrative action or proceeding pending by or against either Predator or Highwood may be continued to be prosecuted by or against Amalco;
- (f) a conviction against, or ruling, order or judgment in favour of or against, either Predator or Highwood may be enforced by or against Amalco; and
- (g) the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.

2.14 Manner of Exchange of Issued Securities. On the Effective Date:

- (a) each issued and outstanding Highwood Share, shall be exchanged for one (1) fully-paid and non-assessable Amalco Share;
- (b) each issued and outstanding Predator Share on a post Predator Consolidation basis, shall be exchanged for one (1) fully-paid and non-assessable Amalco Share;
- (c) subject to subsection 2.14(g) hereof, each one (1) Predator Option shall be exchanged for one (1) Amalco Predator Option;
- (d) subject to subsection 2.14(g) hereof, each one (1) Predator Agent's Warrant shall be exchanged for one (1) Amalco Predator Agent's Warrant;
- (e) the aggregate stated capital of Amalco shall be an amount equal to the aggregate paid up capital for purposes of the *Income Tax Act* (Canada) of Highwood and Predator immediately prior to such time, and such stated capital shall be allocated on an equal basis to each share of Amalco issued on the Amalgamation, or as otherwise determined by the directors of Amalco;
- (f) no fractional Amalco Shares shall be issued to holders of Highwood Shares or holders of Predator Shares; and
- (g) no fractional securities convertible into Amalco Shares shall be issued to holders of Predator Options or Predator Agents' Warrants; in lieu of any fractional entitlement, the number of securities convertible into Amalco Shares issued to each former holder of Predator Options or Predator Agents' Warrants, as the case may be, shall be rounded up to the next greater whole number of securities convertible into Amalco Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of securities convertible into Amalco Shares if the fractional entitlement is less than 0.5.

2.15 Restrictions on Securities. The parties acknowledge and agree that the Amalco Shares to be issued to the shareholders of Highwood and Predator pursuant to Section 2.14 hereof will be subject to compliance with Applicable Securities Laws. The issuance of the Amalco Shares to persons in the United States in connection with the Amalgamation shall be conditional on the availability of an exemption from the registration requirements of the U.S. Securities Act, and such Amalco Shares shall be "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act, and shall bear a legend to that effect. In addition, certain of the Amalco Shares to be issued to the shareholders of Predator and Highwood, as required by the Exchange, will be subject to the Predator Escrow Agreement, the TSXV Escrow Agreement and such other escrow agreements or resale restrictions as required by the policies of the Exchange.

2.16 Certificates. On the Effective Date:

- (a) the registered holders of Highwood Shares shall cease to be holders of such shares and shall be deemed to be registered holders of Amalco Shares, to which they are entitled in accordance with Section 2.14 hereof, and on or after the Effective Date the holders of certificates representing Highwood Shares shall be automatically cancelled on the records of Highwood, such certificates to the Amalco Registrar and Transfer Agent, together with a completed Highwood Letter of Transmittal, and, upon such surrender, subject to the provisions of the TSXV Escrow Agreement, the Amalco Registrar and Transfer Agent will deliver such certificates representing the number of Amalco Shares to which they are so entitled pursuant to a direction from Amalco;
- (b) the registered holders of Predator Shares shall cease to be holders of Predator Shares, and shall be deemed to be registered holders of Amalco Shares to which they are entitled in accordance with Section 2.14 hereof, and on or after the Effective Date the holders of certificates representing Predator Shares shall be automatically cancelled on the records of Highwood and, surrender, subject to the provisions of the Predator Escrow Agreement and the TSXV Escrow Agreement, the Amalco Registrar and Transfer Agent will deliver certificates representing the number of Amalco Shares to which they are so entitled pursuant to a direction from Amalco; and
- (c) the registered holders of Predator Options and Predator Agents' Warrants shall be deemed to be the registered holders of equivalent securities of Amalco to which they are entitled in accordance with Section 2.14 hereof upon surrender of their existing certificates and/or agreements, as soon as reasonably possible, shall receive executed certificates or agreements evidencing such securities of Amalco.

2.17 **Lost Certificates.** In the event any certificate which immediately prior to the Effective Date represented one or more outstanding Highwood Shares or Predator Shares that are to be exchanged pursuant to Sections 2.14 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder thereof, as applicable, claiming such certificate to be lost, stolen or destroyed, the transfer agent in respect thereof will issue in exchange for such lost, stolen or destroyed certificate, one (1) or more certificates representing one (1) or more Amalco Shares to which they are entitled and, in each case deliverable pursuant to Sections 2.14. In exchange for any lost, stolen, destroyed certificate, the holder to whom certificates representing such Amalco Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Amalco and the Amalco Registrar and Transfer Agent in such sum as Amalco may direct or otherwise indemnify Amalco in a manner satisfactory to Amalco against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

2.18 **Dissenting Shareholders.** Shareholders of Predator who validly exercise their Dissent Rights in connection with the Amalgamation, pursuant to and in the manner set forth in the Predator Information Circular, shall not be entitled to exchange their Predator Shares for Amalco Shares pursuant to the Amalgamation. However, if a shareholder of Predator fails to perfect or effectively withdraws such Dissent Rights or forfeits such Dissent Rights or if his, her or its rights as a shareholder of Predator are otherwise reinstated, such shareholder of Predator shall thereupon be deemed to have been exchanged for their Predator Shares, as of the Effective Date as prescribed herein. Shareholders of Predator entitled to vote at the Predator Meeting, respectively, may exercise Dissent Rights with respect to their Predator Shares in connection with the Amalgamation, pursuant to and in the manner set forth under the ABCA and discussed in in the Information Circular. Predator shall provide prompt notice to Highwood of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such Dissent Rights and received by Predator.

2.19 **Meeting and Information Circular**

As promptly as practical following the execution of this Agreement and in compliance with Applicable Securities Laws:

- (a) Predator shall prepare the Information Circular with the assistance of Highwood and Predator shall ensure that the Information Circular provides holders of Predator Shares with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them,

in all cases ensuring compliance in all material respects with all Applicable Securities Laws on the date of issue thereof;

- (b) Predator shall cause the Information Circular to be mailed to applicable holders of Predator Shares on or before December 20, 2018 and filed with applicable regulatory authorities and other Governmental Entities in all jurisdictions where the same are required to be mailed and filed;
- (c) the Predator Board shall have determined that the Amalgamation is in the best interests of Predator and the shareholders of Predator, have approved the Amalgamation and the entering into of the Amalgamation Agreement and have resolved to recommend that shareholders of Predator vote in favour of the Amalgamation. Notice of such approvals, determinations and resolution shall, subject to the terms hereof, be included in the Predator Information Circular;
- (d) the Highwood Board shall have determined that the Amalgamation is in the best interests of Highwood and the shareholders of Highwood, have approved the Amalgamation and the entering into of the Amalgamation Agreement and have resolved to recommend that shareholders of Highwood vote in favour of the Amalgamation; and
- (e) Highwood and Predator shall cooperate in the preparation, filing and mailing of the Information Circular. Predator shall provide Highwood and its representatives with a reasonable opportunity to review and comment on the Information Circular and any other relevant documentation and shall incorporate all reasonable comments made by Highwood and its counsel and the Information Circular shall be reasonably satisfactory to Highwood before it is filed or distributed to the holders of Predator Shares.

2.20 **Stock Option Plan.** The stock option plan of Amalco shall be the Highwood Option Plan.

2.21 **RSU Plan.** The restricted share unit plan of Amalco shall be the Highwood RSU Plan.

2.22 **PSU Plan.** The performance share unit plan of Amalco shall be the Highwood PSU Plan.

ARTICLE 3 COVENANTS

3.1 **Covenants of Highwood.** Highwood covenants and agrees with Predator that Highwood will not, from the date of execution hereof to and including the earlier of the Effective Date and the Termination Date:

- (a) issue any securities, conversion privileges or rights without the prior written consent of Predator, such consent not to be unreasonably withheld;
- (b) alter or amend its articles or by-laws;
- (c) engage in any business enterprise or other activity different from that carried on as of the date hereof;
- (d) reduce its stated capital;
- (e) take any action or fail to take action that would accelerate or trigger defaults or repayments in respect of any obligation, contract or regulatory approval;
- (f) pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction:
 - (i) of liabilities incurred in the usual, ordinary and regular course of business consistent with past practice, reflected or reserved against in the Highwood Financial Statements;

- (ii) incurred in connection with the transactions contemplated in this Agreement; or
- (iii) of liabilities or potential liabilities previously disclosed to Predator in writing;
- (g) commence or settle any litigation, proceeding, claim, action, assessment or investigation before any Governmental Entity;
- (h) merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with any other corporation or person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement and, without limiting the generality of the foregoing, Highwood will not:
 - (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of Highwood's securityholders; or
 - (ii) make any payment to any director, officer or employee except pursuant to existing arrangements;
- (i) redeem, purchase or offer to purchase any of its common shares or other securities except for securities outstanding as of the date hereof; or
- (j) approve, authorize or implement any Material Adverse Change to the business, financial condition or management approved by Predator.

3.2 **Further Covenants of Highwood.** Highwood covenants and agrees with Predator that Highwood will, from the date of execution hereof to and including the earlier of the Effective Date and the Termination Date:

- (a) conduct business, only in, and not take any action except in the usual and ordinary course of business;
- (b) use all reasonable commercial efforts to obtain all required shareholders, third party and regulatory approvals for the Amalgamation;
- (c) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;
- (d) cooperate with Predator in the preparation the Information Circular providing comprehensive disclosure with respect to Highwood in the form required by the Exchange;
- (e) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of Highwood in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (f) provide Predator with the Unaudited Statement of Financial Position as at September 30, 2018 and Statements of Net & Comprehensive Loss, Changes in Shareholders' Equity and Cash Flows for the nine-month period ending September 30, 2018, along with notes thereto, and the Audited Statement of Financial Position as at December 31, 2017 and Statements of Net & Comprehensive Loss, Changes in Shareholders' Equity and Cash Flows for the year ended December 31, 2017, including the notes thereto and the Auditor's Report thereon, for inclusion in the Information Circular (the "**Highwood Financial Statements**");

- (g) provide Predator with the GLJ Report in respect of its assets prepared in accordance with the requirements of NI 51-101 and the policies of the Exchange as referenced in the Information Circular;
- (h) use reasonable commercial efforts to conduct its affairs so that Highwood's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (i) use reasonable commercial efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (j) continue to maintain its properties and assets, to the extent with the nature of its interest permits, in a proper and prudent manner, in accordance with good oilfield practice and applicable laws;
- (k) pay or cause to be paid all reasonable costs and expenses relating to its assets which become due from the date hereof to the Effective Date;
- (l) perform and comply with all material covenants and conditions contained in all contracts, leases, grants, agreements, permits, licences, orders and documents governing its assets or to which its assets are subject;
- (m) promptly notify Predator of any Material Adverse Change, or any material Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);
- (n) use reasonable commercial efforts to cause each of the conditions precedent set forth in Sections 5.1 and 5.3 hereof to be complied with;
- (o) use reasonable commercial efforts to assist Predator in carrying out the intent or effect of this Agreement and the Amalgamation;
- (p) subject to the satisfaction of the conditions precedent in Sections 5.1 and 5.3 hereof, thereafter together with Predator file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date;
- (q) notify Predator immediately upon becoming aware that any of the representations and warranties of Highwood contained herein are no longer true and correct in any material respect; and
- (r) except for proxies and other non-substantive communications with securityholders, furnish promptly to Highwood a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Amalgamation; (ii) any filings under Applicable Securities Laws; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated herein.

3.3 **Covenants of Predator.** Predator covenants and agrees with Highwood that it will not from the date of execution hereof to and including the earlier of the Termination Date and the Effective Date, except as contemplated by this Agreement or with the prior written consent of Highwood, such consent not to be unreasonably withheld:

- (a) issue any securities, conversion privileges or rights, without the prior written consent of Highwood, such consent not to be unreasonably withheld, other than pursuant to the exercise of the Predator Options or the Predator Agents' Warrants;
- (b) make any expenditures, other than in connection with Applicable Securities Laws and the Exchange policies and the completion of the Amalgamation;
- (c) enter into any contracts, other than in connection with the Amalgamation;
- (d) alter or amend its articles or by-laws;
- (e) engage in any business enterprise or other activity different from that carried on as of the date hereof;
- (f) merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement and, without limiting the generality of the foregoing, Predator will not:
 - (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of Predator's securityholders; or
 - (ii) make any payment to any director, officer or employee except pursuant to existing employment arrangements;
- (g) acquire, directly or indirectly, any assets, including but not limited to securities of other companies;
- (h) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (i) redeem, purchase or offer to purchase any of its common shares or other securities; or
- (j) approve, authorize or implement any Material Adverse Change to the business, financial condition or management of Predator.

3.4 **Further Covenants of Predator.** Predator covenants and agrees with Highwood that it will from the date of execution hereof to and including the earlier of the Termination Date and the Effective Date:

- (a) use all reasonable commercial efforts to obtain all required shareholders, third party and regulatory approvals for the Amalgamation;
- (b) use all commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;
- (c) prepare the Information Circular providing comprehensive disclosure with respect to Predator in the form required by the Exchange;
- (d) prior to the Closing Date, convene the Predator Meeting for the purpose of approving the matters to be considered at the Predator Meeting;
- (e) mail to its shareholders the Information Circular and other documentation required in connection with the Predator Meeting in accordance with applicable laws as soon as reasonably practicable;

- (f) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;
- (g) use reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (h) use commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 5.1 and 5.2 hereof to be complied with;
- (i) use its reasonable commercial efforts to assist Highwood in carrying out the intent or effect of this Agreement and the Amalgamation;
- (j) subject to the satisfaction of the conditions in Sections 5.1 and 5.3 hereof, thereafter together with Highwood file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date; and
- (k) notify Highwood immediately upon becoming aware that any of the representations and warranties of Predator contained herein are no longer true and correct in any material respect.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Highwood.** Highwood represents and warrants as at the date of this Agreement to and in favour of Predator as follows, and acknowledges that Predator is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

- (a) Highwood is a corporation duly incorporated under the laws of Alberta and is a valid and subsisting corporation under the ABCA and is in compliance, in all material respects, with the requirements of the ABCA, and has all requisite power and authority to carry on its business and to carry out the provisions hereof;
- (b) Highwood has no subsidiaries;
- (c) Highwood has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;
- (d) the authorized capital of Highwood consists of an unlimited number of common shares, without nominal or par value, and an unlimited number of preferred shares, issuable in series, of which 5,744,204 Highwood Shares are outstanding as at the date hereof;
- (e) other than securities issued or to be issued pursuant to this Agreement, no Person has any agreement, option or right, understanding, warrant call, conversion right, commitment or right or privilege of any kind to acquire or capable of becoming an agreement for the allotment, purchase or acquisition of any of the unissued share capital of Highwood, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Highwood;
- (f) the information concerning Highwood to be set forth in the Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Information Circular will, in accordance with Applicable Securities Laws, constitute full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of Predator at the Predator Meeting concerning Highwood;

- (g) Highwood is not liable, in any material respects, for any foreign or Canadian federal, provincial, municipal or local taxes, assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of their respective income, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved;
- (h) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Highwood, pending or threatened against or relating to Highwood or affecting the assets of Highwood which if determined adversely to Highwood might have or might reasonably be expected to have a Material Adverse Effect on the properties, business, future prospects or the financial condition of Highwood and there is no circumstance, matter or thing known to Highwood which might give rise to any such proceeding or to any governmental investigation relative to Highwood and there is not outstanding against Highwood any judgment, decree, injunction, rule or order of any court, government department, commission, agency or arbitrator;
- (i) Highwood is a taxable Canadian corporation as defined in the *Income Tax Act* (Canada) and is not liable, in any material respect, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Highwood, in all material respects. Highwood is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Highwood has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;
- (j) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Highwood in connection with the execution and delivery of this Agreement by Highwood, the performance of its obligations hereunder or the consummation by Highwood of the transactions contemplated hereby, other than: (a) the approval of the Amalgamation and the Amalgamation Agreement by the shareholders of Highwood and the approval of the Amalgamation by the Registrar under the ABCA; (b) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (c) any filings with the Director; and (d) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Highwood or prevent or materially impair Highwood's ability to perform its obligations hereunder;
- (k) since September 30, 2018, other than as disclosed in writing to Predator prior to the date hereof, there has not been any Material Adverse Change in the condition or operation of Highwood or in Highwood's assets, liabilities or financial condition;
- (l) the Highwood Financial Statements, are true and correct and present fairly, in all material respects, the financial position of Highwood as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods;
- (m) there is no pending disagreement between Highwood and its auditors which could materially affect the financial situation of Highwood;

- (n) other than amounts owing to reimburse individuals for business expenses incurred in the ordinary course of business and approved on behalf of Highwood and remuneration for services in the ordinary course of business, Highwood is not indebted to:
 - (i) any director, officer, employee or shareholder of Highwood; or
 - (ii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsection 4.1(n)(i) hereof;
- (o) none of those Persons referred to in subsection 4.1(n) hereof is indebted to Highwood;
- (p) to the best of the knowledge of Highwood (after due inquiry), none of the proposed directors or officers of Amalco is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere;
- (q) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Highwood of any of its assets;
- (r) the entering into and performance of this Agreement and the transactions contemplated therein by Highwood will not violate:
 - (i) the constating documents or by-laws of Highwood;
 - (ii) any material agreement to which Highwood is a party, and will not give any Person any right to terminate or cancel any material agreement or any right enjoyed by Highwood because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Highwood or any of its assets; or
 - (iii) any statute, regulation, by-law, order, judgment or decree by which Highwood is bound, except for such violations which would not have a Material Adverse Effect on the financial condition, assets or affairs of Highwood;
- (s) Highwood is not a party to any loan agreement, credit agreement, hypothec agreement or other agreement of the same nature, other than: (i) as disclosed in the Highwood Financial Statements; or (ii) as may be entered into following the date hereof and disclosed to Predator;
- (t) Highwood has no material liabilities, contingent or otherwise, except those that will be set out in the Information Circular or in the financial statements referred to in subsection 4.1(l) hereof, or, thereafter, incurred in the ordinary course of business, and except in the ordinary course of business, Highwood has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (u) the Information Circular will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Highwood is a party, and all of such material contracts, agreements and commitments are in full force and effect and Highwood is not and will not be at Closing, in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived in writing by the other party to such contract, agreement or commitment;
- (v) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Highwood under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.1(u) hereof;

- (w) the corporate records and minute books of Highwood contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (x) Highwood is duly licensed, registered and qualified, in all material respects, and possesses all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable its business to be carried on as now conducted and to enable their respective property and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the business of Highwood as now conducted;
- (y) Highwood has conducted and is conducting its business in accordance with good oilfield practices;
- (z) although it does not warrant title, Highwood, after making all due inquiries, does not have reason to believe that Highwood, does not have title to or the exclusive right to explore for, develop and produce oil and gas (for the purposes of this subsection, the foregoing are referred to as the “**Interests**”) and does represent and warrant that the Interests are, to the best of their knowledge, information and belief, after due inquiry, free and clear of adverse claims created by, through or under Highwood, and, to the knowledge of Highwood after due inquiry, Highwood holds the Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Interest would not have a material adverse effect upon Highwood;
- (aa) any and all operations of Highwood, and to the best of Highwood’s knowledge, any and all operations by third parties on or in respect of the assets and properties of Highwood, have been conducted in accordance with good oil and gas industry practice and in material compliance with applicable laws, rules, regulations, orders and directions of government and other competent authorities except where the failure to so conduct the operations would not have a material adverse effect on Highwood;
- (bb) Highwood has made available to Predator all documents of title and other documents and agreements in its possession affecting the title of Highwood to their oil and gas properties;
- (cc) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on Highwood, or to the extent Highwood has disclosed to Predator, Highwood:
 - (i) has not received any order or directive which relates to any material work, repairs, construction, or capital expenditures on the properties or assets of Highwood, except for;
 - (ii) is not in violation of any applicable federal, provincial, state, territory, municipal or local laws, regulations, orders, government decrees, approvals, licenses, permits or ordinances with respect to environmental, health or safety matters (collectively, “**Environmental Laws**”);
 - (iii) has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iv) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Highwood that have not been remedied;

- (v) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Highwood;
 - (vi) has not failed to report to the proper federal, provincial, state, territorial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vii) holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, Highwood has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made Highwood as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitations or conditions, revoked, withdrawn or terminated; and
 - (viii) Highwood has not received any notice of, or been prosecuted for an offence alleging, material non compliance with any Environmental Laws, and Highwood has not settled any allegation of material non compliance short of prosecution;
- (dd) except to the extent Highwood has disclosed to Predator, to the knowledge of Highwood (after due inquiry), there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes, which have not been rectified, on any of the properties or assets owned or leased by Highwood or in which it has an interest or over which any of them has control; except for any such spills, releases, deposits or discharges which, in aggregate, would not have a Material Adverse Effect on Highwood;
- (ee) in respect of the assets and properties of Highwood that are operated by Highwood, Highwood holds all valid licenses, permits and similar rights and privileges that are required and necessary under applicable law to operate the assets and properties of Highwood as presently operated except where the failure to hold such licenses, permits and similar rights would not have a Material Adverse Effect on Highwood;
- (ff) Highwood has made available to GLJ prior to the issuance of the GLJ Report, for the purpose of preparing the GLJ Report, all information requested by GLJ, which information did not contain any misrepresentation at the time such information was provided. Highwood has no knowledge of a material adverse change in any information provided to GLJ since the date that such information was so provided. Highwood believes that the GLJ Report reasonably presents the quantity and net present values on an aggregate basis of the estimated future net revenues of oil and natural gas reserves attributable to the crude oil, natural gas liquids and natural gas reserves evaluated in such GLJ Report based upon information available at the time the GLJ Report was prepared;
- (gg) to the best of the knowledge, information and belief of Highwood, after due inquiry, the activities and operations of Highwood and all of its directors, officers, agents, employees, affiliates or persons acting on behalf of any such persons, are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the “**Anti-Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Entity or any arbitrator involving Highwood or the Highwood Subsidiaries with respect to the Anti-Money Laundering Laws is, to the knowledge of Highwood, pending or threatened;

- (hh) there does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Highwood;
- (ii) Highwood has provided Predator with copies of all material agreements, other than any agreements in the ordinary course of business, with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Highwood and Highwood has no benefit plans, bonus plans or deferred compensation plans other than as disclosed in the Information Circular;
- (jj) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Highwood and this Agreement constitutes a valid and binding obligation of Highwood enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction and no other corporate proceedings on its part are required to authorize this Agreement, other than the Highwood Amalgamation Resolution;
- (kk) the Highwood Board has endorsed the Amalgamation and approved this Agreement, has determined that the Amalgamation and this Agreement are in the best interests of Highwood and its shareholders, and have resolved to recommend approval of the Amalgamation by applicable shareholders;
- (ll) no consents, registrations, approvals, permits, waivers or authorizations are required to be obtained by Highwood from, any governmental or regulatory authority in connection with the execution and delivery of this Agreement by Highwood and the consummation of the transactions contemplated herein by Highwood, the failure to make or obtain any or all of which is reasonably likely to have a Material Adverse Effect on the consolidated financial condition of Highwood, or could prevent, materially delay or materially burden the transactions contemplated herein;
- (mm) Highwood is not a "reporting issuer" in any jurisdiction of Canada, and is not subject to any regulatory decision or order prohibiting or restricting trading in any of its securities;
- (nn) no cease trade order has been issued against Highwood or the Highwood Shares in any jurisdiction, and to the knowledge of Highwood, no cease trade order is pending or threatened; and
- (oo) Highwood has no reasonable grounds for believing that a creditor of Highwood will be prejudiced by the Amalgamation.

4.2 Representations and Warranties of Predator. Predator represents and warrants as at the date of this Agreement to and in favour of Highwood as follows, and acknowledges that Highwood is relying upon such representations and warranties in connection with the completion of the transactions contemplated herein:

- (a) Predator is a corporation duly incorporated under the laws of the Province of Alberta and is a valid and subsisting corporation under the ABCA and is in compliance, in all material respects, with the requirements of the ABCA and has all requisite power and authority to carry on its business and to carry out the provisions hereof;
- (b) Predator has no subsidiaries;
- (c) Predator is a "capital pool company" (as defined by the rules of the Exchange) and has no assets, other than cash, or operations;
- (d) Predator is a "reporting issuer" as that term is defined under Applicable Securities Laws in each of the provinces of Alberta and British Columbia and is not in default of the requirements of the Applicable Securities Laws in such jurisdictions;

- (e) Predator is in material compliance with all of its obligations as a reporting issuer in the jurisdictions where it is a reporting issuer, including those imposed pursuant to securities legislation, and the regulations and policies thereunder;
- (f) Predator is in material compliance with all of the policies of the Exchange;
- (g) no cease trade order is currently issued against Predator or the Predator Shares in any jurisdiction, and, to the knowledge of Predator, no cease trade order is pending or threatened;
- (h) Predator has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;
- (i) the authorized capital of Predator consists of an unlimited number of common shares, without nominal or par value, of which 10,000,000 Predator Shares are issued and outstanding and all such shares are validly issued and outstanding as fully paid and non-assessable shares;
- (j) no Person has any agreement, option or right, understanding, warrant call, conversion right, commitment or right or privilege of any kind to acquire or capable of becoming an agreement for the allotment, purchase or acquisition of any of the unissued share capital of Highwood, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Predator, other than the Predator Options and Predator Agents' Warrants;
- (k) Predator has not incurred any legal liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with the transactions contemplated by this Agreement;
- (l) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Predator, pending or threatened against or relating to Predator or affecting the assets of Predator which if determined adversely to Predator might have or might reasonably be expected to have a Material Adverse Effect on the properties, business, future prospects or the financial condition of Predator and there is no circumstance, matter or thing known to Predator which might give rise to any such proceeding or to any governmental investigation relative to Predator and there is not outstanding against Predator any judgment, decree, injunction, rule or order of any court, government department, commission, agency or arbitrator;
- (m) Predator is a taxable Canadian corporation as defined in the *Income Tax Act* (Canada) and is not liable, in any material respect, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved against. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Predator, in all material respects. Predator is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Predator has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;
- (n) the entering into and performance of this Agreement and the transactions contemplated herein by Predator will not violate:
 - (i) the constating documents or by-laws of Predator;
 - (ii) any agreement to which Predator is a party and will not give any Person any right to terminate or cancel any agreement or any right enjoyed by Predator because of such

agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Predator or the assets of Predator; or

- (iii) any statute, regulation, by-law, order, judgment, or decree by which Predator is bound, except for such violations which would not have a Material Adverse Effect on the financial condition, assets or affairs of Predator;
- (o) there is no pending disagreement between Predator and its auditors which could materially affect the financial condition of Predator;
- (p) since September 30, 2018, there has not been any Material Adverse Change in the condition or operation of Predator or in its assets, liabilities or financial condition;
- (q) the Predator Financial Statements, are true and correct and present fairly, in all material respects, the financial position of Predator as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with IFRS applied on a basis consistent with that of prior periods;
- (r) Predator has no material liabilities, contingent or otherwise, except those that will be set out in the Information Circular or in the financial statements referred to in subsection 4.2(q) hereof, or, thereafter, incurred in the ordinary course of business, and except in the ordinary course of business, Predator has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;
- (s) other than amounts owing to reimburse individuals for business expenses pursuant to subsection 8.2(b) of Exchange Policy 2.4, Predator is not indebted to:
 - (i) any director, officer or shareholder of Predator; or
 - (ii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsection 4.2(s)(i) hereof;
- (t) none of those Persons referred to in subsection 4.2(s) hereof is indebted to Predator;
- (u) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Predator of any of its assets;
- (v) the information concerning Predator to be set forth in the Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Information Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Predator;
- (w) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Predator and this Agreement constitutes a valid and binding obligation of Predator enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction and no other corporate proceedings on its part are required to authorize this Agreement, other than the Predator Amalgamation Resolution;

- (x) the Predator Board entitled to vote have endorsed the Amalgamation and approved this Agreement, have determined that the Amalgamation and this Agreement are in the best interests of Predator and its shareholders, and have resolved to recommend approval of the Amalgamation by applicable shareholders;
- (y) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Predator in connection with the execution and delivery of this Agreement by Predator, the performance of its obligations hereunder or the consummation by Predator of the transactions contemplated hereby other than: (a) the approval of the Amalgamation and the Amalgamation Agreement by the shareholders of Predator, the approval of the Amalgamation by the Registrar under the ABCA and the acceptance of the Exchange; (b) such registrations and other actions required under Applicable Securities Laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (c) any filings with the Director; and (d) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Predator or prevent or materially impair Predator's ability to perform its obligations hereunder;
- (z) the documents filed under the Public Record complied in all material respects with Applicable Securities Laws in the jurisdictions they were filed at the time they were filed, and Predator has not filed any confidential filings with any securities authorities which continue to be confidential;
- (aa) there is no "material fact" or "material change" (as those terms are defined in Applicable Securities Laws) in the affairs of Predator that has not been generally disclosed to the public;
- (bb) the Information Circular will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Predator is a party, and all of such material contracts, agreements and commitments are in full force and effect and Predator is and will not be at Closing, in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived in writing by the other party to such contract, agreement or commitment;
- (cc) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Predator under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.2(bb) hereof;
- (dd) the corporate records and minute books of Predator contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;
- (ee) to the best of the knowledge of Predator other than the Predator Escrow Agreement, there does not currently exist any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of Predator;
- (ff) Predator has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Laws or otherwise, with the applicable securities commissions (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a filing prior to the date of this letter agreement, then on the date of such filing): (i) each of the Disclosure Documents complied in all material respects with the requirements of the Applicable Securities Laws in the jurisdictions they were filed; and (ii) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

- (gg) Predator has no reasonable grounds for believing that a creditor of Predator will be prejudiced by the Amalgamation;
- (hh) except as contemplated herein, Predator is not currently a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Predator; and
- (ii) Odyssey Trust Company has been duly appointed as the registrar and transfer agent of Predator.

ARTICLE 5
CONDITIONS PRECEDENT AND OTHER MATTERS

5.1 **Mutual Conditions Precedent.** The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual written consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) the Amalgamation shall have been approved by the required majority of the votes of the holders of Predator Shares who, being entitled to do so, vote in person or by proxy at the Predator Meeting in accordance with the provisions of the ABCA and Policy 2.4 of the Exchange;
- (b) the Predator Consolidation shall have been approved by the required majority of votes of holders of the Predator Shares who, being entitled to do so, vote in person or by proxy at the Predator meeting in accordance with the provisions of the ABCA;
- (c) the Amalgamation shall have been approved by the required majority of the shareholders of Highwood in accordance with the provisions of the ABCA;
- (d) the securities of Amalco to be issued upon the completion of the Amalgamation pursuant to Section 2.14 hereof, Amalco Shares issuable pursuant to the Amalco Stock Option Plan, Amalco Shares issuable pursuant to the Amalco RSU Plan and any other securities to be issued pursuant to this Agreement, shall have been accepted for listing by the Exchange, subject to Amalco fulfilling the Exchange's usual and ordinary listing requirements;
- (e) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation the Amalgamation;
- (f) the Exchange shall have granted conditional approval to the Amalgamation as a Qualifying Transaction of Predator;
- (g) all other consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement, including without limitation the approval of the Registrar under the ABCA for the Amalgamation and the approval of the Exchange, shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;
- (h) the holders of no more than 5% of all of the issued and outstanding Predator Shares shall have exercised their rights to dissent pursuant to applicable corporate law in respect of the Predator Amalgamation Resolution, or the holders of no more than 5% of all the issued and outstanding Highwood Shares shall have exercised their rights to dissent pursuant to applicable corporate law in respect of the Highwood Amalgamation Resolution;
- (i) there shall be no action taken under any existing Applicable Securities Law, that:

- (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; and
- (j) this Agreement shall not have been terminated in accordance with Section 7.2 hereof.

5.2 Conditions to Obligations of Predator. The obligations of Predator to consummate the transactions contemplated herein is subject to the satisfaction, on or before the Closing Date, of the following conditions:

- (a) each of the acts and undertakings of Highwood to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Highwood;
- (b) no Material Adverse Change in the business, affairs, financial condition, operations or prospects of Highwood or in respect of the assets of Highwood, shall have occurred between the date hereof and the Closing Date;
- (c) except as affected by the transactions contemplated herein, the representations and warranties of Highwood contained in Section 4.1 hereof shall be true in all material respects on the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and Predator shall have received an officers' certificate to such effect, dated the Closing Date, of two senior officers of Highwood to the best of their knowledge having made reasonable inquiry;
- (d) each person disclosed in the Information Circular as being a contemplated Principal (as such term is defined in the Exchange policies) of Amalco shall have entered into the TSXV Escrow Agreement;
- (e) the covenants of Highwood contained in Sections 3.1 and 3.2 hereof shall have been complied with in all material respects and Predator shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Highwood;
- (f) Highwood shall have furnished Predator with:
 - (i) a certified copy of the directors' resolutions passed by the board of directors of Highwood approving this Agreement, as well as the consummation of the transactions contemplated therein; and
 - (ii) a certified copy of the Highwood Amalgamation Resolution;
- (g) each of the directors and officers of Highwood as applicable and as required by this Agreement shall have provided their releases, in form satisfactory to Predator, acting reasonably, from the officers and directors of Highwood to Predator and Highwood (to be received in consideration for Highwood providing industry standard releases to each such officers and directors in form satisfactory to Predator, acting reasonably) (the "**Mutual Releases**"), conditional on closing of the Amalgamation and effective on the Effective Date, which Mutual Releases shall contain exceptions for any fraud, gross negligence and wilful misconduct on the part of the officer and director and for amounts or obligations owing to, or which may be owed to, such officers and directors pursuant to indemnity or directors' and officers' insurance; and
- (h) each of the directors and officers of Highwood as applicable and as required by this Agreement shall have provided their resignations and releases (in the case of directors, in a manner that allows for the orderly replacement of directors on the Effective Date) in favour of Predator, conditional on closing of the Amalgamation and effective on the Effective Date, each in form and substance and on such terms as are satisfactory to Predator, acting reasonably.

The conditions described above are for the exclusive benefit of Predator and may be asserted by Predator regardless of the circumstances, or may be waived by Predator in its sole discretion, in whole or in part, at any time and from time to time prior to the Effective Time without prejudice to any other rights which Predator may have hereunder or at law and notwithstanding the approval of this Agreement by the shareholders of Highwood.

5.3 **Conditions to Obligations of Highwood.** The obligations of Highwood to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

- (a) each of the acts and undertakings of Predator to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Predator;
- (b) no Material Adverse Change in the business, affairs, assets or operations of Predator shall have occurred between the date hereof and the Closing Date;
- (c) except as affected by the transactions contemplated herein, the representations and warranties of Predator contained in Section 4.2 hereof shall be true in all material respects on the Closing Date with the same effect as though such representations and warranties had been made at and as of such time and Highwood shall have received an officers' certificate to that effect, dated the Closing Date, of two senior officers of Predator, to the best of their knowledge having made reasonable inquiry;
- (d) the covenants of Predator contained in Sections 3.3 and 3.4 hereof shall have been complied with in all material respects and Highwood shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Predator;
- (e) Predator shall not have any severance, change of control, retention, bonus and other compensation obligations under written contract or otherwise, paid or payable in connection with the Amalgamation;
- (f) each of the directors and officers of Predator shall have provided their releases, in form satisfactory to Highwood, acting reasonably, from the officers and directors of Predator to Highwood and Predator (to be received in consideration for Predator providing industry standard releases to each such officers and directors in form satisfactory to Highwood, acting reasonably) (the "**Mutual Releases**"), conditional on closing of the Amalgamation and effective on the Effective Date, which Mutual Releases shall contain exceptions for any fraud, gross negligence and wilful misconduct on the part of the officer and director and for amounts or obligations owing to, or which may be owed to, such officers and directors pursuant to indemnity or directors' and officers' insurance;
- (g) immediately prior to the Amalgamation after giving effect to the Predator Consolidation, not more than 10,000,000 Predator Shares will be issued and outstanding (excluding the Predator Shares issuable upon the exercise of the outstanding Predator Options and Predator Agents' Warrants), which Predator Shares shall be listed on the Exchange;
- (h) the Amalco Stock Option Plan, the Amalco RSU Plan and the Amalco PSU Plan shall have been approved by the holders of Predator Shares at the Predator Meeting;
- (i) the Predator Consolidation shall have been approved by the holders of Predator Shares at the Predator Meeting;
- (j) as of the Closing Date, Predator shall have not less than \$400,000 in cash after payment of all costs associated with the Amalgamation; and
- (k) Predator shall have furnished Highwood with:

- (i) a certified copy of the resolutions passed by the board of directors of Predator approving this Agreement and the consummation of the transactions contemplated herein;
- (ii) a certified copy of the scrutineers' report from the Predator Meeting;
- (iii) a certified copy of the minutes of the Predator Meeting;
- (iv) a certified copy of the Predator Amalgamation Resolution;
- (v) a conditional approval letter from the Exchange approving the Amalgamation upon the terms hereof, approving the listing of the Amalco Shares issuable pursuant to the Amalgamation and upon exercise of any securities of Amalco convertible or exercisable into Amalco Shares, subject to the Exchange's usual conditions; and
- (vi) a certificate of the Registrar and Transfer Agent outlining the number of issued and outstanding Predator Shares.

The conditions described above are for the exclusive benefit of Highwood and may be asserted by Highwood regardless of the circumstances, or may be waived by Highwood in its sole discretion, in whole or in part, at any time and from time to time prior to the Effective Time without prejudice to any other rights which Highwood may have hereunder or at law and notwithstanding the approval of this Agreement by the shareholders of Highwood.

5.4 **Merger of Conditions.** The conditions set out in Sections 5.1, 5.2 and 5.3 hereof shall be conclusively deemed to have been satisfied, waived or released on the filing by Predator and Highwood of the Articles of Amalgamation with the Director.

5.5 **Exclusive Period/Interim Operations - Highwood.** From and after the execution and delivery of this Agreement by Predator and until the earlier of Termination Date and Effective Date, Highwood will operate its business (the "**Highwood Business**") in the ordinary course and will not, directly or indirectly, through any officer, director, agent, shareholder or otherwise:

- (a) solicit, directly or indirectly, or cause or facilitate anyone else to solicit any offer (conditional or otherwise) or expression of interest to undertake any "Qualifying Transaction" with any other Person;
- (b) participate in any discussions or negotiations regarding, or provide information concerning its assets or the Highwood Business to anyone for or in furtherance of, anything mentioned in Subsection 5.5(a); or
- (c) pursue any sale of all or part of the its assets or make any other material change to the Highwood Business, except as permitted by this Agreement,

provided that the board of directors of Highwood may take such actions at it deems necessary, acting reasonably, to respond to any unsolicited expression of interest for Highwood that the board of directors of Highwood determines, on the advice of its financial and legal advisors, is superior from a financial point of view to the shareholders of Highwood.

5.6 **Exclusive Period/Interim Operations - Predator.** From and after the execution and delivery of this Agreement by Predator and until the earlier of the Termination Date and the Effective Date, Predator will operate its business (the "**Predator Business**") in the ordinary course and will not, directly or indirectly, through any officer, director, agent, shareholder or otherwise,

- (a) solicit, directly or indirectly, or cause or facilitate anyone else to solicit any offer (conditional or otherwise) or expression of interest with respect to any transaction similar in nature to the Amalgamation or which would impede the completion of the Amalgamation, whether directly or indirectly;

- (b) participate in any discussions or negotiations regarding, or provide information concerning its assets or the Predator Business to anyone for or in furtherance of, anything mentioned in Subsection 5.6(a); or
- (c) pursue any sale of all or part of the its assets or make any other material change to the Predator Business, except as permitted by this Agreement,

provided that, the board of directors of Predator may take such actions at it deems necessary, acting reasonably, to respond to any unsolicited expression of interest for Predator that the board of directors of Predator determines, on the advice of its financial and legal advisors, is superior from a financial point of view to the shareholders of Predator.

ARTICLE 6 NOTICES

6.1 **Notices.** All notices, requests and demands hereunder, which may or are required to be given pursuant to any provision of this Agreement, shall be given or made in writing and shall be delivered by courier, telecopier or e-mail as follows:

- (a) to Highwood, addressed to:

900, 222 - 3rd Avenue SW
Calgary, Alberta T2P 0B4
Attention: Chief Executive Officer
e-mail: gmacdonald@highwoodoil.com

with a copy to:

DLA Piper (Canada) LLP
1000, 250 2nd Street SW
Calgary, Alberta T2P 0C1
Attention: Trevor Wong-Chor
email: trevor.wong-chor@dlapiper.com

- (b) to Predator, addressed to:

Predator Blockchain Capital Corp.
Suite 1000, 250 - 2nd Street SW
Calgary, AB
T2P 0C1
Attention: Arif Shivji
email: arif.shivji@shivjicfoservices.com

with a copy to:

Merani Law
Suite 5100, 150 - 6th Avenue S.W.
Calgary, AB
T2P 3Y7
Attention: Ashif Merani
Email: ashif@meranilaw.com

or to such other addresses and telecopier numbers or e-mail addresses as the parties may, from time to time, advise to the other parties hereto by notice in writing. All notices, requests and demands hereunder shall be deemed to

have been received, if delivered by courier on the date of delivery and if sent by telecopier or e-mail, on the next Business Day after the telecopy or e-mail was sent.

ARTICLE 7 AMENDMENT AND TERMINATION OF AGREEMENT

7.1 **Amendment.** This Agreement may, at any time and from time to time before or after the holding of the Predator Meeting, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by securityholders of Predator and the securityholders of Highwood without approval by such securityholders of Predator and Highwood given in the same manner as required for the approval of the Amalgamation.

7.2 **Rights of Termination.** If any of the conditions contained in Article 5 hereof shall not be fulfilled or performed by April 30, 2019 or such other date as the parties may agree upon in writing (the "**Termination Date**"), and such condition is contained in:

- (a) Section 5.1 hereof, either of the parties hereto may terminate this Agreement by notice to the other party;
- (b) Section 5.2 hereof, Predator may terminate this Agreement by notice to Highwood;
- (c) Section 5.3 hereof, Highwood may terminate this Agreement by notice to Predator;
- (d) by Predator upon a breach by Highwood of Section 5.5 hereof and Highwood fails to cure such breach within two business days after receipt of written notice thereof from Predator (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Termination Date);
- (e) by Highwood upon a breach by Predator of Section 5.6 hereof and Predator fails to cure such breach within two business days after receipt of written notice thereof from Highwood (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Termination Date).
- (f) subject to Section 8.1, by Highwood if it determines to accept a superior proposal pursuant to Section 5.5; or
- (g) subject to Section 8.1, by Predator, if it determines to accept a superior proposal pursuant to Section 5.6.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall

also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfilment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Conditions.** If either of Predator or Highwood shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Predator or Highwood, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination.** This Agreement may, at any time before or after the holding of the Predator Meeting, but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Predator and Highwood without further action on the part of the shareholders of Predator or Highwood, and, if the Amalgamation does not become effective on or before the Termination Date, either Predator or Highwood may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

ARTICLE 8 GENERAL

8.1 **Disclosure of Alternative Transaction.** In the event either Highwood or Predator shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 5.5 or Section 5.6 hereof, as applicable, on or before the Termination Date, the recipient of such proposal, offer or expression of interest shall notify the other party in writing hereto and shall provide details of such proposal, offer or expression of interest to the other party hereto and provide five (5) Business Days for the other party to provide an additional offer which the board of directors, legal counsel and their financial advisors shall review prior to proceeding with any superior proposal.

8.2 **Entire Agreement.** The terms and provisions herein contained and the schedules hereto constitute the entire agreement between the parties and shall supersede all previous oral or written communications including, without limitation, the Letter Agreement.

8.3 **Binding Effect.** This Agreement shall be binding upon and enure to the benefit of the parties hereto.

8.4 **Waiver and Modification.** Highwood and Predator may waive or consent to the modification of, in whole or in part, any inaccuracy or any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

8.5 **Assignment.** No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto.

8.6 **Public Disclosure.** The parties agree to consult with each other before making any public disclosure or announcement of or pertaining to this Agreement, and that any such disclosure or announcement shall be mutually satisfactory to all parties; provided, however, this Section 8.6 shall not apply in the event any party hereto is advised by its counsel that certain disclosures or announcements, which the other parties after reasonable notice will not consent to, are required to be made by Applicable Securities Laws, stock exchange rules or policies of regulatory authorities having jurisdiction.

8.7 **Costs.** All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Amalgamation is completed.

8.8 **Time of Essence.** Time shall be of the essence of this Agreement.

8.9 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

8.10 **Severability.** In the event that any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by-law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

8.11 **Confidentiality.** Each of Highwood and Predator will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party. Such information whether written, electronic or verbal which:

- (a) has not become generally available to the public; or
- (b) was not available to a party or its representatives on a non-confidential basis before the date of this letter; or
- (c) does not become available to a party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives;

will be kept confidential by each party and shall constitute confidential information (the “**confidential information**”). No confidential information may be released to third parties without the written consent of the provider thereof, except that the parties hereto agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

8.12 **Further Assurances.** Each party hereto shall, from time to time, and at all times hereafter, at the request of the other parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

8.13 **Survival.** The representations and warranties of each of Highwood and Predator contained herein shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination of this Agreement in accordance with its terms and the day after the Effective Date.

[The remainder of this page is left intentionally blank. Signature page to follow.]

8.14 **Counterparts and Facsimile Copies.** This Agreement may be executed in separate counterparts, and all such counterparts when taken together shall constitute one (1) agreement. The parties shall be entitled to rely on delivery of a facsimile or PDF copy of the executed Agreement and such facsimile or PDF copy shall be legally effective to create a valid and binding Agreement.

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

PREDATOR BLOCKCHAIN CAPITAL CORP.

HIGHWOOD OIL COMPANY LTD.

Per: (signed) "Arif Shivji"
Name: Arif Shivji
Title: President

Per: (signed) "Graydon Glans"
Name: Graydon Glans
Title: Chief Financial Officer

Per: (signed) "Stephen J. Holyoake"
Name: Stephen Holyoake
Title: Director

SCHEDULE "A"
ARTICLES OF AMALGAMATION

(Attached)

This information is collected in accordance with the *Business Corporations Act*. It is required to collect an amalgamated Alberta corporation's articles for the purpose of issuing a certificate of amalgamation. Collection is authorized under s. 33(a) of the *Freedom of Information and Protection of Privacy Act*. Questions about the collection can be directed to Service Alberta Contact Centre staff at cr@gov.ab.ca or 780-427-7013 (toll-free 310-0000 within Alberta).

1. Name of Amalgamated Corporation

HIGHWOOD OIL COMPANY LTD.

2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

Schedule "A" Attached

3. Restrictions on share transfers (if any):

None

4. Number, or minimum and maximum number of directors that the corporation may have:

Min: 3 Max: 15

5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restrictions

None.

6. Other rules or provisions (if any):

Schedule "B" Attached

7. Amalgamating Corporations

Name	Corporate Access Number
Highwood Oil Company Ltd.	2019414982
Predator Blockchain Capital Corp.	2020945842

8. Authorized Representative/Authorized Signing Authority for the Corporation

Last Name, First Name, Middle Name

Relationship to Corporation

Telephone Number (optional)

Email Address (optional)

Date of submission (yyyy-mm-dd)

Signature

SCHEDULE "A"

THE CLASSES OF SHARES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE ARE:

1. **An unlimited number of Common shares**, the holders of which are entitled:
 - (a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
 - (b) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Preferred shares, or on any of such classes of shares without being obliged to declare any dividends on the Common shares of the Corporation;
 - (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation; and
 - (d) to the rights, privileges and restrictions normally attached to common shares;

2. **An unlimited number of Preferred shares**, which as a class, have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) the Preferred shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue the number of Preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions;
 - (b) the Preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the voting and non-voting Common shares and over any other shares of the Corporation ranking by their terms junior to the Preferred shares of that series. The Preferred shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common shares and any other such Preferred shares as may be fixed in accordance with clause (2)(a); and
 - (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred shares are not paid in full, all series of Preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

SCHEDULE "B"

OTHER RULES OR PROVISIONS (IF ANY):

(a) The Directors may, between Annual General Meetings, appoint 1 or more additional Directors of the Corporation to serve until the next Annual General Meeting, but the number of additional Directors shall not at any time exceed $\frac{1}{3}$ of the number of Directors who held office at the expiration of the last Annual Meeting of the Corporation.

(b) Meetings of shareholders of the Corporation shall be held anywhere in Canada that the directors determine.

SCHEDULE "B"
BY-LAWS

(Attached)

BY-LAW NO. 1

A by-law relating generally to
the transaction of the business
and affairs of

HIGHWOOD OIL COMPANY LTD.
(the "Corporation")

DIRECTORS AND OFFICERS

1. **Calling of and Notice of Meetings** - Meetings of the board shall be held at such place and time and on such day as the chairman of the board, president, chief executive officer or a vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.
2. **Quorum** - Subject to the residency requirements contained in the Business Corporations Act, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors then elected or appointed or such greater or lesser number of directors as the board may from time to time determine.
3. **Place of Meeting** - Meetings of the board may be held in or outside Canada.
4. **Votes to Govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.
5. **Interest of Directors and Officers Generally in Contracts** - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act.
6. **Appointment of Officers** - Subject to the articles and any unanimous shareholder agreement, the board may from time to time appoint a president, chief executive officer, chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Business Corporations Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to the provisions of this by-law, an officer may but need not be a director and one person may hold more than one office.
7. **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Business Corporations Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the

board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

8. **Managing Director** - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall have such powers and duties as the board may specify.
9. **President** - If appointed, the president shall be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.
10. **Vice-President** - A vice-president shall have such powers and duties as the board or the chief executive officer may specify.
11. **Secretary** - The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.
12. **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Business Corporations Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board or the chief executive officer may specify.
13. **Agents and Attorneys** - The board shall have the power from time to time to appoint agents and attorneys for the Corporation in or outside Canada with such powers as the board sees fit.
14. **Advance Notice of Nominations of Directors - Nomination of Directors.** Subject only to the Act, the articles of the Corporation and applicable securities laws, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which a special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting of shareholders, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this Section 14 and on the record date for the receipt of notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Section 14:
 - A. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form (the "**Notice**") to the Chief Executive Officer of the Corporation at the principal executive offices of the Corporation, in accordance with this Section 14.

- B. To be timely, a Notice to the Chief Executive Officer of the Corporation must be given:
- i. in the case of an annual general meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is called for at a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made (the "**Notice Date**"), the Notice must be given by the Nominating Shareholder not later than the close of business on the tenth (10th) day following the Notice Date;
 - ii. in the case of a special meeting (which is not also an annual meeting) of shareholders, called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the date on which the first public announcement of the date of the special meeting of shareholders was made; and
 - iii. in the event shall that any adjournment or postponement of a meeting of shareholders, or the public announcement thereof, occurs, the time period for the giving of Notice shall adjust accordingly and Notice must be given in accordance with Subsections B(i) and (ii) above, taking into account the date of the adjourned or postponed annual general meeting or the Notice Date.
- C. To be in proper written form, the Notice to the Chief Executive Officer of the Corporation must set forth:
- (i) as to each person who the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) whether the person is a resident Canadian with the meaning of the Act, (d) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person; (I) as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred), and (II) as of the date of such Notice, and (e) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and
 - (ii) as to the Nominating Shareholder, any proxy, contract, arrangement, understanding, relationship or any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.
- D. In addition, to be considered timely and in proper written form, a Nominating Shareholder's Notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such Notice shall be true and correct as of the record date for the meeting.
- E. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee.

- F. The Corporation may disclose and make publicly available to the shareholders of the Corporation any of the information requested and provided to the Corporation pursuant to Subsection C(i) and Section E of this By-law No. 1.
- G. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 14; provided, however, that nothing herein shall be deemed to preclude discussions by a shareholder (as distinct from seeking to nominate directors) at a meeting of shareholders, on any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such nomination is invalid due to its non-compliance with this Section 14.
- H. For purposes of this Section 14:
- (i) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (ii) “**applicable securities laws**” means the securities legislation in those provinces and territories of Canada to which the Corporation is subject, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the relevant provinces and territories of Canada.
- I. Notwithstanding any other provisions of the by-laws of the Corporation, Notice given to the Chief Executive Officer of the Corporation pursuant to this Section 14 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Chief Executive Officer of the Corporation for the purposes of such Notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Chief Executive Officer at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day, or later than 5:00 pm (Calgary time) on a day which is a business day, then such a delivery or electronic communication shall be deemed to have been made on the next following business day.
- J. Notwithstanding any of the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 14.

SHAREHOLDERS' MEETINGS

15. **Quorum** - Subject to the requirements of the Business Corporations Act, a quorum for the transaction of business at any meeting of the shareholders, irrespective of the number of persons actually present at the meeting, shall be one person present in person being a shareholder entitled to vote thereat or a duly appointed representative or proxyholder for an absent shareholder so entitled, and holding or representing in the aggregate not less than a majority of the outstanding shares of the Corporation entitled to vote at the meeting.

At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons

holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

16. **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Business Corporations Act, be determined by the majority of votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled a second or casting vote.
17. **Show of Hands** - Subject to the provisions of the Business Corporations Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote per share. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.
18. **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Business Corporations Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

MEETING BY TELEPHONE

19. **Directors and Shareholders** - A director may participate in a meeting of the board or of a committee of the board and a shareholder or any other person entitled to attend a meeting of shareholders may participate in a meeting of shareholders by means of telephone or other communication facilities that permit all persons participating in any such meeting to hear each other.

INDEMNIFICATION

20. **Indemnification of Directors and Officers** - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Business Corporations Act.
21. **Indemnity of Others** - Except as otherwise required by the Business Corporations Act and subject to paragraph 20, the Corporation 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 contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the

Corporation 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 conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall 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 Corporation 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 conduct was lawful.

22. **Right of Indemnity Not Exclusive** - The provisions for indemnification contained in the by-laws of the Corporation shall 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 official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.
23. **No liability of Directors or Officers for Certain Matters** - To the extent permitted by law, no director or officer of the Corporation shall 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 Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall 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 Corporation shall 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 Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation 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 Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

DIVIDENDS

24. **Dividends** - Subject to the provisions of the Business Corporations Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.
25. **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

26. **Non-Receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnify, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.
27. **Unclaimed Dividends** - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

BANKING ARRANGEMENTS, CONTRACTS, DIVISIONS ETC.

28. **Banking Arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.
29. **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one officer or director and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.
30. **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.
31. **Creation and Consolidation of Divisions** - The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.
32. **Name of Division** - Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

33. **Officers of Divisions** - From time to time the board or a person designated by the board, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or a person designated by the board, may remove at its or his pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

MISCELLANEOUS

34. **Invalidity of Any Provisions of This By-Law** - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
35. **Share Certificates, Acknowledgements and Direct Registration System** - Every shareholder of one or more shares of the Corporation shall be entitled, at the shareholder's option, to a share certificate that complies with the Business Corporations Act, or a non-transferable written acknowledgment that complies with the Business Corporations Act of the shareholder's right to obtain a share certificate from the Corporation in respect of the shares of the Corporation held by such shareholder in an amount as shown on the securities register of the Corporation. Any share certificate issued pursuant to this paragraph 35 shall be in such form as the board may from time to time approve, shall be signed by the Corporation in accordance with paragraph 29 and need not be under the corporate seal.

For greater certainty, but subject to paragraph 35, a registered shareholder may have his holdings of shares of the Corporation evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Corporation in place of a physical share certificate pursuant to such a registration system that may be adopted by the Corporation, in conjunction with its transfer agent. This by-law shall be read such that a registered holder of shares of the Corporation pursuant to any such electronic, book-based, direct registration service or other noncertificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

36. **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

37. **Interpretation** - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Business Corporations Act" shall mean the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended from time to time, or any Act that may hereafter be substituted therefor; "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders of the Corporation; and

“signing officers” means any person authorized to sign on behalf of the Corporation pursuant to paragraph 29.

CONSENTED to by the directors of the Corporation on the ___ day of _____, 20__.

President

CONFIRMED by the voting shareholders of the Corporation on the ___ day of _____, 20__.

President