

SKYSCAPE CAPITAL INC.

-AND-

11518003 CANADA INC.

-AND-

PESORAMA INC.

AMALGAMATION AGREEMENT

March 8, 2021

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AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT dated as of the day of March, 2021.

BETWEEN:

SKYSCAPE CAPITAL INC., a body corporate incorporated under the laws of Ontario
("Skyscape")

OF THE FIRST PART

- AND -

11518003 CANADA INC., a body corporate incorporated under the federal laws of
Canada ("Skyscape Subco")

OF THE SECOND PART

- AND -

PESORAMA INC., a body corporate incorporated under the federal laws of Canada
("PesoRama")

OF THE THIRD PART

WHEREAS:

- A. Skyscape is a "Capital Pool Company" as defined by TSXV Policy 2.4 (as defined herein) and wishes to complete a "Qualifying Transaction" with PesoRama within the meaning thereof;
- B. PesoRama is a company engaged in the business of setting up dollar store retail locations throughout Mexico (the "**Business**"); and
- C. the Parties (as defined herein) propose to combine the business and assets of PesoRama and Skyscape by way of a statutory amalgamation between PesoRama and Skyscape Subco (the "**Qualifying Transaction**") to create Amalco (as defined herein), and upon completion of the Qualifying Transaction, Amalco shall be a wholly-owned subsidiary of Skyscape.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (1) "**Accounts Receivable**" means all accounts receivable, notes receivable and other debts due or accruing due to a Party;

- (2) **"Affiliate"** of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The terms **"control"** (including terms **"controlled by"** and **"under common control with"**) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;
- (3) **"Agreement"**, **"this Agreement"**, **"herein"**, **"hereto"**, **"hereof"** and **"hereunder"** and similar expressions mean and refer to this Agreement (including the schedules hereto), as the same may be amended, modified, or supplemented from time to time, and not to any particular Article, Section, Subsection, Schedule or other portion of this Agreement;
- (4) **"Amalco"** means PesoRama continuing from the Amalgamation;
- (5) **"Amalco Shares"** means the common shares in the capital of Amalco;
- (6) **"Amalgamating Parties"** means Skyscape Subco and PesoRama;
- (7) **"Amalgamation"** means the amalgamation of the Amalgamating Parties under the provisions of the CBCA on the terms and conditions set forth in this Agreement;
- (8) **"Amalgamation Application"** means the form of Amalgamation Application which shall include the Articles of Amalco and will be in a form agreed to by the parties by the Closing Date;
- (9) **"Applicable Law(s)"** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a Government Authority having jurisdiction over the person or persons or its or their business, undertaking, property or shares;
- (10) **"Applicable Securities Laws"** means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder and the policies and rules of the TSXV, as the foregoing may be amended or re-enacted from time to time prior;
- (11) **"Articles of Amalco"** means the Articles of Amalco in the form to be approved by the parties by the Closing Date;
- (12) **"Authorization"** means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Government Authority having jurisdiction over the Person, including any municipal or other approvals required to be granted before a Government Authority provides an authorization;
- (13) **"Books and Records"** means all books of account, tax records, sales and purchase records, customer and supplier lists, computer software, formulae, business reports, plans and projections and all other documents, files, correspondence and other information of PesoRama, the PesoRama Subsidiaries or Skyscape, as the case may be, (whether in written, printed, electronic or computer printout form);
- (14) **"Business"** has the meaning ascribed thereto in the recitals to the Agreement;

- (15) **"Business Day"** means any day excepting a Saturday or Sunday or a day recognized as a statutory holiday in Toronto, Ontario;
- (16) **"CBCA"** means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;
- (17) **"Certificate of Amalgamation"** means the certificate or other confirmation of filing to be issued by the Director pursuant to the CBCA, giving effect to the Amalgamation;
- (18) **"Claim"** includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions or other similar processes, fines, expenses, costs damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (19) **"Closing"** means the completion of the Qualifying Transaction contemplated in this Agreement;
- (20) **"Closing Date"** means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation;
- (21) **"Closing Time"** means 12:01 a.m. (Toronto time) on the Closing Date;
- (22) **"Confidential Information"** means, with respect to PesoRama, confidential or non-public information and trade secrets, including confidential or non-public: proprietary information, know how, technology, technical data, proprietary processes, specifications, formulations, formulae, materials or compositions of matter of any type or kind (patentable or otherwise), marketing reports, customer lists and supplier lists, study reports, regulatory submission summaries and regulatory submission documents, expertise, test data, analytical and quality control data, studies and procedures, schematics, test methodologies, simulation and development tools, prototypes and other devices;
- (23) **"Consent"** means the consent of a contracting party to a change in control of PesoRama if required by the terms of any Contract, or the consent or acceptance of any other Person who is not a Government Authority to the Qualifying Transaction contemplated herein;
- (24) **"Contracts"** means any and all agreements, contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures of any nature, or other right or obligation (written or oral) to which a Party is bound or affected or to which any of their respective assets are subject, including, without limitation: (i) unfilled purchase orders, (ii) forward commitments for supplies or materials entered into the Ordinary Course, and (iii) restrictive agreements, negative covenant agreements, confidentiality agreement and invention assignment agreements with any Employees, past or present;
- (25) **"Convertible Debenture Financing"** means the private placement of PesoRama Convertible Debenture Units for aggregate gross proceeds of up to \$6.5 million;
- (26) **"Current Assets"** means the current assets of Skyscape including but not limited to cash and cash equivalents (calculated in accordance with IFRS), Accounts Receivable, Taxes receivable, cash or recoverable and prepaid expenses but specifically excludes amounts owing from related parties and inventory;

- (27) **“Current Liabilities”** means the current liabilities of Skyscape including accounts payable, accrued liabilities, income taxes payable, government remittances payments, Qualifying Transaction expenses and all accrued remuneration and benefits;
- (28) **“Debt Instrument”** has the meaning ascribed thereto in Section 3.1(21);
- (29) **“Demised Premises”** means the leased or use permit lands and premises of PesoRama;
- (30) **“Director”** means the Director of Corporations appointed under Section 260 of the CBCA;
- (31) **“Disclosing Party”** has the meaning ascribed thereto in Section 4.4(2);
- (32) **“Employees”** means individuals who are full-time, part-time or temporary employees or individuals engaged or otherwise contracted to provide employment or similar services in respect of PesoRama, the PesoRama Subsidiaries or Skyscape, as the case may be; and **“Employee”** means any one of them;
- (33) **“Encumbrances”** means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;
- (34) **“Environmental Laws”** means applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;
- (35) **“Escrow Agent”** or **“Transfer Agent”** means TSX Trust Company, the registrar and transfer agent of Skyscape, the escrow agent under the TSXV Escrow Agreements and escrow agent under the Subscription Receipt Agreement;
- (36) **“Escrow Release Conditions”** will have the meaning ascribed thereto in the Subscription Receipt Agreement;
- (37) **“Exchange Ratio”** has the meaning ascribed thereto in Section 2.2(1)(viii);
- (38) **“Final Exchange Bulletin”** means the Exchange bulletin which is issued following completion of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction as the Qualifying Transaction of Skyscape;
- (39) **“Fundamental”** means Fundamental Private Markets;
- (40) **“GAAP”** means generally accepted accounting principles as set-out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with IFRS, at the relevant time, applied on a consistent basis;
- (41) **“Governing Documents”** means, in respect of each Party, its governing documents, including, as applicable, its certificate and articles of incorporation, as amended, articles of association, as amended and all similar articles, and its by-laws, as amended;
- (42) **“Government Authority”** means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other

regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the Exchange;

- (43) **"GST"** means the goods and services tax and the harmonized sales tax (if applicable) under the *Excise Tax Act* (Canada);
- (44) **"IFRS"** means International Financial Reporting Standards adopted by the International Accounting Standards Board as may be amended or re-stated from time to time;
- (45) **"Indenture"** means the Indenture between PesoRama and the Escrow Agent, as trustee, providing for the creation of, and governing the terms of, the PesoRama Convertible Debentures;
- (46) **"Intellectual Property"** means: (i) all works, including literary, artistic and graphic works, databases, and compilations thereof, including computer software, source code, object code, firmware, development tools, files, records and data, (the **"Works"**); (ii) all inventions, arts, processes, machines, manufactures, compositions of matter and developments, whether or not patentable, patented or the subject of applications for patents (the **"Inventions"**); (iii) all trade names, logos, trade dress, trademarks and service marks (**"Marks"**); (iv) all industrial designs, whether or not patentable or registrable, patented or registered or the subject of applications for design patent or registration (**"Designs"**); (v) all Confidential Information; and (vi) all Internet domain name registrations, Internet and World Wide Web URLs or addresses (**"Domain Names"**);
- (47) **"Intellectual Property Rights"** means any and all industrial and intellectual property and proprietary rights in the Intellectual Property, including, without limitation, the following: (i) all patents and applications therefor and rights to file applications for the Inventions and all reissues, divisions, renewals, extensions, re-examinations, reissues, provisionals, continuations and continuations-in-part thereof and other derivative applications and patents; (ii) all rights in the Confidential Information; (iii) all design patents, design registrations, pending patent and design applications and rights to file applications for the Designs, including all rights of priority and rights in continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents; (iv) all trademark and service mark registrations for the Marks, trademark and service mark applications for the Marks, any rights arising from the use, application for or registration of the Marks, and any and all goodwill associated with and symbolized by the Marks; (v) all rights in the Domain Names; and (vi) all copyright and other rights and all registrations, pending applications for registration and rights to file applications for, and all moral rights and, where a Party is not the author, the benefits of such Party in all waivers of moral rights in, the Works;
- (48) **"in writing"** means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of another Party;
- (49) **"ITA"** means the *Income Tax Act* (Canada), RSC 1985, c 1 (5th Supp), as may be amended or re-enacted from time to time, including the regulations promulgated thereunder;
- (50) **"Leases"** means any leases entered into by PesoRama;
- (51) **"Legal Proceeding"** means any Claim, action, suit, complaint, demand, litigation, arbitration, prosecution, contest, hearing, inquiry, investigation, inquest, audit or other proceeding of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or threatened, by or before any court, tribunal, arbitrator or other Government Authority;
- (52) **"Liability"** means any liability or obligations of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due);

- (53) **“Losses”** shall mean, in respect of any matter, losses, damages, Legal Proceedings, Claims, prosecutions, judgments, costs, expenses (including all reasonable legal fees and disbursements), fines and penalties arising directly as a consequence of that matter, but excluding loss of profit and opportunity and indirect consequential and extraordinary damages;
- (54) **“Material Adverse Change”** means, in respect of a Party or its Subsidiary (if any), any one or more changes, events or occurrences, and **“Material Adverse Effect”** means in respect of a Party or its Subsidiary (if any), an effect, which, in either case, either individually or in the aggregate with all other fact, changes, circumstances, effects, event or occurrences is, or would reasonably be expected to: (i) be, material and adverse to the business, operations, results of operations, assets, capital, liabilities (contingent or otherwise), privileges or financial condition of that Party or a Subsidiary (if any); or (ii) prevent a Party from performing its obligations under this Agreement in any material respect, other than any change, event, occurrence or effect: (a) relating to the global economy or financial, securities or commodities markets in general in the world including, without limitation, changes in currency exchange rates or interest rates; (b) relating to any generally applicable change in Applicable Laws (other than Orders, judgments or decrees made against the Party or a Subsidiary (if any)); or (c) any natural disaster or the commencement, occurrence or continuation of any war, armed hostility or act of terrorism, provided, however that such matter referred to in clause (a), (b), or (c) above does not have a materially disproportionate effect to the Party or a Subsidiary (if any) compared to other companies of similar size operating in the same industry as that Party;
- (55) **“Material Contracts”** shall mean: (i) all Contracts under which, as of and from the Closing Date, PesoRama would be required to perform services, deliver products or make payments with a value of more than \$100,000 within any twelve month period under each such Contract (or group of related Contracts) or be required to fulfill any other obligation at a cost in excess of \$100,000 within any twelve month period; (ii) all continuing Contracts to which PesoRama is a party for the purchase of materials, supplies, equipment or services which requires payment under that Contract of more than \$100,000 as of and from the Closing Date, except for purchases of inventories, contracts or services in the Ordinary Course that do not exceed one year in length and are on terms and conditions not more onerous than those usual and customary to the industry relating to the Business; (iii) all Contracts pursuant to which material Intellectual Property is licensed by PesoRama or any predecessor in title; (iv) all Contracts pursuant to which loans, credit facilities, grants, subsidies and other forms of financial assistance in an amount in excess of \$100,000 are made available to either, and (v) all licensing Contracts which PesoRama estimates will generate revenues in excess of \$100,000 during the current fiscal year;
- (56) **“material fact”** has the meaning ascribed thereto in the *Securities Act* (Ontario), as the same may be amended or re-enacted from time to time, including all regulations promulgated thereunder;
- (57) **“Misrepresentation”** has the meaning ascribed thereto under Applicable Securities Laws;
- (58) **“OBCA”** means the *Business Corporations Act* (Ontario), RSO 1990, c B.16, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;
- (59) **“Order”** means any order (including any judicial or administrative order and the terms of any administrative consent), judgment, injunction, decree, ruling or award of any court, arbitrator or Government Authority;
- (60) **“Ordinary Course”** means, with respect to an action taken by a Party, that such action is consistent with the past practice of such Party’s business and is taken in the ordinary course of the normal day-to-day operation of its business and operations;
- (61) **“Outside Date”** means June 30, 2021;

- (62) **"Party"** means each of Skyscape, PesoRama and Skyscape Subco and **"Parties"** means all of them, collectively;
- (63) **"Permitted Encumbrances"** shall mean: (i) Encumbrances for taxes, assessments or other charges not yet due and payable; (ii) statutory Encumbrances of landlords, carriers, warehousemen, mechanics, materialmen and other similar liens imposed by Applicable Law, which are incurred in the Ordinary Course; (iii) Encumbrances incurred in the Ordinary Course in connection with workers' compensation, unemployment insurance and other types of social security; (iv) Encumbrances to secure performance obligations incurred in connection with tenders, statutory obligations, surety, stay, customs and appeals (or commitments in respect thereto), bids, government contracts, trade contracts, performance and return of money bonds and other similar performance obligations; (v) deposits made in the Ordinary Course; and (vi) any form of security granted by PesoRama except to secure indebtedness for a credit facility or other indebtedness which was previously disclosed in writing in the PesoRama;
- (64) **"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;
- (65) **"Personnel Obligations"** means any obligations or liabilities of a Party or any of its Subsidiaries to pay any amount to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors' fees in the Ordinary Course, in each case in amounts consistent with historic practices and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the Ordinary Course of business and, without limiting the generality of the foregoing, Personnel Obligations shall include the obligations of such Party or any of its Subsidiaries to directors, officers, employees and consultants: (i) for payments on or in connection with any change in control of such Party pursuant to any change in control agreements, policies or arrangements, including the payments specified herein; and (ii) for any special incentive bonus payments and commitments;
- (66) **"PesoRama"** means PesoRama Inc., a corporation incorporated under the CBCA;
- (67) **"PesoRama Assets"** means all of the right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable of whatsoever nature and kind and wheresoever situate of PesoRama and the PesoRama Subsidiaries;
- (68) **"PesoRama Broker Warrants"** means the outstanding common share purchase broker warrants of PesoRama, entitling the holders to acquire PesoRama Shares;
- (69) **"PesoRama Circular"** means the notice of the PesoRama Shareholder Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the PesoRama Shareholders in connection with the PesoRama Shareholder Meeting, as amended, supplemented or otherwise modified from time to time;
- (70) **"PesoRama Conversion Securities"** means units of PesoRama, each consisting of one PesoRama Share and one half of one PesoRama Purchase Warrant of the same type as are issued upon the conversion of a Subscription Receipt issued pursuant to the Subscription Receipts Financing;
- (71) **"PesoRama Convertible Debenture Units"** means convertible senior unsecured debenture units of PesoRama, each consisting of one PesoRama Convertible Debenture and 50 PesoRama Purchase Warrants", issued by PesoRama pursuant to the Convertible Debenture Financing;

- (72) **"PesoRama Convertible Debenture"** means one \$1000 principal amount of convertible senior unsecured debenture of PesoRama designated as a "9.875% Senior Unsecured Convertible Debenture", issued by PesoRama pursuant to the Convertible Debenture Financing and convertible into a number of PesoRama Conversion Securities as is equal to the quotient of (i) the unpaid principal amount of such debenture together with the amount of accrued and unpaid interest owing thereon on conversion, divided by (ii) a conversion price equal to the price per PesoRama Share attributed to the PesoRama Shares in the Qualifying Transaction or the deemed issue price per Resulting Issuer Share exchanged for each PesoRama Share exchanged or changed in the Qualifying Transaction less 15%;
- (73) **"PesoRama Financial Statements"** means any financial statements of PesoRama, whether audited or unaudited, prepared as of the date of this Agreement or prior to the Closing Date;
- (74) **"PesoRama Financings"** means the Convertible Debenture Financing and Subscription Receipts Financing;
- (75) **"PesoRama Finder Warrants"** means the outstanding common share purchase finder's warrants of PesoRama, entitling the holders to acquire PesoRama Shares;
- (76) **"PesoRama Options"** means the options to purchase PesoRama Shares issued pursuant to the PesoRama Stock Option Plan;
- (77) **"PesoRama Performance Warrants"** means the outstanding performance warrants of PesoRama entitling the holders thereof to receive PesoRama Shares, provided certain contractual conditions are met;
- (78) **"PesoRama Purchase Warrants"** means the outstanding common share purchase warrants of PesoRama, entitling the holders to acquire PesoRama Shares;
- (79) **"PesoRama Prospectus Information"** means all information in respect of PesoRama and the PesoRama Subsidiaries required to be included in the Prospectus under Applicable Securities Laws and the TSXV Policies;
- (80) **"PesoRama Securityholders"** means the holders of PesoRama Shares, PesoRama Options, PesoRama Broker Warrants, PesoRama Finder Warrants, PesoRama Purchase Warrants, PesoRama Performance Warrants and PesoRama Convertible Debentures;
- (81) **"PesoRama Shareholder Meeting"** means the special meeting of PesoRama Shareholders to be held prior to the Closing Date;
- (82) **"PesoRama Shareholders"** means the holders of PesoRama Shares;
- (83) **"PesoRama Shares"** means the common shares in the capital of PesoRama;
- (84) **"PesoRama Stock Option Plan"** means the current option plan of PesoRama;
- (85) **"PesoRama Subsidiaries"** means: (i) Joi Canadian Stores, S.A. de C.V.; (ii) Canmex Dollar Stores, S.A. de C.V. (iii) PesoRama Consulting Services, S.A. de C.V.; and (iv) PesoRama Stores Services, S.A. de C.V.;
- (86) **"Prospectus"** means the prospectus of Skyscape and the Appendices attached thereto to be filed with the Securities Authorities, which shall describe the business of each of PesoRama, the PesoRama Subsidiaries, Skyscape and Skyscape Subco, the Qualifying Transaction and the Resulting Issuer;
- (87) **"Qualifying Transaction"** means the reverse takeover of Skyscape by PesoRama whereby Skyscape will acquire 100% of the issued and outstanding securities of PesoRama by way of a "three cornered"

amalgamation involving Skyscape, PesoRama and Skyscape Subco, which is expected to constitute the Qualifying Transaction of Skyscape;

- (88) **"Receiving Party"** has the meaning ascribed thereto in Section 4.4(2);
- (89) **"Regulation D"** means Regulation D promulgated under the U.S. *Securities Act of 1933*;
- (90) **"Regulation S"** means Regulation S promulgated under the U.S. *Securities Act of 1933*;
- (91) **"Regulatory Approval"** means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Qualifying Transaction to be effected, including, without limitation, approval of the Exchange and **"Regulatory Approvals"** means all such approvals, consents, waivers, permits, orders or exemptions;
- (92) **"Release Notice"** means the notice to be delivered to the Escrow Agent by Skyscape and PesoRama upon satisfaction of the Escrow Release Conditions;
- (93) **"Reporting Jurisdictions"** means British Columbia, Alberta and Ontario;
- (94) **"Resulting Issuer"** means the issuer exists upon issuance of the Final Exchange Bulletin;
- (95) **"Resulting Issuer Shares"** means common shares in the capital of the Resulting Issuer, and, for greater certainty, includes the Skyscape Shares to be issued in exchange for PesoRama Shares at Closing of the Qualifying Transaction;
- (96) **"Securities Authorities"** means the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission and other appropriate regulatory authorities, if applicable, and including the TSXV;
- (97) **"Securities Exchange"** means the exchange of PesoRama Shares for Skyscape Shares and other steps to be completed pursuant to Section 2.2(1) hereof;
- (98) **"SEDAR"** means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;
- (99) **"Skyscape"** means Skyscape Capital Inc., a corporation incorporated pursuant to the OBCA;
- (100) **"Skyscape Circular Information"** means all information in respect of Skyscape and its Subsidiaries required to be included in the PesoRama Circular under Applicable Securities Laws;
- (101) **"Skyscape Financial Statements"** means any financial statements of Skyscape, whether audited or unaudited, prepared as of the date of this Agreement or prior to the Closing Date;
- (102) **"Skyscape Financing"** means the prospectus offering of common shares (or units) of Skyscape at a price of \$1.00 per common shares (or unit) to close on or before closing of the Qualifying Transaction for minimum aggregate gross proceeds of \$5 million;
- (103) **"Skyscape Name Change"** means the amendment to the articles of Skyscape pursuant to which Skyscape will change its name to "PesoRama Inc." or such other name as may be agreed to by Skyscape and PesoRama, to be completed immediately prior to Closing;

- (104) **"Skyscape Options"** means the outstanding options to acquire up to 200,000 Skyscape Shares at an exercise price of \$0.50 per share, granted under the Skyscape Stock Option Plan;
- (105) **"Skyscape Parties"** means Skyscape and Skyscape Subco;
- (106) **"Skyscape Shareholder"** means a registered holder of Skyscape Shares, from time to time, and **"Skyscape Shareholders"** means all of such holders, collectively;
- (107) **"Skyscape Shareholder Meeting"** means the annual general and special meeting of Skyscape Shareholders to be held prior to the Closing Date;
- (108) **"Skyscape Shares"** means the common shares in the capital of Skyscape;
- (109) **"Skyscape Stock Option Plan"** means the current option plan of Skyscape;
- (110) **"Skyscape Subco"** means 11518003 Canada Inc., a wholly-owned subsidiary of Skyscape incorporated under the CBCA for the purposes of completing the Qualifying Transaction;
- (111) **"Skyscape Subco Shares"** means the common shares in the capital of Skyscape Subco, all of which are owned by Skyscape;
- (112) **"Structuring Fee"** means a structuring fee payable by PesoRama to certain Persons, which is to be satisfied upon completion of the Qualifying Transaction through the issuance to such Persons of Resulting Issuer Shares having deemed value of up to 5% of the value of the Resulting Issuer Shares issued to PesoRama shareholders in exchange for their PesoRama Shares at the completion of the Qualifying Transaction;
- (113) **"Subscription Receipt Agreement"** means the subscription receipt agreement between PesoRama and the Escrow Agent, providing for the creation of, and governing the terms of, the Subscription Receipts;
- (114) **"Subscription Receipts"** means the subscription receipts of PesoRama to be issued under the Subscription Receipts Financing, each of which shall be deemed to be exercised and converted into one PesoRama Share and one PesoRama Purchase Warrant immediately prior to Closing of the Qualifying Transaction, without payment of any additional consideration and without further action on the part of the holder thereof, upon satisfaction of the Escrow Release Conditions and delivery of the Release Notice, subject to adjustment in certain events;
- (115) **"Subscription Receipts Financing"** means the private placement of Subscription Receipts at a price of \$1.00 per Subscription Receipt to close prior to the Qualifying Transaction for aggregate gross proceeds of up to \$10 million;
- (116) **"Subsidiary"** has the meaning ascribed thereto in the CBCA;
- (117) **"Tax"** and **"Taxes"** means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all value added taxes, GST, capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, pension plan premiums for government administered pension plans; excise, severance, social security premiums, workers compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever,

together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

- (118) **"Tax Laws"** means any Applicable Law that imposes Taxes or deals with the administration or enforcement of Liabilities for Taxes;
- (119) **"Tax Returns"** means all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be supplied to any Taxing Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports);
- (120) **"Taxing Authority"** means any Government Authority responsible for the imposition of any Tax (domestic or foreign) and includes the Canada Revenue Agency;
- (121) **"Technology"** has the meaning ascribed thereto in Section 3.1(35);
- (122) **"TSXV" or "Exchange"** means the TSX Venture Exchange;
- (123) **"TSXV Escrow Agreement"** means an escrow agreement to be entered into between certain PesoRama Securityholders, the Resulting Issuer and the Escrow Agent pursuant to which certain securities held by various PesoRama Securityholders will be subject to escrow in accordance with applicable TSXV Policies;
- (124) **"TSXV Policies"** means policies of the TSXV, as may be amended or restated from time to time;
- (125) **"TSXV Policy 2.4"** means TSXV Policy 2.4 – *Capital Pool Companies*;
- (126) **"United States"** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (127) **"U.S. Person"** includes a natural person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, an estate of which any executor or administrator is a U.S. Person, a trust of which any trustee is a U.S. Person, an agency or branch of a foreign entity located in the United States; a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and a partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction, and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organized or incorporated, and owned, by "Accredited Investors" who are not natural persons, estates or trusts;
- (128) **"US Securities Act"** means the United States *Securities Act of 1933*, as may be amended or re-enacted from time to time; and
- (129) **"Working Capital"** means as of a specific date, the aggregate Current Assets of Skyscape less the Current Liabilities of Skyscape and all Accounts Receivable over 90 days past due.

Section 1.2 Singular, Plural, etc.

Words in this Agreement importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

Section 1.3 Deemed Currency

In the absence of a specific designation of any currency, any undescribed dollar amount herein shall be deemed to refer to the lawful money of Canada.

Section 1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

Section 1.5 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 hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

Section 1.6 Certain Phrases, Derivatives, etc.

In this Agreement (i) the words “including” and “includes” mean “including (or includes) without limitation”, and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, and (iii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

Section 1.7 Accounting Terms

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the IFRS from time to time approved by the Canadian Institute of Chartered Accountants, the Canadian Accounting Standards Board or any successor institute, and applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

Section 1.8 Statutory References

Any reference in this Agreement to any statute or any Section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute or Section as amended, restated or re-enacted from time to time. References to any agreement or document will be to such agreement or document (together with all appendices, schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

Section 1.9 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of PesoRama or words to like effect, it shall be deemed to refer to the actual knowledge of Rahim Bhaloo, Executive Chairman of PesoRama and Edward Sivitilli, President and Chief Executive Officer of PesoRama, after due inquiry. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Skyscape or words to like effect, it shall be deemed to refer to the actual knowledge of Roger Daher, Chief Executive Officer, Chief Financial Officer and Corporate Secretary of Skyscape, after due inquiry.

ARTICLE 2 THE AMALGAMATION

Section 2.1 Agreement to Amalgamate

- (1) Each Party hereby agrees, unless such steps have already been completed, that as soon as reasonably commercially practicable after the date hereof or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement and subject to the approval of the Exchange, it shall take the following steps indicated for it:
- (i) On the Closing Date, PesoRama and Skyscape Subco hereby agree to amalgamate by way of statutory amalgamation under the CBCA on the terms and subject to the conditions contained in this Agreement and the Skyscape Parties hereby covenant and agree to issue the securities required to be issued in connection with the Qualifying Transaction as set out in Section 2.2(1) below;
 - (ii) on or prior to the Closing Date, Skyscape shall complete the Skyscape Name Change;
 - (iii) immediately prior to the Closing Time, pursuant to the Subscription Receipt Agreement, all of the issued and outstanding Subscription Receipts will be converted to PesoRama Shares in accordance with their terms;
 - (iv) immediately prior to the Closing Time, pursuant to the Indenture, all of the issued and outstanding PesoRama Convertible Debentures will be converted to PesoRama Conversion Securities in accordance with their terms;
 - (v) as soon as practicable after the Closing Date, in accordance with normal commercial practice, Skyscape shall issue, or direct its transfer agent to issue, certificates representing the appropriate number of securities required to be issued in connection with the Qualifying Transaction as set out in Section 2.2(1) below; and
 - (vi) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Qualifying Transaction.

Section 2.2 Securities Exchange and Related Matters

- (1) **Securities Exchange.** The Parties shall cause the Amalgamation Application to be filed to effect the Amalgamation. On the Amalgamation:
- (i) PesoRama and Skyscape Subco will amalgamate and continue as Amalco;
 - (ii) at the Closing Time, each outstanding PesoRama Option shall be exchanged for options to purchase Resulting Issuer Shares in accordance with their terms on a one for one basis (such ratio of 1:1 being the “**Exchange Ratio**”);
 - (iii) at the Closing Time, each outstanding PesoRama Broker Warrant shall be exchanged for warrants to purchase Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;
 - (iv) at the Closing Time, each outstanding PesoRama Purchase Warrants shall be exchanged for warrants to purchase Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;

- (v) at the Closing Time, each outstanding PesoRama Performance Warrant shall be exchanged for warrants to purchase Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;
 - (vi) at the Closing Time, each outstanding PesoRama Finder Warrant shall be exchanged for warrants to purchase Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;
 - (vii) at the Closing Time, each outstanding PesoRama Penalty Right shall be exercisable for Resulting Issuer Shares in accordance with their terms at the Exchange Ratio;
 - (viii) at the Closing Time, each PesoRama Share (including the PesoRama Shares issued upon the conversion of the Subscription Receipts) will be cancelled and replaced by one fully paid and non-assessable Resulting Issuer Share;
 - (ix) the Skyscape Subco Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each Skyscape Subco Share;
 - (x) as consideration for the issuance of the Skyscape Shares to effect the Amalgamation, Amalco will issue to Skyscape one Amalco Share for each Skyscape Share issued to the previous holders of PesoRama Shares;
 - (xi) all of the property and assets of each of Skyscape Subco and PesoRama will be the property and assets of Amalco, and Amalco will be liable for all of the liabilities and obligations of each of Skyscape Subco and PesoRama; and
 - (xii) Amalco will be a wholly-owned subsidiary of Skyscape.
- (2) **No Fractional Securities.** No fractional Resulting Issuer Shares will be issued pursuant to this Agreement. In the event that a PesoRama Securityholder would otherwise be entitled to a fractional security hereunder, the number of securities issued to such PesoRama Securityholder shall be rounded up to the next greater whole number of 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 shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all PesoRama securities registered in the name of or beneficially held by such PesoRama Securityholder or their nominee shall be aggregated.
- (3) **Restrictions on Securities.** The Parties acknowledge and agree that foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws. In particular, PesoRama acknowledges and agrees that in accordance with the policies of the TSXV, securities of the Resulting Issuer issued to certain PesoRama Securityholders will be subject to escrow and/or seed share resale restrictions under the policies of the TSXV and Applicable Securities Laws. PesoRama shall use commercially reasonable efforts to arrange for each former PesoRama Securityholder that is required to have securities of the Resulting Issuer issued pursuant to Section 2.2(1) escrowed in accordance with TSXV Policies, to enter into and deliver to the Transfer Agent for filing with the Exchange a TSXV Escrow Agreement in respect of their Resulting Issuer securities.
- (4) **US Legends on Skyscape Securities.** The Parties acknowledge and agree that, in addition to any other legends affixed to securities of the Resulting Issuer issued in connection with the Qualifying Transaction upon the original issuance of securities of Skyscape to any U.S. Person in connection with the Amalgamation (and including any Resulting Issuer Shares that may be issued upon exercise of convertible securities), and until such time as the same is no longer required under applicable requirements of the US Securities Act or applicable state securities laws, certificates representing such securities and all

certificates issued in exchange therefor or in substitution thereof, shall bear the following legend: “**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF PESORAMA THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO PESORAMA, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE; OR (D) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, PROVIDED THAT PRIOR TO ANY TRANSFER PURSUANT TO CLAUSES (C) OR (D) ABOVE, AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO PESORAMA SHALL FIRST BE PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAW. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”**,”

provided, that if any such securities are being sold pursuant to Rule 904 of Regulation S at a time when Skyscape (or the Resulting Issuer) is a “foreign issuer” within the meaning of Regulation S, the legend may be removed by the holder providing a declaration to the registrar and transfer agent for the applicable securities in a form prescribed by Skyscape (or the Resulting Issuer) as to matters confirming that the sale is being made in compliance with Rule 904 of Regulation S, together with such additional documentation as Skyscape (or the Resulting Issuer) or the transfer agent may require, including, if required by Skyscape’s transfer agent, an opinion of counsel of recognized standing or other evidence reasonably satisfactory to Skyscape (or the Resulting Issuer), to the effect that such legend is no longer required under applicable requirements of the 1933 Act; and provided, further, that, if the securities are being sold pursuant to Rule 144 under the 1933 Act, if available, the legend may be removed by delivery to the registrar and transfer agent for the applicable securities of an opinion of counsel, of recognized standing reasonably satisfactory to Skyscape (or the Resulting Issuer), that such legend is no longer required under applicable requirements of the US Securities Act or state securities laws.

Section 2.3 Statutory Amalgamation Requirements

The Parties hereby agree as follows with respect to matters which the CBCA requires form part of this Agreement.

- (1) **Name.** The name of Amalco shall be “Numberco Canada Inc.” or such other name as may be agreed upon by the Parties in writing.
- (2) **Registered and Records Office.** The mailing and delivery addresses of the registered office and records office of Amalco, until changed in accordance with the provisions of the CBCA, shall be 77 King Street West, TD North Tower, P.O. Box 118, Toronto, Ontario, M5K 1G8.
- (3) **Authorized Capital.** The authorized share structure of Amalco shall consist of an unlimited number of common shares without par value and an unlimited number of preferred shares as set out in the Articles of Amalco included in the Amalgamation Application.
- (4) **Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.
- (5) **Fiscal Year End.** The fiscal year end of Amalco shall be January 31 of each calendar year.
- (6) **Number of Directors.** The number of directors of Amalco shall, until changed in accordance with the Articles of Amalco, be one.

- (7) **Initial Directors.** The directors of Amalco shall be the individuals whose name appears below:

<u>Name</u>	<u>Address</u>
Rahim Bhaloo	3 Sidney Street, Toronto, Ontario, M4V 2G3, Canada
Edward Sivitilli	172 Longview Crescent, Vaughan, Ontario L4H 1A8, Canada

- (8) **Initial Officers.** The first officers of Amalco shall be the individuals whose names and titles appear below:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Rahim Bhaloo	Executive Chairman	3 Sidney Street, Toronto, Ontario, M4V 2G3, Canada
Edward Sivitilli	Chief Executive Officer	172 Longview Crescent, Vaughan, Ontario L4H 1A8, Canada

- (9) **Articles.** The Articles of Amalco, until repealed, amended or altered, shall be the Articles of Amalco.
- (10) **Stated Capital.** Upon completion of the Qualifying Transaction, the stated capital of Amalco will be equal to the aggregate sum of the stated capital of the shares of each of the Amalgamating Parties.
- (11) **Amendments to Structure.** Notwithstanding the foregoing, the Parties agree that the foregoing structure for the Amalgamation may be amended with the Consent of PesoRama and Skyscape to accommodate certain tax planning and operational efficiencies of either Party provided that such amendments shall not have a detrimental effect on either Party and shall not negatively impact the business combination of PesoRama and Skyscape evidenced hereby. In no event shall the structure be amended unless such amendment is permitted by the TSXV.
- (12) **Filing of Documents.** Upon the shareholders of each of the Amalgamating Parties approving this Agreement by special resolution in accordance with the CBCA, the Amalgamating Parties shall jointly file with the Director under the CBCA, the Amalgamation Application and such other documents as may be required to effect the Amalgamation.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations of PesoRama

PesoRama represents and warrants to Skyscape and Skyscape Subco as follows, and acknowledges and confirms that Skyscape and Skyscape Subco are each relying upon the representations and warranties in connection with the transactions contemplated by this Agreement, which representations and warranties are made as of the date of this Agreement and as of the Closing Date:

Corporate Matters

- (1) **Incorporation and Qualification.** PesoRama and each of the PesoRama Subsidiaries is a corporation duly incorporated and existing under the statutes of their applicable jurisdiction of incorporation, and PesoRama and each of the PesoRama Subsidiaries has the corporate power to own and operate their respective assets, carry on the Business, and PesoRama has the corporate power to enter into and perform its obligations under this Agreement, and PesoRama and each of the PesoRama Subsidiaries is current and up-to-date with all corporate filings required to be made by it in each applicable jurisdiction.

- (2) **Qualification to Conduct the Business.** PesoRama and the PesoRama Subsidiaries have all requisite corporate capacity, power and authority, and is duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Government Authority to conduct the Business as now conducted by it in all jurisdictions in which the nature of the PesoRama Assets or the Business makes such qualification necessary, namely the province of Alberta in Canada and Mexico, and it conducts its business in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, or income of PesoRama.
- (3) **Validity and Enforceability of the Agreement.**
- (i) PesoRama has full corporate power, capacity and authority to undertake all steps of the Qualifying Transaction contemplated in this Agreement and to carry out its obligations under this Agreement.
 - (ii) The transactions under this Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of PesoRama or any Contracts or instruments to which PesoRama or any of the PesoRama Subsidiaries is a party or pursuant to which any of the PesoRama Assets or the Business may be affected.
 - (iii) The transactions under this Agreement do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by PesoRama or any of the PesoRama Subsidiaries or that is necessary for the operation of the Business.
 - (iv) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to PesoRama or any of the PesoRama Subsidiaries.
- (4) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by PesoRama, and constitutes legal, valid and binding obligations of PesoRama, enforceable against PesoRama in accordance with its terms subject only to any limitation under Applicable Laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (5) **Authorized and Issued Securities.** The authorized and issued capital of PesoRama consist of an unlimited number of PesoRama Shares, of which 48,434,526 PesoRama Shares are issued and outstanding as of the date hereof. All PesoRama Shares have been duly issued and shall be outstanding as fully paid and non-assessable. All of the PesoRama Shares have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.
- (6) **Agreements to Acquire Securities.** Except as contemplated by this Agreement, as of the date hereof neither PesoRama nor any of the PesoRama Subsidiaries is a party to and or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares other than, as set forth below:
- (i) 14,263,360 PesoRama Purchase Warrants;

- (ii) 5,000,000 PesoRama Performance Warrants;
- (iii) 1,650,752 PesoRama Broker Warrants;
- (iv) 259,768 PesoRama Finder Warrants;
- (v) 4,250,000 \$0.05 warrants;
- (vi) 1,800,000 PesoRama Options;
- (vii) \$4,832,000 in aggregate principal amount of PesoRama Convertible Debentures; and
- (viii) 4,559 finder's warrants issued in connection with the first closing of the Convertible Debenture Financing,

and all of the foregoing securities of PesoRama have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.

- (7) **Subsidiaries.** Other than the PesoRama Subsidiaries, PesoRama holds no shares or other ownership, equity or proprietary interests in any other Person, including any joint venture.
- (8) **Required Approvals.** The entering into and the performance by PesoRama of the transactions contemplated herein and in the Prospectus:
 - (i) do not require any Regulatory Approval, except that which may be required under by the Exchange and under Applicable Securities Laws;
 - (ii) will not contravene any statute or regulation of any Government Authority which is binding on PesoRama or any of the PesoRama Subsidiaries, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of PesoRama; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of PesoRama or any of the PesoRama Subsidiaries or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which PesoRama or any of the PesoRama Subsidiaries are a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of PesoRama.
- (9) **Voting.** PesoRama is not a party to any agreement nor is PesoRama aware of any agreement which in any manner affects the voting control of any of the PesoRama Shares or other securities of PesoRama.
- (10) **Shareholders Agreements.** There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the PesoRama Shares.
- (11) **Accurate Disclosure.** No representation, warranty or statement of PesoRama in this Agreement or the Prospectus contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

Financial Matters

- (12) **Dividends and Distributions.** Since the date of its formation, PesoRama has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.
- (13) **Distribution Restrictions.** There is not, in its Governing Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which PesoRama is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of PesoRama or the payment of dividends by PesoRama to the holders of their respective securities.
- (14) **Financial Records.** All accounting and financial Books and Records of PesoRama have been fully, properly and accurately kept and completed in all material respects. All material financial transactions of PesoRama have been accurately recorded in the Books and Records of PesoRama for the periods noted therein and such Books and Records fairly present the financial position and the affairs of PesoRama for the periods noted therein. The Books and Records and other data and information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which are not available to PesoRama in the Ordinary Course.
- (15) **Financial Statements.** The PesoRama Financial Statements, including the notes thereto, have been prepared in accordance with or will be prepared in accordance with GAAP, applied on a basis consistent with past practices, and present or will present fairly, in all material respects:
- (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of PesoRama as at the dates thereof;
 - (ii) the income and expenses of PesoRama during the periods covered by the PesoRama Financial Statements; and
 - (iii) do not or will not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.
- (16) **Bankruptcy.** Neither PesoRama nor any of the PesoRama Subsidiaries has made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. PesoRama and the PesoRama Subsidiaries have not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of PesoRama, the PesoRama Subsidiaries or the PesoRama Assets and no execution or distress has been levied on any of the PesoRama Assets, nor have proceedings been commenced in respect of any of the foregoing. PesoRama and the PesoRama Subsidiaries have not incurred any liability or not exceeded any assets necessary for the operation of the Business as a result of the dissolution or bankruptcy of any corporation that was controlled by PesoRama at any time.
- (17) **Absence of Undisclosed Liabilities.** Except to the extent as will be reflected or reserved against in the PesoRama Financial Statements, or incurred in the Ordinary Course since the most recent date of the PesoRama Financial Statements, PesoRama does not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities which may be contemplated hereunder or which Skyscape approves before being incurred, any Liabilities or obligations incurred in the Ordinary Course since the most recent date of

the PesoRama Financial Statements, will not have had a Material Adverse Effect on the financial condition of PesoRama as at the Closing Date.

- (18) **Absence of Changes.** Except as disclosed in writing to Skyscape, since the date of incorporation of PesoRama, there has not been:
- (i) any change in the condition or the operation of the Business, PesoRama Assets or financial affairs of PesoRama or the PesoRama Subsidiaries; or
 - (ii) any damage, destruction or loss, labour unrest or other event, development or condition, of any character (whether or not covered by insurance) which is not generally known or which has not been disclosed to Skyscape,
- which, individually or in the aggregate, may have a Material Adverse Effect on the Business or PesoRama Assets of PesoRama or the prospects thereof.
- (19) **No Liabilities Resulting in Encumbrances.** There is no indebtedness or Liability of PesoRama or the PesoRama Subsidiaries to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except a Permitted Encumbrance, upon any of the PesoRama Assets.
- (20) **Finder's Fees.** Except for certain Persons who are entitled to receive finder's fees in connection with the PesoRama Financings or the Structuring Fee, there is no person, firm or corporation acting or purporting to act at the request of PesoRama, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
- (21) **Indebtedness.** Neither PesoRama nor the PesoRama Subsidiaries are a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other liability ("**Debt Instrument**") or any agreement, contract or commitment to create other than the PesoRama Convertible Debentures.
- (22) **Non-Arm's Length Debt.** PesoRama does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the ITA).

General Matters Relating to the Business

- (23) **Restrictions.** Neither PesoRama nor any of the PesoRama Subsidiaries is a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Persons or in any geographical area or otherwise to conduct the Business as PesoRama may determine. None of PesoRama or the PesoRama Subsidiaries are subject to any legislation or any judgment, order or requirement of any court or Government Authority which is not of general application to Persons carrying on a business similar to the Business. None of PesoRama or the PesoRama Subsidiaries are a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of such entity to compete in any line of business, or to transfer or move any of its assets or operations, or which materially or adversely affects the Business practices, operations or condition of PesoRama.
- (24) **No Material Adverse Change.** Except as disclosed in writing to Skyscape, since the date of incorporation of PesoRama,, there has not been any Material Adverse Change in the affairs, operations or condition of PesoRama, the PesoRama Subsidiaries, the PesoRama Assets or the Business and no event has occurred or circumstance exists which may result in such a Material Adverse Change.

- (25) **Compliance with Applicable Laws.** PesoRama and each of the PesoRama Subsidiaries is conducting the Business in compliance with all Applicable Laws other than acts of non-compliance which, in the aggregate, are not material, and PesoRama has not received notice that it or any of the PesoRama Subsidiaries has not conducted the Business or any past businesses in compliance with Applicable Laws.
- (26) **Authorizations.** PesoRama and each of the PesoRama Subsidiaries owns, holds, possesses or lawfully uses in the operation of the Business, all material Authorizations ("**Material Authorizations**") which are, in any manner, necessary to conduct the Business as presently or previously conducted or for the ownership and use of the PesoRama Assets in compliance with all Applicable Laws. Each Material Authorization is valid, subsisting and in good standing. None of PesoRama or any of the PesoRama Subsidiaries is in default or breach of any Material Authorization and, no proceeding is pending or to the knowledge of PesoRama, threatened to revoke or limit any Material Authorization. All Material Authorizations are renewable by their terms or in the Ordinary Course without the need for PesoRama or any of the PesoRama Subsidiaries to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.
- (27) **Legal Proceedings.** Except as disclosed in writing to Skyscape, there are no Legal Proceedings pending or, to the knowledge of PesoRama, contemplated or threatened, to which PesoRama, the PesoRama Subsidiaries or any directors or officers of PesoRama is a party or to which the PesoRama Assets are or may become subject. None of PesoRama or any of the PesoRama Subsidiaries is subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has PesoRama or any of the PesoRama Subsidiaries settled any claim prior to being prosecuted in respect of it. None of PesoRama or any of the PesoRama Subsidiaries is a plaintiff or complainant in any Legal Proceedings.

Matters Relating to the Assets

- (28) **Sufficiency of Assets.** Upon completion of the Qualifying Transaction, no other property rights are necessary for the proposed conduct of the Business after Closing in substantially the same manner as was conducted prior to Closing, other than those forming part of the PesoRama Assets being transferred to Amalco. There are no restrictions on the ability of PesoRama to use, transfer or otherwise exploit any such property rights, and PesoRama does not know of any claim or basis for a claim that may adversely affect such rights.
- (29) **Ownership and Title to the Assets.** PesoRama is the owner of and has good and marketable title to all of the PesoRama Assets that it purports to own (whether real, personal, or mixed or whether tangible or intangible), and has legal and beneficial owners of the PesoRama Assets free and clear of all Encumbrances whatsoever except for Permitted Encumbrances except as would not have a Material Adverse Effect.
- (30) **Leases.** Other than as previously disclosed in writing to Skyscape, none of PesoRama or any of the PesoRama Subsidiaries is a party to, or under any agreement to become a party to, any Lease as of the date of this Agreement, other than in the normal course of its business and business plan.
- (31) **Material Contracts.** Except for the Material Contracts provided to Skyscape, there are no material documents and Contracts currently in effect under and by virtue of which PesoRama or any of the PesoRama Subsidiaries is entitled to the PesoRama Assets or which otherwise related to or affect the interest of PesoRama or any of the PesoRama Subsidiaries in the PesoRama Assets.
- (32) **No Breach of Contracts.** To the knowledge of PesoRama:
- (i) PesoRama and the PesoRama Subsidiaries have not received notice or advice alleging it or the PesoRama Subsidiaries to be in default of any Material Contract. Each of the Material Contracts is

in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act (including the purchase of the PesoRama Shares and other securities of PesoRama to be acquired under this Agreement) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Material Contract; and

- (ii) none of PesoRama or any of the PesoRama Subsidiaries have violated or breached, in any material respect, any of the terms or conditions of any Contract, nor any contract previously entered into by any Affiliate, except for certain failures to perform which, would not have a Material Adverse Effect. PesoRama has not received notice of any such breach, and, to the knowledge of PesoRama, all the covenants to be performed by any other party to such Contract have been fully performed, in all material respects.

Intellectual Property and Data Privacy and Security

- (33) **Intellectual Property.** PesoRama and/or the PesoRama Subsidiaries own all right, title and interest in and to, or have validly licensed (and are not in breach of such licenses) all material Intellectual Property Rights. All such Intellectual Property Rights that are owned by or licensed to PesoRama and/or the PesoRama Subsidiaries are sufficient, in all material respects, for conducting the business of PesoRama and the PesoRama Subsidiaries. All Intellectual Property Rights owned or leased by PesoRama and/or the PesoRama Subsidiaries are valid and enforceable, and to the knowledge of PesoRama, the carrying on of the business of PesoRama and the PesoRama Subsidiaries and the use by PesoRama and the PesoRama Subsidiaries of any of the Intellectual Property Rights or Technology (as defined below) owned by or licensed to them does not breach, violate, infringe or interfere with any rights of any other Person. To the knowledge of PesoRama, no third party is infringing upon the Intellectual Property Rights owned or licensed by PesoRama or the PesoRama Subsidiaries. All computer hardware and associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of the business of PesoRama and the PesoRama Subsidiaries (collectively, the “**Technology**”) are sufficient, in all material respects, for conducting the business, as presently conducted, of PesoRama and the PesoRama Subsidiaries and PesoRama and the PesoRama Subsidiaries own or have validly licensed or leased (and are not in breach of such licenses or leases) such Technology.

- (34) **Environmental Matters.**

- (i) PesoRama, the PesoRama Subsidiaries and the Business have been and are, operated in compliance with all applicable material Environmental Laws;
- (ii) there is no Environmental Law Claim pending or, to the knowledge of PesoRama threatened against PesoRama or the PesoRama Subsidiaries;
- (iii) none of PesoRama or any of the PesoRama Subsidiaries have released any hazardous substance at, on or near the Demised Premises as a result of the conduct of the Business or otherwise in any manner that will give rise to a material liability if such release is not permitted by Environmental Law;
- (iv) the current and past operations of PesoRama and the PesoRama Subsidiaries have been and are in material compliance with all Environmental Laws, and to the knowledge of PesoRama there are no facts that could give rise to a notice of non-compliance by PesoRama or the PesoRama Subsidiaries with any Environmental Law, except for, in respect of all of the above, such non-compliance as would not individually or in the aggregate be reasonably like to result in or give rise to any material Liability to PesoRama or materially impair the operations of the Business; and

- (v) none of PesoRama or any of the PesoRama Subsidiaries have been convicted of an offence or been subject to any Legal Proceeding or been subject to any order or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and have not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith.

Employment Matters

- (35) **Employees.** All amounts due or accrued for all salary, wages, bonuses, commissions, vacation pay, and other Employee benefits in respect of any Employee, director, independent contractor, consultant and agent of PesoRama and the PesoRama Subsidiaries that are attributable to the period before the Closing Date will be paid at or prior to the Closing Time in the Ordinary Course and consistent with past practice and are or shall be accurately reflected in the Books and Records of PesoRama and the PesoRama Subsidiaries.
- (36) **Compliance with Employment Laws.** The Business has been and is being operated in compliance, in all material respects, with Applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and none of PesoRama or any of the PesoRama Subsidiaries have received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and PesoRama has not been reassessed in any material respect under such legislation.
- (37) **Employee Plans.** PesoRama and the PesoRama Subsidiaries currently do not have any benefit plans for Employees, other than the PesoRama Stock Option Plan.

Tax Matters

- (38) **Taxes.**
 - (i) PesoRama and each of the PesoRama Subsidiaries has duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority other than with respect to certain Tax Returns required to be filed in Mexico, and all such Tax Returns are correct and complete in all material respects and reflect accurately all liability for Taxes of PesoRama and the PesoRama Subsidiaries for the periods covered thereby.
 - (ii) PesoRama and each of the PesoRama Subsidiaries have paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. PesoRama has made full and adequate provision in the Books and Records and the financial statements of PesoRama for all Taxes of PesoRama and the PesoRama Subsidiaries for the periods covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such financial statements, no material liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course. PesoRama and the PesoRama Subsidiaries have not received any refund of Taxes to which it was not entitled.
 - (iii) PesoRama and the PesoRama Subsidiaries have withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of Taxes and have remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law.

- (iv) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of PesoRama threatened, against PesoRama or the PesoRama Subsidiaries in respect of Taxes and, to the knowledge of PesoRama, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against PesoRama or any of the PesoRama Subsidiaries by a Government Authority. None of PesoRama or any of the PesoRama Subsidiaries is negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and none of PesoRama or any of the PesoRama Subsidiaries has received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which PesoRama is aware which would constitute grounds for the assessment or reassessment of Taxes payable by PesoRama or the PesoRama Subsidiaries.
- (v) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, PesoRama or the PesoRama Subsidiaries.
- (vi) To the knowledge of PesoRama, there are no liens for Taxes upon any property or asset of PesoRama or the PesoRama Subsidiaries (whether owned or leased), except liens for current Taxes not yet due.
- (vii) None of PesoRama or any of the PesoRama Subsidiaries is subject to any liability for Taxes of any other Person. None of PesoRama or any of the PesoRama Subsidiaries is subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. None of PesoRama or any of the PesoRama Subsidiaries are a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.
- (viii) PesoRama is a “taxable Canadian corporation” for the purposes of the ITA.
- (ix) No claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where PesoRama or the PesoRama Subsidiaries do not file Tax Returns that PesoRama or the PesoRama Subsidiaries is or may be subject to Tax by that jurisdiction.

Other Matters

- (39) **Indebtedness to PesoRama Securityholders.** Except as disclosed in writing to Skyscape, and except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course, none of PesoRama or any of the PesoRama Subsidiaries is indebted to the PesoRama Securityholders (or any Affiliates or associates thereof), or any of their directors, officers or Employees (or any Affiliate or associate thereof).
- (40) **Prospectus.** All information in the PesoRama Prospectus Information, shall, as of the date of the Prospectus, be true, complete and accurate in all material respects and shall not contain any misrepresentation and shall contain all information in respect of PesoRama or the PesoRama Subsidiaries required by Applicable Securities Laws to be included in the Prospectus.

Section 3.2 Representations of Skyscape and Skyscape Subco

Each of Skyscape and Skyscape Subco represents and warrants as follows to PesoRama and acknowledges and confirms that PesoRama is relying on such representations and warranties in connection with the transactions

contemplated by this Agreement, which representations and warranties are made as of the date of this Agreement and as of the Closing Date.

Corporate Matters

- (1) **Incorporation and Qualification.** Each of Skyscape and Skyscape Subco is a corporation duly incorporated and existing under the statutes of their applicable jurisdiction of incorporation, and each of Skyscape and Skyscape Subco has the corporate power to own and operate their respective assets, carry on their respective business, and has the corporate power to enter into and perform its obligations under this Agreement, and Skyscape and Skyscape Subco are both current and up to date with all corporate filings required to be made by it in each applicable jurisdiction.
- (2) **Validity and Enforceability of the Agreement.**
 - (i) Each of Skyscape and Skyscape Subco has full corporate power, capacity and authority to undertake all steps of the Qualifying Transaction contemplated in this Agreement and with respect to Skyscape the TSXV Escrow Agreement, and to carry out its obligations under this Agreement and the TSXV Escrow Agreement (with respect to Skyscape).
 - (ii) The transactions under this Agreement and the TSXV Escrow Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of Skyscape or Skyscape Subco, or any contracts or instruments to which Skyscape or Skyscape Subco is a party.
 - (iii) The transactions under this Agreement or the TSXV Escrow Agreement do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by Skyscape or Skyscape Subco.
 - (iv) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to Skyscape or Skyscape Subco.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Skyscape and Skyscape Subco, as applicable, and constitute legal, valid and binding obligations of Skyscape and Skyscape Subco, as applicable, enforceable against Skyscape and Skyscape Subco in accordance with its terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (4) **Authorized and Issued Capital.**
 - (i) The authorized capital of Skyscape consists of an unlimited number of common, of which 2,000,000 Skyscape Shares are issued and outstanding as fully paid and non-assessable as of the date of this Agreement.
 - (ii) The authorized capital of Skyscape Subco consists of an unlimited number of common shares without par value, of which one common share is issued and outstanding as fully paid and non-assessable as of the date of this Agreement.

- (5) **Agreements to Acquire Securities.** As of the date hereof neither Skyscape nor Skyscape Subco is a party to and/or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares, other than 200,000 Skyscape Options.
- (6) **Subsidiaries.** Other than Skyscape Subco, Skyscape holds no shares or other ownership, equity or proprietary interests in any other Person, including any joint venture.
- (7) **Related Party Transactions.** Skyscape is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to Skyscape by, any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Skyscape or any Persons not dealing at arm's length with any of the foregoing. Since the most recent date of the Skyscape Financial Statements, other than legal fees paid to its counsel, Chitiz Pathak LLP, Skyscape has not made or authorized any payments to any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Skyscape or to any Persons not dealing at arm's length with any of the foregoing.
- (8) **Issuable Resulting Issuer Shares.** The Resulting Issuer Shares to be issued to the PesoRama Securityholders pursuant to this Agreement shall, upon issuance, be duly and validly issued as full paid and non-assessable shares in the capital of the Resulting Issuer in compliance with Applicable Laws, and will, upon issuance, be duly listed for trading on the Exchange, subject to the satisfaction of conditions on issuance, if any, by the Exchange and the terms and conditions of the TSXV Escrow Agreement.
- (9) **Issuable Warrants and Options.** The Resulting Issuer Shares issuable upon the exercise of the PesoRama Broker Warrants, PesoRama Finder Warrants, PesoRama Purchase Warrants, PesoRama Performance Warrants, PesoRama \$0.05 warrants, and the PesoRama Options, and upon any conversion of PesoRama Convertible Debentures, as applicable, will be duly and validly authorized, allotted and reserved for issuance and, upon exercise or deemed exercise of such PesoRama Broker Warrants, PesoRama Finder Warrants, PesoRama Purchase Warrants, PesoRama Performance Warrants, PesoRama \$0.05 warrants and PesoRama Options or conversion of PesoRama Convertible Debentures, as applicable, in accordance with their terms, and, upon receipt by the Resulting Issuer of the consideration therefor, such Resulting Issuer Shares will be issued as fully paid and non-assessable in compliance with Applicable Laws.
- (10) **Ownership of Skyscape Subco.** Skyscape is the registered and beneficial owner of all of the issued and outstanding common shares of Skyscape Subco and neither Skyscape nor Skyscape Subco is a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of Skyscape Subco or securities convertible into or exchangeable for any securities of Skyscape Subco.
- (11) **Reporting Issuer Status.** Skyscape is a reporting issuer, or the equivalent thereof, under the Applicable Securities Laws of the Reporting Jurisdictions and is not currently in default of any requirement of the Applicable Laws and Applicable Securities Laws each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces.
- (12) **Exchange Matters.** The issued and outstanding Skyscape Shares are listed and posted for trading solely on the TSXV. Other than a suspension order issued by the TSXV in March 2019 for failure by Skyscape to complete a Qualifying Transaction within 24 months of its listing, there is no order ceasing or suspending trading in any securities of Skyscape currently outstanding and to the knowledge of Skyscape, no proceedings for such purpose are pending or threatened by the Exchange or any Securities Authority.

- (13) **Corporate Records.** The Books and Records of Skyscape and Skyscape Subco are complete and accurate and all corporate proceedings and actions reflected in such Books and Records have been conducted or taken in compliance with all Applicable Laws and with the Governing Documents of Skyscape or Skyscape Subco, as applicable. Without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held; (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed; (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any tax payable in connection with the transfer of any securities has been paid; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be.
- (14) **Voting.** Skyscape is not a party to any agreement nor is Skyscape aware of any agreement which in any manner affects the voting control of any of the Skyscape Shares or other securities of Skyscape.
- (15) **Shareholders Agreements.** There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the Skyscape Shares.
- (16) **Filings.** All filings and fees required to be made by Skyscape and Skyscape Subco pursuant to Applicable Laws have been made and paid and such filings were true and accurate as at the respective dates thereof and Skyscape has not filed any confidential material change reports.
- (17) **Options, etc.** Other than pursuant to the outstanding Skyscape Options or the terms of this Agreement, Skyscape or Skyscape Subco is not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Skyscape Shares or securities convertible into or exchangeable for Skyscape Shares.
- (18) **Required Approvals.** The entering into and the performance by Skyscape and Skyscape Subco of the transactions contemplated herein and in the Prospectus:
- (i) does not require any Regulatory Approval, except that which may be required under by the Exchange and under Applicable Securities Laws;
 - (ii) will not contravene any statute or regulation of any Government Authority which is binding on Skyscape or Skyscape Subco, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of Skyscape and Skyscape Subco, taken as a whole; and
 - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of Skyscape or Skyscape Subco or any Debt Instrument, mortgage, note, indenture, contract or agreement, instrument, lease or other document to which Skyscape is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of Skyscape and Skyscape Subco, taken as a whole.
- (19) **Business Restrictions.** Except to the extent that Skyscape must comply with the TSXV Policies, neither Skyscape nor Skyscape Subco is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Skyscape or Skyscape Subco to compete in any line of business, or to transfer or move any of its assets or operations or which materially

or adversely affects the business practices, operations or condition of Skyscape and Skyscape Subco taken as a whole or which would prohibit or restrict Skyscape or Skyscape Subco from entering into and completing the Qualifying Transaction.

Financial Matters

- (20) **Dividends and Distributions.** Since the date of its incorporation or formation, as applicable Skyscape has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.
- (21) **Distribution Restrictions.** There is not, in its Governing Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Skyscape is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Skyscape or the payment of dividends by Skyscape to the holders of their respective securities.
- (22) **Financial Statements.** The Skyscape Financial Statements, including the notes thereto, have been or will be prepared in accordance with GAAP, applied on a basis consistent with past practices, and present or will present fairly, in all material respects:
 - (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of Skyscape as at the dates thereof;
 - (ii) the income and expenses of Skyscape during the periods covered by the Skyscape Financial Statements; and
 - (iii) do not or will not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.
- (23) **Bankruptcy.** Neither Skyscape or Skyscape Subco has made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. Skyscape and Skyscape Subco have not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of Skyscape, Skyscape Subco or their respective assets and no execution or distress has been levied on any of such assets, nor have proceedings been commenced in respect of any of the foregoing. Skyscape and Skyscape Subco have not incurred any liability or not exceeded any assets necessary for the operation of their respective business as a result of the dissolution or bankruptcy of any corporation that was controlled by Skyscape at any time.
- (24) **Absence of Changes.** Since the most recent date of the Skyscape Financial Statements there has not been:
 - (i) any change in the condition or the operation of the business, assets or financial affairs of Skyscape which, individually or in the aggregate; or
 - (ii) any damage, destruction or loss, labour unrest or other event, development or condition, of any character (whether or not covered by insurance) which is not generally known or which has not been disclosed to PesoRama, which may have a Material Adverse Effect on the properties or assets of Skyscape.

- (25) **No Liabilities Resulting in Encumbrances.** There is no indebtedness or Liability of Skyscape or Skyscape Subco to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except a Permitted Encumbrance, upon any of the assets of Skyscape.
- (26) **Auditors.** There has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present auditors of Skyscape.
- (27) **Legal Proceedings.** There are no Legal Proceedings pending or, to the knowledge of Skyscape, contemplated or threatened, to which Skyscape or Skyscape Subco is a party or to which their respective assets are or may become subject. Neither Skyscape nor Skyscape Subco is subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has Skyscape or Skyscape Subco settled any claim prior to being prosecuted in respect of it. Neither Skyscape nor Skyscape Subco is a plaintiff or complainant in any Legal Proceedings.
- (28) **Liabilities.** There are no material liabilities of Skyscape or Skyscape Subco whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the Skyscape Financial Statements, except those incurred in the Ordinary Course of business or pursuant to the Qualifying Transaction.
- (29) **Finder's Fees.** Except in connection with the Structuring Fee, there is no person, firm or corporation acting or purporting to act at the request of Skyscape, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
- (30) **Indebtedness.** Neither Skyscape or Skyscape Subco is a party to any Debt Instrument nor any agreement, contract or commitment to create, assume or issue any Debt Instrument.
- (31) **Non-Arm's Length Debt.** Skyscape does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the ITA).

General Matters Relating to the Business

- (32) **No Business; Assets.** Skyscape is a "capital pool company" (as defined in the TSXV Policies) and has not conducted any business operations other than to pursue a Qualifying Transaction (as defined in the TSXV Policies). Other than as disclosed in the Skyscape Financial Statements, Skyscape does not hold, possess or have any undertaking, property or assets of any material value. Without limiting the foregoing, Skyscape does not own, lease, or otherwise have an interest in any real property.
- (33) **No Material Adverse Change.** Since the most recent date of the Skyscape Financial Statements, there has not been any Material Adverse Change in the affairs, operations or condition of Skyscape, its assets or its properties and no event has occurred or circumstance exists which may result in such a Material Adverse Change.
- (34) **Compliance with Applicable Laws.** To the knowledge of Skyscape, Skyscape has, at all times, conducted its operations in compliance with all Applicable Laws, including all TSXV Policies, other than acts of non-compliance which, in the aggregate, are not material, and Skyscape has not received notice that it has not operated in compliance with Applicable Laws.
- (35) **Material Contracts.** There are no material contracts or agreements to which Skyscape is a party, or by which it is bound, other than as disclosed in the information filed by Skyscape on the SEDAR website at www.sedar.com under Skyscape's profile.

- (36) **No Breach of Contracts.** To the knowledge of Skyscape, Skyscape has performed all of the obligations required to be performed by it and is entitled to all benefits under, and Skyscape has not received notice or advice alleging it to be in default of any contract.

Taxes and Other Matters

(37) **Taxes.**

- (i) As of the Closing Date, Skyscape and Skyscape Subco shall have duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority and all such Tax Returns are correct and complete in all material respects and reflect accurately all liability for Taxes of Skyscape and Skyscape Subco for the periods covered thereby.
- (ii) As of the Closing Date, Skyscape and Skyscape Subco shall have paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. Skyscape has made full and adequate provision in the Books and Records of Skyscape and the financial statements of Skyscape for all Taxes of Skyscape and Skyscape Subco for the periods covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such financial statements, no material liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course.
- (iii) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of Skyscape threatened, against Skyscape or Skyscape Subco in respect of Taxes and, to the knowledge of Skyscape, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against Skyscape or Skyscape Subco by a Government Authority. Neither Skyscape nor Skyscape Subco is negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and neither Skyscape nor Skyscape Subco has received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which Skyscape is aware which would constitute grounds for the assessment or reassessment of Taxes payable by Skyscape or Skyscape Subco.
- (iv) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, Skyscape or Skyscape Subco.
- (v) To the knowledge of Skyscape, there are no liens for Taxes upon any property or asset of Skyscape or Skyscape Subco (whether owned or leased), except liens for current Taxes not yet due.
- (vi) Neither Skyscape nor Skyscape Subco is subject to any liability for Taxes of any other Person. Neither Skyscape nor Skyscape Subco is subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. Neither Skyscape nor Skyscape Subco is a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.
- (vii) Skyscape is a “taxable Canadian corporation” for the purposes of the ITA.

- (viii) No claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where Skyscape or Skyscape Subco do not file Tax Returns that Skyscape or Skyscape Subco is or may be subject to Tax by that jurisdiction.
- (38) **Working Capital.** The Working Capital of Skyscape as of December 31, 2020, was approximately \$120,000.
- (39) **No Withholding Taxes.** To the extent there are withholding or other Taxes pursuant to any Applicable Laws that prevent, restrict or affect the delivery of the Resulting Issuer Shares in accordance with this Agreement, all proper amounts will be withheld by Skyscape in respect of same.
- (40) **Change of Control Payments.** Neither of the Skyscape Parties is a party to any written management contract or employment agreement, including without limitation, any contract which provides for the payment of severance in lieu of notice upon termination thereof or for a right of payment in the event of a change in control of either of the Skyscape Parties.

Other Matters

- (41) **Circular.** All information constituting the Skyscape Circular Information, shall, as of the date of the PesoRama Circular, be true, complete and accurate in all material respects and shall not contain any misrepresentation and shall contain all information in respect of Skyscape or Skyscape Subco required by Applicable Securities Laws to be included in the PesoRama Circular.
- (42) **Indebtedness to Skyscape securityholders.** Except as disclosed in the Skyscape Financial Statements, and except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course, neither Skyscape nor Skyscape Subco is indebted to any securityholder of Skyscape (or any Affiliates or associates thereof), or any of their directors, officers or Employees (or any Affiliate or associate thereof).
- (43) **Accurate Disclosure.** No representation, warranty or statement of Skyscape in this Agreement or the Prospectus (solely as it applies to information pertaining to Skyscape) contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

**ARTICLE 4
PRE-CLOSING COVENANTS**

Section 4.1 Conduct of Business Prior to Closing – PesoRama

- (1) **Negative Covenants.** Other than as contemplated or permitted by this Agreement, and without derogating from the covenant of PesoRama in Section 6.1(1)(ii), PesoRama will not, and will cause the PesoRama Subsidiaries to not:
 - (i) amend its Governing Documents, other than in connection with the Amalgamation;
 - (ii) sell, transfer or otherwise dispose of any of its property or assets other than in the Ordinary Course;
 - (iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;

- (iv) acquire any material assets other than in the Ordinary Course;
 - (v) other than pursuant to the Convertible Debenture Financing or in the Ordinary Course, incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than the Personnel Obligations and fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Qualifying Transaction and matters contemplated by this Agreement;
 - (vi) authorize, recommend or propose any release or relinquishment of any material contractual right other than in the Ordinary Course;
 - (vii) enter into any agreements with its directors or officers or their respective associates other than in the Ordinary Course;
 - (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
 - (ix) make any capital expenditure or commitment;
 - (x) discharge any secured or unsecured obligation or liability;
 - (xi) remove the auditor;
 - (xii) cancel or waive any material claims or rights other than in the Ordinary Course;
 - (xiii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of PesoRama;
 - (xiv) cancel or reduce any of its insurance coverage;
 - (xv) declare or pay any dividend;
 - (xvi) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than (a) securities issued pursuant to the PesoRama Financings and (b) in accordance with the terms of currently outstanding securities or any securities issued pursuant to the PesoRama Financings;
 - (xvii) otherwise than as agreed to in writing by Skyscape, make any payment of any nature to or for the benefit of a Non-Arm's Length Party (as defined in TSXV Policies);
 - (xviii) other than as agreed to in writing by Skyscape or in connection with the PesoRama Financings, pay any person, firm or corporation acting or purporting to act at the request of PesoRama, any brokerage or finder's fee in connection with the transactions contemplated herein; or
 - (xix) agree, whether or not in writing, to do any of the foregoing.
- (2) **Affirmative Covenants.** Without derogating from the obligation of PesoRama in Section 6.1(1)(ii), PesoRama will, and will cause the PesoRama Subsidiaries to:

- (i) maintain all Books and Records in the usual, regular and ordinary manner;
- (ii) use reasonable commercial efforts to preserve intact the current business organization of PesoRama and the PesoRama Subsidiaries;
- (iii) take all such actions as is within its power to control and to use its reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 6.1 and Section 6.3 including, using reasonable commercial efforts ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of their representations and warranties in Section 3.1; and
- (iv) using reasonable commercial efforts, conduct the Business in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date.

Section 4.2 Conduct of Business Prior to Closing - Skyscape

- (1) **Qualifying Transaction.** During the period from the date of execution of this Agreement to the Closing Date, Skyscape will seek to complete the Qualifying Transaction and shall otherwise conduct its operations in the Ordinary Course.
- (2) **Negative Covenants.** Other than as may contemplated or permitted by this Agreement and without limiting the generality of Section 4.2(1) and without derogating from the obligation of Skyscape in Section 6.2(1)(ii), Skyscape and Skyscape Subco will not:
 - (i) amend its Governing Documents, other than in connection with the Skyscape Name Change;
 - (ii) sell, transfer or otherwise dispose of any of its property or assets;
 - (iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;
 - (iv) acquire any material assets;
 - (v) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than the Personnel Obligations and fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Qualifying Transaction and matters contemplated by this Agreement;
 - (vi) authorize, recommend or propose any release or relinquishment of any material contractual right;
 - (vii) enter into any agreements with its directors or officers or their respective associates;
 - (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (ix) make any capital expenditure or commitment;
 - (x) discharge any secured or unsecured obligation or liability;
 - (xi) remove the auditor or any director or terminate any officer or other Employee;
 - (xii) cancel or waive any material claims or rights;
 - (xiii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of Skyscape;
 - (xiv) cancel or reduce any of its insurance coverage;
 - (xv) declare or pay any dividend;
 - (xvi) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than in accordance with the terms of the Skyscape Options;
 - (xvii) other than legal fees paid to Chitiz Pathak LLP or otherwise as agreed to in writing by PesoRama, make any payment of any nature to or for the benefit of a Non-Arm's Length Party (as defined in TSXV Policies) to Skyscape or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of Skyscape or the securities of Skyscape or the Resulting Issuer, by any means, including salaries, consulting fees, management contract fees, directors' fees, finder's fees, loans, advances, bonuses or deposits or similar payments;
 - (xviii) other than as agreed to in writing by PesoRama, pay any person, firm or corporation acting or purporting to act at the request of Skyscape, any brokerage or finder's fee in connection with the transactions contemplated herein;
 - (xix) subject to the trade halt previously instituted by the TSXV pending the announcement of the Qualifying Transaction, take any further action which would be reasonably expected to result in the delisting or suspension of the Skyscape Shares from the Exchange and shall comply, in all material respects, with the TSXV Policies, and the rules and regulations thereof; or
 - (xx) agree, whether or not in writing, to do any of the foregoing.
- (3) **Affirmative Covenants.** Without limiting the generality of Section 4.2(1) and without derogating from the obligation of Skyscape in Section 6.2(1)(ii), Skyscape and Skyscape Subco will:
- (i) comply with all Authorizations and contractual obligations except as would not have a Material Adverse Effect;
 - (ii) maintain all Books and Records in the usual, regular and ordinary manner;
 - (iii) using reasonable commercial efforts, conduct its operations in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date; and
 - (iv) take all such actions as are within their respective power to control and to use their reasonable commercial efforts to cause other actions to be taken which are not within their power to control, so as to ensure compliance with all of the conditions set forth in Section 6.2 and

Section 6.3 including ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of its representations and warranties set forth in Section 3.2.

Section 4.3 Mutual Covenants Prior to Closing

- (1) Each of the Parties covenants that prior to Closing it shall not, directly or indirectly, do or permit to occur any of the following, except as otherwise contemplated herein:
 - (i) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
 - (ii) split, combine or reclassify any of its shares;
 - (iii) reduce its stated capital; or
 - (iv) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.

Section 4.4 Access to Information

- (1) **Provision for Access.** From the date hereof until the earlier of the Closing and the termination of this Agreement, subject to Applicable Law, each Party shall give the other Parties and its respective representatives (i) upon reasonable written notice, reasonable access during normal business hours to its and its Subsidiaries' (a) premises, (b) property and assets (including all books and records, whether retained internally or otherwise), (c) Contracts, leases and Authorizations, and (d) senior personnel, so long as the access does not unduly interfere with the Ordinary Course conduct of the business of the Party; and (ii) such financial and operating data or other information with respect to the assets or business of the Party as the other Party from time to time reasonably requests in order to permit PesoRama to be in a position to efficiently complete the Qualifying Transaction.
- (2) **Confidentiality.** Until the Closing and in the event of termination of this Agreement without Closing, each Party (the "**Receiving Party**") shall keep confidential any Confidential Information obtained from the other Party (the "**Disclosing Party**") or its respective agents and representatives, unless such Confidential Information: (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement, (ii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its respective agents and representatives, unless the Receiving Party knows that such source is prohibited from disclosing the information to the Receiving Party by a contractual, fiduciary or other legal obligation to the Disclosing Party, or (iii) was known to the Receiving Party on a non-confidential basis before its disclosure to the Receiving Party by the Disclosing Party or its respective agents and representatives. In the event the Receiving Party is required by Applicable Law or by any by-law, rule or policy of any stock exchange to disclose any confidential information, the Receiving Party will, to the extent not prohibited by Applicable Law or by any by-law, rule or policy of any stock exchange, provide the Disclosing Party with prompt notice of such requirements so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 4.4(2). Subject to the next sentence, if this Agreement is terminated, promptly after such termination the Receiving Party will return or cause to be returned or destroyed all documents, work papers and other material (whether in written, printed, electronic or computer printout form and including all copies) obtained from the Disclosing Party or its respective agents and representatives in connection with this Agreement and not previously made public. The Receiving Party may retain one copy of all such documents, work papers and other materials in a sealed envelope left with its solicitors, which

sealed envelope is not to be opened except in circumstances where this Agreement or the transaction contemplated herein are the subject of litigation or otherwise with the consent of the Disclosing Party.

Section 4.5 Shareholder Meetings and Related Matters

- (1) **PesoRama Shareholder Meeting.** Prior to Closing, PesoRama shall have called and held the PesoRama Shareholder Meeting and shall put forward to the PesoRama Shareholders resolutions approving the Qualifying Transaction and related matters.
- (2) **Skyscape Shareholder Meeting.** Prior to Closing, Skyscape shall have called and held the Skyscape Shareholder Meeting and shall put forward to the Skyscape Shareholders resolutions approving, among other things, the Skyscape Name Change, the conditional appointment of five (5) directors as put forth and nominated by PesoRama and related matters along with any general matters of business in accordance with the OBCA and the TSXV Policies.

Section 4.6 Filings and Authorizations

- (1) **Approval for Securities Exchange.** PesoRama and Skyscape shall, as promptly as practicable after the execution of this Agreement, will: (i) make, or cause to be made, all such filings and submissions under all Applicable Laws, as may be required for to consummate the Securities Exchange in accordance with the terms of this Agreement, (ii) use all reasonable commercial efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate such exchange, and (iii) use all reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement. PesoRama and Skyscape will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied or filed with any Government Authority or the Exchange (except for notices and information which PesoRama or Skyscape, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Government Authority or the Exchange.

Section 4.7 Required Consents

- (1) **PesoRama Consents.** PesoRama will use all reasonable commercial efforts to obtain, prior to Closing:
 - (i) consent for the change of control as required by any Lease or other Material Contract to which PesoRama or an Affiliate is a party; and
 - (ii) Shareholder approval of the PesoRama Shareholders at the PesoRama Shareholder Meeting of the Qualifying Transaction.
- (2) **Skyscape Consents.** Skyscape will use all reasonable commercial efforts to obtain, prior to Closing, the written acceptance from the Exchange and approval of the Skyscape Shareholders of the Skyscape Name Change and the Qualifying Transaction.

Section 4.8 Prospectus, News Releases and Required Exchange Disclosure

- (1) Skyscape shall with the assistance of PesoRama prepare and file with the Securities Authorities on a timely basis, the Prospectus together with any other documents as required by Applicable Laws in Canada.

- (2) Skyscape shall file with the TSXV, on a timely basis, all necessary documents required or requested by the TSXV (in a form and content satisfactory to the TSXV).
- (3) PesoRama covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of Skyscape (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:
- (i) provide Skyscape with all PesoRama Prospectus Information required for the Prospectus in a timely manner and ensure that such information provided by it expressly for inclusion in the Prospectus does not, at the time of filing of the Prospectus, contain any Misrepresentation;
 - (ii) indemnify and save harmless Skyscape and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Skyscape or its directors, officers, employees advisors and agents may be subject or which Skyscape or its directors, officers, employees, advisors or agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any Misrepresentation contained solely in any PesoRama Prospectus Information included in the Prospectus that was provided to Skyscape expressly for inclusion in the Prospectus or any other document provided by PesoRama to Skyscape for purposes of filing with the Securities Authorities or the TSXV, other than in respect of information provided by or related to the Skyscape Parties;
 - (ii) any Misrepresentation contained solely in the PesoRama Circular other than in respect of Skyscape Circular Information; and
 - (iii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the Prospectus solely with respect to PesoRama Prospectus Information, or in any material filed by or on behalf of PesoRama in compliance or intended compliance with Applicable Securities Laws or filed with the TSXV;
- except that PesoRama will not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of any information contained in the Prospectus, other than PesoRama Prospectus Information that was provided to Skyscape by PesoRama expressly for inclusion in the Prospectus, or the negligence of Skyscape or the non-compliance by Skyscape with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement;
- (4) Skyscape covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of PesoRama (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:
- (i) provide PesoRama with all Skyscape Circular Information required for the PesoRama Circular in a timely manner and ensure that such information provided by it expressly for inclusion in the PesoRama Circular does not, at the time of the mailing of the PesoRama Circular, contain any Misrepresentation;

- (ii) subject to compliance by PesoRama with its obligations set forth in Section 4.8(3), as soon as practicable after the execution and delivery of this Agreement, prepare the Prospectus together with any other documents required by Applicable Laws in connection with the Skyscape Shareholder Meeting required to be filed or prepared by Skyscape and, subject to Section 4.8(3), as soon as practicable after the execution and delivery of this Agreement, Skyscape shall, unless otherwise agreed by PesoRama, cause the Prospectus and other documentation required in connection with Qualifying Transaction to be sent to the Exchange and be filed as required by Applicable Laws and shall make application to the TSXV for approval of the Qualifying Transaction;
- (iii) provide PesoRama and its legal counsel with the information required to prepare the Prospectus and other documents to be filed with, or to be sent to the Exchange in connection with the Qualifying Transaction, and will give reasonable consideration to any comments made by PesoRama and its legal counsel, provided that all information included in the Prospectus and any other documents to be sent to the Exchange in connection with the Qualifying Transaction relating to PesoRama will be in form and content satisfactory to PesoRama, acting reasonably;
- (iv) ensure that the Prospectus (other than any PesoRama Prospectus Information that was provided to Skyscape by PesoRama expressly for inclusion in the Prospectus) complies with Applicable Laws and, without limiting the generality of the foregoing, that the Prospectus will not contain a Misrepresentation;
- (v) indemnify and save harmless PesoRama and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which PesoRama or its directors, officers, employees, advisors and agents may be subject or which PesoRama or its directors, officers, employees, advisors and agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any Misrepresentation in the Prospectus other than in respect of PesoRama Prospectus Information contained therein or in any material filed by Skyscape, other than in respect of information provided by or related to PesoRama or the PesoRama Subsidiaries, in connection with the transactions contemplated by this Agreement in compliance or intended compliance with any Applicable Laws;
 - (ii) any Misrepresentation contained solely in any Skyscape Circular Information included in the PesoRama Circular that was provided to PesoRama expressly for inclusion in the PesoRama Circular; and
 - (iii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the Prospectus other than in respect of PesoRama Prospectus Information or in any material filed by or on behalf of Skyscape in compliance or intended compliance with Applicable Securities Laws;

except that Skyscape will not be liable in any such case to the extent that any such Liabilities, claims, demands, Losses, costs, damages and expenses arise out of any PesoRama Prospectus Information included in the Prospectus that was provided to Skyscape expressly for inclusion in the Prospectus, or the negligence of either of PesoRama or the non-compliance by PesoRama with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement; and

- (vi) promptly inform PesoRama of any requests or comments made by Securities Authorities in connection with the Prospectus; and each of the Parties will cooperate with the other and will diligently do all such acts and things as may be necessary in the manner contemplated in the context of the preparation of the Prospectus and use its reasonable commercial efforts to resolve all requests or comments made by Securities Authorities with respect to the Prospectus and any other required filings under Applicable Laws as promptly as practicable after receipt thereof.

Section 4.9 Exclusive Dealing

Except as provided by this Agreement, each Party agrees that, as and from the date hereof through the earlier of: (i) the Closing Date; and (ii) the termination of this Agreement, subject to the written consent of the other Parties, each Party shall not nor permit any of its or its Subsidiaries' officers, directors, Employees, consultants, advisors, representatives, agents or other parties acting on its behalf, to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Qualifying Transaction, and without limiting the generality of the foregoing, not to sell any of its material assets or its business or induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for securities of the Party or the Parties' assets, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Qualifying Transaction from any Person (other than the Parties), nor with respect to the Skyscape Parties only result in the issuance or sale of any securities of a Party, and including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event a Party, including any of its Subsidiaries officers or directors, receives any formal written form of offer or inquiry, such Party shall forthwith (in any event within one business day following receipt) notify the other Parties of such offer or inquiry and provide the other Parties with such details as it may request.

ARTICLE 5 OTHER COVENANTS

Section 5.1 Representations and Warranties

- (1) PesoRama covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.1 being untrue or misleading in any material respect.
- (2) Each of Skyscape and Skyscape Subco covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue or misleading in any material respect.

Section 5.2 Notice of Material Change

- (1) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Parties in writing of:
 - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party taken as whole;

- (ii) any Material Adverse Change;
 - (iii) any change in the facts relating to any representation or warranty set out in Section 3.1 or Section 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
 - (iv) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (2) Each of Skyscape and PesoRama shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

Section 5.3 Other Filings

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under Applicable Securities Laws, the rules of the Exchange or any other Applicable Laws relating to the Qualifying Transaction contemplated hereby.

Section 5.4 Additional Agreements

- (1) Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under Applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Qualifying Transaction contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:
- (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements and other Contracts or agreements;
 - (ii) to defend all lawsuits or other Legal Proceedings challenging this Agreement or the consummation of the Qualifying Transaction contemplated hereby;
 - (iii) to cause to be lifted or rescinded any injunction or restraining Order or other Order adversely affecting the ability of the Parties to consummate the Qualifying Transaction contemplated hereby;
 - (iv) to affect all necessary registrations and other filings and submissions of information requested by Government Authorities; and
 - (v) to fulfill all conditions and satisfy all provisions of this Agreement.
- (2) For purposes of the foregoing, the obligation to use “**commercially reasonable efforts**” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

**ARTICLE 6
CLOSING CONDITIONS**

Section 6.1 Conditions Precedent to the obligations of the Skyscape Parties

- (1) The completion of the Qualifying Transaction and the Securities Exchange is subject to the following conditions to be fulfilled or performed prior to Closing by PesoRama or an Affiliate, which conditions are for the exclusive benefit of the Skyscape Parties and may be respectively waived, in whole or in part, by the Skyscape Parties in their sole discretion.
- (i) **Truth of Representations and Warranties.** All of the representations and warranties of PesoRama contained in or made pursuant to this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, and the Chief Executive Officer and President of PesoRama shall have executed and delivered a certificate to that effect to the Skyscape Parties at Closing. The receipt of such certificate and the Closing shall not constitute a waiver by Skyscape of any of the representations and warranties of PesoRama which are contained in this Agreement. Upon the delivery of such certificate, the representations and warranties of the PesoRama made in Section 3.1 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.
 - (ii) **Performance of Covenants.** PesoRama shall have, in all material respects to the satisfaction of the Skyscape Parties, fulfilled or complied with all of the obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by each of them at or prior to the Closing, and the Chief Executive Officer and Chief Financial Officer of PesoRama shall have executed and delivered a certificate to that effect to the Skyscape Parties at Closing. The receipt of such certificate and the Closing shall not constitute a waiver by the Skyscape Parties of the covenants of PesoRama which are contained in this Agreement.
 - (iii) **No Material Adverse Change.** Between the date hereof and the Closing Time, there will not have occurred any Material Adverse Change with respect to PesoRama or the PesoRama Subsidiaries, and the Chief Executive Officer and Chief Financial Officer of PesoRama shall have executed and delivered a certificate to that effect to the Skyscape Parties at Closing.
 - (iv) **PesoRama Shareholder Approval.** PesoRama shall have held the PesoRama Shareholder Meeting and obtained approval from the PesoRama Shareholders for the Qualifying Transaction.
 - (v) **Skyscape Shareholder Approval.** Skyscape shall have held the Skyscape Shareholder Meeting and obtained approval from the Skyscape Shareholders for the Skyscape Name Change and the conditional election of the PesoRama nominees to the board of directors of Skyscape at the Closing Time.
 - (vi) **Approvals.** All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Qualifying Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Time, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect the Skyscape Parties or would not prevent or materially impede the completion of the Qualifying Transaction contemplated hereby.

- (vii) **Prospectus.** Each of Skyscape and PesoRama shall have executed and delivered and caused to be filed the Prospectus with the Securities Authorities and the Securities Authorities shall have issued a final receipt in respect of the Prospectus.
- (viii) **TSXV Escrow Agreement.** The PesoRama Securityholders as required by the TSXV shall have entered into the TSXV Escrow Agreement and PesoRama shall have provided Skyscape with a copy of the TSXV Escrow Agreement executed by the PesoRama Securityholders in the form required by the Exchange pursuant to TSXV Policies.
- (ix) **Director Appointments.** Skyscape shall have received consents from the proposed directors of the Resulting Issuer that PesoRama in its sole discretion may determine, to act as directors of Skyscape with effect as of the Closing Time.
- (x) **No Action.** No act, action, suit, Legal Proceeding, objection or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Qualifying Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of Skyscape to own or exercise full rights of ownership of Amalco, including the rights to vote the Amalco Shares, upon the completion of the Qualifying Transaction or conduct the Business conducted by PesoRama; (c) to prohibit or restrict the completion of the Qualifying Transaction in accordance with the terms hereof or otherwise relating to the Qualifying Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect either of the Skyscape Parties.
- (xi) **Sponsorship.** Skyscape shall have obtained a waiver of TSXV sponsorship requirements under the TSXV Policies, or in the alternative, a Sponsor (as defined in the TSXV Policies) filing an acceptable Sponsor's report with the TSXV.
- (xii) **Deliveries.** PesoRama shall have delivered all items contemplated by this Section 6.1 and by Section 7.2.

Section 6.2 Conditions Precedent to the Obligations of PesoRama

- (1) The completion of the Qualifying Transaction and the Securities Exchange is subject to the following conditions to be fulfilled or performed prior to the Closing by the Skyscape Parties, which conditions are for the exclusive benefit of PesoRama and may be waived, in whole or in part, by PesoRama in its sole discretion:
 - (i) **Truth of Representations and Warranties.** The representations and warranties of the Skyscape Parties contained in this Agreement and the TSXV Escrow Agreement, as applicable, shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and Skyscape shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver of the representations and warranties of the Skyscape Parties which are contained in this Agreement. Upon delivery of such declaration, the representations and warranties of Skyscape in or made pursuant to this Agreement shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

- (ii) **Performance of Covenants.** The Skyscape Parties shall, in all material respects to the satisfaction of PesoRama, have fulfilled or complied with all obligations, covenants and agreements contained in this Agreement and the TSXV Escrow Agreement, as applicable, to be fulfilled or complied with by it at or prior to the Closing and Skyscape shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by PesoRama of the covenants of the Skyscape Parties which are contained in this Agreement or the TSXV Escrow Agreement.
- (iii) **No Material Adverse Change.** Between the date hereof and the Closing Date, there will not have occurred any Material Adverse Change with respect to the Skyscape Parties.
- (iv) **Approvals.** All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Qualifying Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Date, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect PesoRama or would not prevent or materially impede the completion of the Qualifying Transactions contemplated hereby.
- (v) **Prospectus.** Each of Skyscape and PesoRama shall have executed and delivered and caused to be filed the Prospectus with the Securities Authorities and the Securities Authorities shall have issued a final receipt in respect of the Prospectus.
- (vi) **No Action.** No Legal Proceeding or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Qualifying Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of Skyscape to own or exercise full rights of ownership of the Amalco Shares, including the rights to vote the Amalco Shares, upon the completion of the Qualifying Transaction or conduct the Business conducted by PesoRama; (c) to prohibit or restrict the completion of the Qualifying Transaction in accordance with the terms hereof or otherwise relating to the Qualifying Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect PesoRama.
- (vii) **PesoRama Shareholder Approval.** PesoRama shall have held the PesoRama Shareholder Meeting and obtained approval from the PesoRama Shareholders for the Qualifying Transaction.
- (viii) **Management Appointments.** Skyscape shall have received written resignations and releases from each director and officer of Skyscape, in each case with effect from the Closing Time, in a form satisfactory to PesoRama, acting reasonably.
- (ix) **Change.** Skyscape shall have completed the Skyscape Name Change and conditionally elected the PesoRama nominees to its board.
- (x) **TSXV Escrow Agreement.** Skyscape shall have entered into the TSXV Escrow Agreement and shall have provided PesoRama with a copy of the TSXV Escrow Agreement executed by Skyscape in the form required by the Exchange pursuant to TSXV Policies.
- (xi) **Deliveries.** The Skyscape Parties shall have delivered all items contemplated by this and by this Section 6.2 and by Section 7.3.

- (xii) **Working Capital.** Excluding from the calculation of Working Capital legal fees owing to Skyscape's legal counsel Chitiz Pathak which fees will not exceed \$125,000 (the "**CP Fees**"), the amount of Working Capital of Skyscape as of the Closing shall not be less than the amount of the aggregate gross proceeds of the Skyscape Financing, less the total of the amounts paid to the agents or underwriters engaged by Skyscape in connection with the Skyscape Financing in respect of cash fees and reimbursable expenses. The CP Fees will be converted into securities of Skyscape pursuant to the Skyscape Financing.

Section 6.3 Mutual Conditions Precedent

- (1) The respective obligations of the Parties hereto to complete each step of the Qualifying Transaction are subject the following conditions precedent to be fulfilled or performed prior to the Closing, each of which may be waived only by the mutual consent of the Parties:
- (i) there shall not be in force any Order or decree restraining or enjoining the consummation of the Qualifying Transaction;
 - (ii) this Agreement shall not have been terminated pursuant to Article 8;
 - (iii) the PesoRama Financings shall have closed on or prior to the Amalgamation;
 - (iv) the Skyscape Financing shall have closed on or prior to the Amalgamation;
 - (v) Skyscape and PesoRama shall have each used commercially reasonable efforts to ensure that upon Closing of the Qualifying Transaction, Skyscape meets the public distribution requirements for a Tier 2 Issuer on the TSXV in accordance with TSXV Policies;
 - (vi) the Exchange shall have conditionally accepted the Qualifying Transaction and the listing of the Resulting Issuer Shares issuable pursuant to the Qualifying Transaction (including Resulting Issuer Shares issuable upon the exercise of the PesoRama Broker Warrants, PesoRama Finder Warrants, PesoRama Purchase Warrants, PesoRama Options, PesoRama \$0.05 warrants or PesoRama Performance Warrants and the conversion of the Convertible Debentures); and
 - (vii) all Regulatory Approvals shall have been obtained.

Section 6.4 Notice and Effect of Failure to Comply with Covenants or Conditions

- (1) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Closing Date, of any event or state of facts that would, or would be likely to, (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by any Party hereunder; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (2) If any of the conditions precedent set out in any of Section 6.1, Section 6.2 or Section 6.3 is not satisfied or waived by the Party for whose benefit such condition is provided on or before the date required for the satisfaction thereof, then the Party for whose benefit the condition precedent is provided may, in addition to any other remedies it may have at law or equity, terminate this Agreement as provided for in Section 8.1(1)(ii), provided that the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the non-fulfillment of the

applicable condition or conditions precedent and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five Business Days after receipt of such notice (except that no cure period shall be provided for a breach that, by its nature, cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

ARTICLE 7

CLOSING ARRANGMENTS AND PUBLICITY

Section 7.1 Closing of the Amalgamation and Closing Date

Subject to the satisfaction or waiver by the applicable Party of the conditions in favour of each Party set out in Article 6, the Parties shall hold the Closing on the Closing Date, at such time as agreed to by PesoRama and Skyscape (on behalf of itself and Skyscape Subco) and to be conducted electronically via the exchange of applicable documents or at such other place as agreed to by PesoRama and Skyscape (on behalf of itself and Skyscape Subco) and shall immediately thereafter deliver to the Director the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Closing Time on the Closing Date.

Section 7.2 Closing Deliveries of PesoRama

- (1) PesoRama shall deliver or cause to be delivered to Skyscape the following in form and substance satisfactory to Skyscape acting reasonably:
 - (i) the certificates referred to in Section 6.1(1)(i), Section 6.1(1)(ii) and Section 6.1(1)(iii);
 - (ii) certified true copies of (i) the Governing Documents of PesoRama, and (ii) all resolutions of the board of directors of PesoRama approving the Qualifying Transaction, the Agreement, the completion of the PesoRama Financings and all other matters related to the Qualifying Transaction;
 - (iii) a certificate of incumbency of the directors and officers of PesoRama delivered from the Chief Executive Officer and Chief Financial Officer of PesoRama;
 - (iv) a certificate of status, compliance, good standing or like certificate with respect to PesoRama issued by the Director and the appropriate government officials of each jurisdiction in which PesoRama carries on its business dated within three days of the Closing Date;
 - (v) a certificate of status, compliance, good standing or like certificate with respect to each of the PesoRama Subsidiaries, issued by the appropriate government officials in its jurisdiction of incorporation and in each jurisdiction in which such PesoRama Subsidiaries carries on its business dated within three days of the Closing Date;
 - (vi) a certificate of the Chief Executive Officer and Chief Financial Officer of PesoRama confirming that dissent rights under the CBCA have not been exercised with respect to more than 5% of the issued and outstanding PesoRama Shares in connection with the Amalgamation;
 - (vii) certified copies of the minutes of the PesoRama Shareholder Meeting evidencing PesoRama Shareholder approval of the Qualifying Transaction and related matters;
 - (viii) original share and securities registers, share transfer ledgers, minute books and corporate seals (if any) of PesoRama, the PesoRama Subsidiaries, and their respective Books and Records;

- (ix) certificates from each PesoRama Shareholder that is a U.S. Person acknowledging and representing that such person qualifies for an exemption from the prospectus and registration requirement under the US Securities Act pursuant to an exemption in Regulation D;
- (x) evidence of the required consents pursuant to Section 4.7(1);
- (xi) the TSXV Escrow Agreement required by the Exchange duly executed by the parties to such agreement (other than Skyscape); and
- (xii) such other documentation as Skyscape reasonably requests on a timely basis in order to establish the completion of the Qualifying Transaction and the taking of all corporate proceedings in connection with the Qualifying Transaction (as to certification and otherwise), in each case in form and substance satisfactory to Skyscape, acting reasonably.

Section 7.3 Closing Deliveries of Skyscape and Skyscape Subco

- (1) Skyscape shall deliver or cause to be delivered to PesoRama the following in form and substance satisfactory to Skyscape, acting reasonably:
 - (i) the certificates referred to in Section 6.2(1)(i) and Section 6.2(1)(ii);
 - (ii) Skyscape shall have issued and delivered the securities contemplated by the Securities Exchange;
 - (iii) a certificate of status, compliance, good standing or like certificate with respect to Skyscape issued by the Director and the appropriate government officials of each jurisdiction in which Skyscape carries on its business dated within three days of the Closing Date;
 - (iv) a certificate of status, compliance, good standing or like certificate for Skyscape Subco issued by the Director under the CBCA and the appropriate government officials in each jurisdiction in which such Skyscape Subco carries on its business dated within three days of the Closing Date;
 - (v) a certified copy of the Governing Documents of each of the Skyscape Parties;
 - (vi) a certificate of incumbency for each of the Skyscape Parties delivered from a senior officer of each of the Skyscape Parties;
 - (vii) evidence that Skyscape is a reporting issuer not in default of Applicable Securities Laws from the Securities Authorities in each of the Reporting Jurisdictions dated within three days of the Closing Date;
 - (viii) a certified copy of the minutes of the Skyscape Shareholder Meeting or the scrutineer's report from Skyscape's transfer agent concerning the results thereof;
 - (ix) confirmation of the completion of the Skyscape Name Change by production of: (a) a certified true copy of the authorizing directors' resolutions for the Skyscape Name Change; (b) a copy of the Exchange's acceptance letter for the Skyscape Name Change; and (c) a copy of the Articles of Amendment filed pursuant to the OBCA reflecting completion of the Skyscape Name Change;
 - (x) the TSXV Escrow Agreement executed by Skyscape and the Escrow Agent;

- (xi) a certified copy of the resolutions of all of the directors of Skyscape dated on or prior to the Closing Date, authorizing the Skyscape Name Change and approval of the Agreement and all related matters;
- (xii) a certified copy of the shareholder resolution of the sole shareholder of Skyscape Subco (being Skyscape) approving the Amalgamation;
- (xiii) the written resignations and releases of all directors and officers of Skyscape dated effective as of the Closing Date; and
- (xiv) such other documentation as PesoRama reasonably requests on a timely basis in order to establish the completion of the Qualifying Transaction and the taking of all corporate proceedings in connection with the Qualifying Transaction (as to certification and otherwise), in each case in form and substance satisfactory to Skyscape, acting reasonably.

Section 7.4 Publicity

So long as this Agreement is in effect, Skyscape and PesoRama shall advise, consult and cooperate with each other prior to issuing, or permitting any of their directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement and the Qualifying Transaction contemplated hereby from the date hereof until the Closing Date. Each such Party shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by Applicable Laws or by obligations pursuant to any listing agreement with the Exchange and only after using its reasonable efforts to consult with the other Parties taking into account the time constraints to which it is subject as a result of such Applicable Law or obligation.

ARTICLE 8 TERMINATION AND AMENDMENT

Section 8.1 Termination

- (1) This Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the Closing Date:
 - (i) by mutual agreement in writing by the Parties;
 - (ii) by either Party as provided in Section 6.4(2) provided that the failure to satisfy the particular condition precedent being relied upon as a basis for termination of this Agreement did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under the Agreement; or
 - (iii) by either Party if the Closing Date has not occurred by the Outside Date.

Section 8.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of PesoRama, Skyscape or Skyscape Subco hereunder except as set forth in Section 4.4(2), Section 7.4, and Section 9.2 hereof, and this Section 8.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement.

Section 8.3 Amendment

This Agreement may, at any time on or before the Closing Date, be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

Section 8.4 Waiver

A Party may (i) extend the time for the performance by any other Party of the obligations owed to it; (ii) waive compliance with any other Party's agreements or the fulfillment of any of its conditions contained herein; or (iii) waive inaccuracies in another Party's representations or warranties owed to it and contained herein or in any document delivered by such other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties.

ARTICLE 9 GENERAL

Section 9.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to PesoRama:

PesoRama Inc.

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Attention: Rahim Bhaloo
Telephone No.: (416) 816-3291
Email: rahim@rahimbhaloo.com

with a copy, which shall not constitute notice to:

Irwin Lowy
217 Queen Street West, Suite 401
Toronto, ON
M5V 0R2

Attention: **Irwin Lowy**
Telephone No.: (416) 361-2512
Email: elowy@irwinlowy.com

If to Skyscape or Skyscape Subco:

Skyscape Capital Inc.
77 King Street West, Suite 700
TD North Tower
Toronto, ON M5K 0A1

Attention: **Roger Daher, Chief Executive Officer**

Telephone No.: 416-737-0597
Email: rogerdaher@aol.com

with a copy, which shall not constitute notice to:

Chitiz Pathak LLP
77 King Street West, Suite 700
TD North Tower
Toronto, ON M5K

Attention: Paul Pathak
Telephone No.: (416) 644-9964
Email: ppathak@chitizpathak.com

or to such other address as the Party to or upon whom notice is to be given or served has communicated to the other Parties by notice given or served in the manner provided for in this section. In the case of delivery or email transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

Section 9.2 Expenses

The Parties hereto shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) incurred by them in connection with this Agreement. PesoRama shall be responsible for all other costs related to the transactions contemplated by this Agreement including all filing fees payable to the TSXV and any securities regulator.

Section 9.3 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties.

Section 9.4 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.

Section 9.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.6 Governing Law, Choice of Forum

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Parties attorns and submits to the exclusive jurisdiction of the Superior Court of Justice (Ontario) with respect to any matter arising under or related to the Agreement.

Section 9.7 Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of any Party, shall continue in full force and effect. Closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 9.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or which induced any Party to enter into this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement, or any amendment or supplement hereto or thereto, by any Party to this Agreement or its representatives, to any other Party or its representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement, and none of the Parties has been induced to enter into this Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in Contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

Section 9.9 Counterpart Execution and Electronic Delivery

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of page intentionally left blank – signature page follows]

IN WITNESS WHEREOF the Parties have caused this Amalgamation Agreement to be duly executed as of the date first written above.

SKYSCAPE CAPITAL INC.

Per: "Roger Daher"

Roger Daher
Chief Executive Officer

11518003 CANADA INC.

Per: "Roger Daher"

Roger Daher
President

PESORAMA INC.

Per: "Rahim Bhaloo"

Rahim Bhaloo
Executive Chairman