

ZYUS LIFE SCIENCES INC.

– and –

PHOENIX CANADA OIL COMPANY LIMITED

ARRANGEMENT AGREEMENT

DATED NOVEMBER 15, 2022

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated November 15, 2022,

BETWEEN:

ZYUS LIFE SCIENCES INC., a corporation existing under the laws of the province of Saskatchewan (“**ZYUS**”)

- and -

PHOENIX CANADA OIL COMPANY LIMITED, a corporation existing under the laws of the Province of Ontario (“**Phoenix**”)

WHEREAS:

- A. The ZYUS Board has unanimously determined that the Arrangement is in the best interests of ZYUS and that the Consideration Shares to be received by the ZYUS Shareholders pursuant to the Arrangement based on the Exchange Ratio is fair, from a financial point of view, to the ZYUS Shareholders.
- B. The ZYUS Board has approved the transactions contemplated by this Agreement and unanimously determined to recommend approval of the Arrangement to the ZYUS Shareholders.
- C. The Phoenix Board has unanimously determined that the Arrangement is in the best interests of Phoenix. The Phoenix Board has approved the transactions contemplated by this Agreement and unanimously determined to recommend approval of the Arrangement to the Phoenix Shareholders.
- D. ZYUS and Phoenix intend that the Arrangement be effected by way of Plan of Arrangement under the provisions of the SBCA, and in furtherance of the Arrangement, the ZYUS Board has agreed to submit the Arrangement Resolution to the ZYUS Shareholders and the Court for approval and the Phoenix Board has agreed to submit the Phoenix Resolution to the Phoenix Shareholders for approval.
- E. The directors, officers and certain shareholders of Phoenix have entered into ZYUS Lock-Up Agreements pursuant to which, among other things, they have agreed to vote in favour of the Phoenix Resolution, on the terms and subject to the conditions set forth in the ZYUS Lock-Up Agreements.
- F. The directors, officers and certain shareholders of ZYUS have entered into Phoenix Lock-Up Agreements pursuant to which, among other things, they have agreed to vote in favour of the Arrangement Resolution, on the terms and subject to the conditions set forth in the Phoenix Lock-Up Agreements.

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

ARTICLE 2 INTERPRETATION

2.1 Definitions

In this Agreement, unless the context otherwise requires:

“Acquisition Proposal” means, other than the transactions involving the Parties contemplated by this Agreement, any offer, proposal, expression of interest, or inquiry from any Person or group of Persons acting jointly or in concert (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*), whether or not in writing and whether or not delivered to the shareholders of a Party, made after the date hereof and that relates to:

- (i) any acquisition, sale, disposition, alliance, joint venture or purchase, direct or indirect, whether in a single transaction or a series of related transactions, of: (a) the assets of the Party and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Party and each of its subsidiaries taken as a whole; or (b) 20% or more of any voting or equity securities of the Party or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Party and each of its subsidiaries;
- (ii) any take-over bid, tender offer, exchange offer, treasury issuance or other transaction for any class of equity securities of the Party or any of its subsidiaries that, if consummated, would result in any such Person beneficially owning 20% or more of any equity securities of the Party or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Party and each of its subsidiaries; or
- (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Party or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Party and each of its subsidiaries; or
- (iv) any other similar transaction or series of transactions involving the Party or any of its subsidiaries;

“affiliate” has the meaning ascribed thereto in the Securities Act;

“**Agreement**” means this arrangement agreement, together with the schedules, appendices and exhibits attached hereto, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

“**Arm’s Length**” has the meaning ascribed thereto in the Tax Act;

“**Arrangement**” means the arrangement under Section 186.1 of the SBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 10.1 hereof or Section 6.01 of the Plan of Arrangement or at the direction of the Court in the Interim Order or Final Order;

“**Arrangement Resolution**” means the special resolution of the ZYUS Shareholders, approving the Plan of Arrangement, to be considered at the ZYUS Meeting, substantially in the form attached as Schedule B, subject to any amendments or variations thereto in accordance with Section 10.1 hereof and Section 6.01 of the Plan of Arrangement or at the direction of the Court in the Interim Order or Final Order;

“**Restated Articles**” means the restated articles of Phoenix amending the letters patent dated November 25, 1944, amended March 1963, July 1984 and October 1986, the terms of which are summarized on Schedule G hereto;

“**Articles of Arrangement**” means the articles of arrangement of ZYUS to be filed in connection with the Arrangement and required by subsection 186.1(6) of the SBCA, such articles to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement, and which shall be in a form and content satisfactory to ZYUS and Phoenix, each acting reasonably;

“**Auditor Replacement**” means replacement of Phoenix’s incumbent auditors, MNP LLP, and appointment of KPMG LLP as auditors of Phoenix;

“**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Saskatoon, Saskatchewan;

“**Bylaw Replacement**” means repeal and replacement of the Phoenix Bylaws with the Resulting Issuer Bylaws attached as Schedule H;

“**CFPOA**” means the *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34, as amended;

“**Change in Recommendation**” means a Phoenix Change in Recommendation or a ZYUS Change in Recommendation, as applicable;

“**Concurrent Financing**” means a private placement of subscription receipts of ZYUS, to be completed within 60 days of the date of the Conditional Approval, at a price to be determined by ZYUS in the context of the market for not less than \$15,000,000, or such greater amount as may be required by the TSX-V to satisfy its listing requirements, inclusive of not less than \$5,000,000 in subscriptions by arm’s length retail investors, and a maximum of \$25,000,000 or such other amount as the Parties may agree to in writing;

“Conditional Approval” means the conditional approval letter to be issued by the TSX-V approving both the Arrangement and the listing of the Consideration Shares;

“Confidentiality Agreement” means the confidentiality agreement between ZYUS and Phoenix dated November 24, 2021, as it may be amended from time to time in accordance with its terms;

“Consideration Shares” means the Phoenix Shares to be issued to the ZYUS Shareholders pursuant to the Plan of Arrangement;

“Contract” means any contract, agreement, license, franchise, lease, arrangement or other contractual right or obligation to which a Party or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

“Court” means the Court of King’s Bench for Saskatchewan;

“Depository” means any nationally recognized trust company, bank or financial institution engaged by Phoenix and ZYUS for the purpose of, among other things, receiving Letters of Transmittal (as defined in the Plan of Arrangement) receiving deposits of certificates formerly representing ZYUS Shares and distributing certificates representing the Consideration Shares;

“Dissent Rights” means the rights of ZYUS Shareholders to dissent in respect of the Arrangement described in the Plan of Arrangement;

“Effective Date” means the date upon which the Arrangement becomes effective, as set out in the Plan of Arrangement;

“Effective Time” means the time on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement;

“Environmental Laws” means all applicable federal, provincial, state, local and foreign Laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

“Environmental Liabilities” means, with respect to any Person, all liabilities, reclamation costs, costs of remediation, investigation costs, capital costs, operation and maintenance costs, losses, damages, (including punitive damages, property damages and consequential damages), costs and expenses, fines, penalties and sanctions incurred as a result of, or related to, any claim, suit, action, administrative order, investigation, proceeding, demand or cost recovery action by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law arising under, or related to, any Environmental Laws, Environmental Permits, or in connection with any Release or

threatened Release or presence of a Hazardous Substance whether on, at, in, under, from or about or in the vicinity of any real or personal property;

“**Environmental Permits**” means all Permits, licenses, written authorizations, certificates, approvals, program participation requirements, sign-offs, orders or registrations required by or available with or from any Governmental Entity under any Environmental Laws;

“**Equity Compensation Plan Adoption**” means the adoption of the omnibus equity compensation plan attached as Schedule I;

“**Exchange Ratio**” means the exchange ratio to be determined as of the date of the application for the Interim Order based on the formulas set forth in Schedule J hereto subject to an adjustment in accordance with the terms of such Schedule;

“**FCPA**” means the *Foreign Corrupt Practices Act of 1977*, of the United States;

“**Final Application**” has the meaning ascribed thereto in Section 3.2(b)(iv);

“**Final Order**” means the final order of the Court approving the Arrangement pursuant to Section 186.1 of the SBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to ZYUS and Phoenix, acting reasonably, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Governmental Entity**” means any applicable: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX-V;

“**Hazardous Substance**” means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, or material, including petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material or contaminant deemed under any Environmental Law to be deleterious to the environment or worker or public health or safety;

“**IFRS**” means International Financial Reporting Standards as developed and adopted by the International Accounting Standards Board from time to time;

“**including**” means including without limitation, and “**include**” and “**includes**” each have a corresponding meaning;

“**Intellectual Property**” means United States and Canadian, foreign and international patents, patent applications, including provisional applications, statutory invention registrations, invention disclosures, inventions, trademarks, service marks, trade names,

domain names, URLs, trade dress, logos and other source identifiers, including registrations and applications for registration thereof, together with the goodwill symbolized by any of the foregoing, copyrights, including registrations and applications for registration thereof, software, formulae, trade secrets, know-how, methods, processes, protocols, specifications, techniques, and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing, such as laboratory notebooks, samples, studies and summaries), and all rights under, in or to any of the foregoing that may exist or be created under the Laws of any jurisdiction in the world;

“Interim Order” means the interim order of the Court made in connection with the Arrangement in a form acceptable to ZYUS and Phoenix, acting reasonably, providing for, among other things, the calling and holding of the ZYUS Meeting, as the same may be amended, supplemented or varied by the Court with the consent of the Parties, acting reasonably;

“Key Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, Permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities set out in Schedule C hereto;

“Key Third Party Consents” means those consents, approvals and notices required from any third party to proceed with the transactions contemplated by this Agreement and the Plan of Arrangement, set out in Schedule D hereto;

“Law” or **“Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term **“applicable”** with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, assets, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, assets, property or securities;

“Legal Proceeding” means any action, suit, litigation, arbitration, proceeding, (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Entity or any arbitrator or arbitration panel;

“Liens” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Material Adverse Effect” means, in respect of a Party, any change, event, development or occurrence that is, or could reasonably be expected to be, either individually or in the aggregate with other such changes, events, developments or occurrences, material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of that Party and its subsidiaries, taken as a whole, other than any change, event, development or occurrence resulting from or relating to: (i) the announcement of the execution of this Agreement or the transactions contemplated hereby; (ii) general political, economic or financial conditions in Canada or the United States; (iii) the state of securities or commodity markets in general; (iv) the commencement, continuation or worsening of any state of emergency, pandemic (including any worsening of the COVID-19 pandemic), epidemic, disease outbreak, health crisis, public health event, war, armed hostilities or acts of terrorism; (v) any decrease in the trading price or any decline in the trading volume of that Person’s securities (it being understood that the causes underlying such change in trading price or trading volume (other than those in items (i) to (iv) above and (vi) to (viii) below) may be taken into account in determining whether a Material Adverse Effect has occurred); (vi) any actions taken (or omitted to be taken) by a Party upon the written request of any other Party; (vii) any changes in applicable Laws or IFRS, including authoritative interpretations thereof; or (viii) earthquakes, hurricanes, other natural disasters or acts of god, except in the case of (ii), (iii), (iv), (vii) and (viii) to the extent such event, change, development or occurrence has a material and disproportionate adverse effect on the business of the Party and its subsidiaries, taken as a whole, as compared to other companies of similar size operating in the industry in which it operates. For greater certainty, either (i) a “serious adverse event”, as defined by the U.S. Food & Drug Administration, having occurred in the context of the ZYUS Phase 1 Clinical Trial as reported in the Preliminary Letter, by the independent third party delivering the Preliminary Letter; or (ii) one or more significant safety events having occurred that would compromise proceeding to a phase 2 clinical trial and/or impede the process to obtaining regulatory approval, in either case as determined by the overseeing regulatory body in the jurisdiction where the phase 2 clinical trial to be undertaken, shall be considered to be a Material Adverse Effect in respect of ZYUS, but side effects that do not meet such definition of “serious adverse event” or do not impede ZYUS proceeding to a phase 2 clinical trial shall not be considered a Material Adverse Effect in respect of ZYUS;

“material change” has the meaning ascribed thereto in the Securities Act;

“Material Contracts” means, in respect of either Party, any Contract: (i) which, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such Party; (ii) under which such Party or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than Ordinary Course endorsements for collection) in excess of \$250,000 (in the case of ZYUS) and \$100,000 (in the case of Phoenix); (iii) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of \$250,000 (in the case of ZYUS) and \$100,000 (in the case of Phoenix), other than a Contract between two or more wholly owned subsidiaries of a Party or between a Party and one or more of its wholly owned subsidiaries; (iv) providing for the establishment, organization or formation of any partnership or joint

venture; (v) under which such Party or any of its subsidiaries is obligated to make or expects to receive payments in excess of \$250,000 (in the case of ZYUS) and \$100,000 (in the case of Phoenix) over the remaining term of the Contract ; (vi) that limits or restricts such Party or any of its subsidiaries from engaging in any line of business or any geographic area in any material respect; (vii) any capital lease or any other lease or other Contract relating to tangible personal property providing for annual rental payments in excess of \$250,000 (in the case of ZYUS) and \$100,000 (in the case of Phoenix); (viii) any lease in respect of real property providing for annual rental payments in excess of \$250,000 (in the case of ZYUS) and \$100,000 (in the case of Phoenix); (ix) under which such Party is, or may become, obligated to pay any amount in respect of indemnification obligations, purchase price adjustment or otherwise in connection with any (a) acquisition or disposition of assets or securities (other than the sale of inventory in the Ordinary Course of business), (b) merger, consolidation or other business combination or (c) series or group of related transactions or events of the type specified in the immediately preceding clauses (a) and (b); (x) under which any other Person has guaranteed any debt of such Party; (xi) under which such Party is, or may become, obligated to incur or pay any severance payment or special compensation obligations which would become payable by reason of this Agreement or the transactions contemplated hereby; (xii) that is a profit sharing, equity option, equity purchase, equity appreciation, deferred compensation, severance or other plan or arrangement for the benefit of such Party's current or former directors, shareholders, officers or employees, consultants or independent contractors; (xiii) in respect of any settlement, conciliation or similar arrangement or obligation imposing an obligation on such Party after the Effective Date; (xiv) relating to any Intellectual Property; or (xv) that is otherwise material to such Party and its subsidiaries, considered as a whole; and in respect of ZYUS, includes the Material Contracts listed in Section 5.1(q) of the ZYUS Disclosure Letter, but does not include outstanding purchase orders or Contracts entered into in the Ordinary Course of business which would not, if breached or terminated, result in a Material Adverse Effect for a Party;

“**material fact**” has the meaning ascribed thereto in the Securities Act;

“**MD&A**” has the meaning ascribed thereto in Section 4.1(k);

“**Name Change**” means the proposed name change of Phoenix from “Phoenix Canada Oil Company Limited” to “ZYUS Life Sciences Corporation”, or such other name as may be agreed to by Phoenix and ZYUS and accepted by relevant regulatory authorities;

“**Oil & Gas Interests**” means the interests of Phoenix in wells, processing facilities and other properties involved in the production of, or exploration for, hydrocarbons as described in the Phoenix Public Disclosure Record;

“**Ordinary Course**” means, with respect to an action taken by a person, that the action is consistent with the past practices of the person as completed to December 31, 2021 with respect to ZYUS and June 30, 2022 with respect to Phoenix and is taken in the normal day-to-day operations of the person;

“**Outside Date**” means March 31, 2023, or such later date as may be agreed to in writing by the Parties;

“**Parties**” means ZYUS and Phoenix, and “**Party**” means any one of them;

“**Permit**” means any license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of and from any Governmental Entity;

“**Person**” includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“**Phoenix Board**” means the board of directors of Phoenix as the same is constituted from time to time;

“**Phoenix Change in Recommendation**” has the meaning ascribed thereto in Section 9.2(c)(i);

“**Phoenix Circular**” means the notice of the Phoenix Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference in such management information circular, to be sent to the Phoenix Shareholders in connection with the Phoenix Meeting, as amended, supplemented or otherwise modified from time to time, which for greater certainty may be a joint circular with the ZYUS Circular;

“**Phoenix Disclosure Letter**” means the disclosure letter executed by Phoenix and delivered to ZYUS on the date hereof in connection with the execution of this Agreement;

“**Phoenix Financial Statements**” has the meaning ascribed thereto in Section 4.1(k);

“**Phoenix IP**” means all Intellectual Property in which Phoenix or its subsidiary has an ownership interest;

“**Phoenix Lock-Up Agreements**” means the lock-up agreements between Phoenix and each of the directors and officers and certain shareholders of ZYUS, substantially in the form of Schedule E;

“**Phoenix Meeting**” means the annual and special meeting of Phoenix Shareholders, including any adjournment or postponement thereof, to be held to consider, among other things, the Phoenix Resolution;

“**Phoenix Nominee**” means Charlotte Moore Hepburn;

“**Phoenix Options**” means the outstanding options to purchase Phoenix Shares granted under or otherwise subject to the Phoenix Stock Option Plan, as set forth in the Phoenix Disclosure Letter;

“**Phoenix Public Disclosure Record**” means all documents and information filed by Phoenix under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR), during the three years prior to the date hereof, which are publicly available as of the date hereof or as of the Effective Date;

“Phoenix Resolution” means the ordinary and special resolutions, as the case may be, of the Phoenix Shareholders approving the Arrangement, the Name Change, the Auditor Replacement, the Bylaw Amendment and the Equity Compensation Plan Amendment to be considered at the Phoenix Meeting;

“Phoenix Shareholder Approval” has the meaning ascribed to such term in Section 3.2(a)(ii);

“Phoenix Shareholders” means the holders of Phoenix Shares;

“Phoenix Shares” means the common shares in the authorized share structure of Phoenix, as currently constituted;

“Phoenix Stock Option Plan” means the stock option plan approved by a majority of disinterested Phoenix Shareholders on December 16, 2015, which was further amended on February 22, 2018 and August 28, 2019;

“Phoenix Termination Fee Event” has the meaning ascribed thereto in Section 9.3(b);

“Plan of Arrangement” means the plan of arrangement, substantially in the form and on the terms set out in Schedule A hereto, and any amendments or variations thereto made in accordance with Section 10.1 or the Plan of Arrangement;

“Preliminary Letter” has the meaning ascribed thereto in Section 7.3(a);

“Registered IP” means all Intellectual Property that is registered, filed or issued with, by or under the authority of any Governmental Entity, including all patents, registered copyrights, registered mask works, and registered trademarks and all applications for any of the foregoing;

“Registrar” has the meaning ascribed to such term in the SBCA;

“Release” means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Substance in the indoor or outdoor environment, including the movement of Hazardous Substance through or in the air, soil, surface water, groundwater or property;

“Replacement Warrants” means the warrants to purchase Phoenix Shares to be issued by Phoenix and to be distributed to the Phoenix Shareholders of record on a date to be determined prior to the Effective Date with such Replacement Warrants being issued in exchange for the cancellation of the 680,000 ZYUS Warrants currently owned by Phoenix. The number of Replacement Warrants shall be determined by multiplying 680,000 by the Exchange Ratio and dividing the exercise price of the Zyus Warrants by the Exchange Ratio;

“Representatives” means, collectively, in respect of a Person, (a) its directors, officers, employees, agents, representatives and any financial advisor, law firm, accounting firm or other professional firm retained to assist the Person in connection with the transactions

contemplated in this Agreement, and (b) the Person's affiliates and each of its subsidiaries and the directors, officers, employees, agents and representatives and advisors thereof;

"Returns" means all reports, forms, elections, designations, information statements and returns (whether in tangible, electronic or other form) including any amendments, schedules, attachments, supplements, appendices and exhibits thereto relating to, or required to be filed or prepared in connection with any Taxes;

"Revon Agreement" means the merger agreement and plan of reorganization between ZYUS Life Sciences Inc., ZYUS Life Sciences US LTD, Revon Systems, Inc. and the stockholder representatives named therein dated June 28, 2019;

"Revon Holdback Period" means the period ending July 31, 2023, or such earlier date as ZYUS may determine, respecting the holdback of certain ZYUS Shares to secure certain indemnification obligations owed by certain ZYUS shareholders to ZYUS, as more particularly described in the Revon Agreement;

"SBCA" means the *Business Corporations Act (Saskatchewan)* and the regulations made thereunder, as promulgated or amended from time to time, and includes any successor thereto;

"Section 3(a)(10) Exemption" has the meaning ascribed thereto in Section 3.2(b);

"Securities Act" means the *Securities Act (Ontario)* and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Securities Authorities" means the securities commissions in each of the provinces and territories of Canada;

"Securities Laws" means the Securities Act, together with all other applicable provincial securities laws, rules, instruments and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

"subsidiary" means, with respect to any specified Person, any other Person of which such specified Person will, at the time, directly or indirectly through one or more subsidiaries, (a) own at least 50% of the outstanding shares, (b) hold at least 50% of the partnership, limited liability company, joint venture or similar interests or (c) be a general partner, managing member or joint venturer;

"Tax Act" means the *Income Tax Act (Canada)* and the regulations thereunder, as amended from time to time;

"Taxes" in respect of a Party means: (a) any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including

Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, *ad valorem* taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (*escheat*) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, carbon taxes, transfer taxes, severance taxes, workers' compensation, Canada, Saskatchewan and other government pension plan premiums or contributions and other governmental charges and other obligations of the same or of a similar nature to any of the foregoing, which such Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not; and (b) any liability for the payment of any amount described in clause (a) of this definition as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, as a result of any Tax sharing or Tax allocation agreement, arrangement or understanding, or as a result of being liable to another Person's Taxes as a transferee or successor, by contract or otherwise;

“**Termination Fee**” has the meaning ascribed thereto in Section 9.3(b);

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

“**U.S. Securities Act**” means the *United States Securities Act* of 1933 as the same has been, and hereinafter from time to time may be, amended;

“**U.S. Tax Code**” means the *United States Internal Revenue Code* of 1986, as amended;

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“**Working Capital**” means the working capital of Phoenix as determined in accordance with IFRS at the Effective Time. An indicative example of Working Capital is attached hereto as Schedule K;

“**ZYUS Board**” means the board of directors of ZYUS as the same is constituted from time to time;

“**ZYUS Change in Recommendation**” has the meaning ascribed thereto in Section 9.2(c)(i);

“**ZYUS Circular**” means the notice of the ZYUS Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, to be sent to the ZYUS Shareholders in connection with the ZYUS Meeting, as amended, supplemented or otherwise modified from time to time, which for greater certainty may be a joint circular with the Phoenix Circular;

“**ZYUS Convertible Debt**” means the convertible debentures and convertible promissory notes issued by ZYUS and convertible into common shares in certain circumstances, including the Arrangement;

“**ZYUS Disclosure Letter**” means the disclosure letter executed by ZYUS and delivered to Phoenix on the date hereof in connection with the execution of this Agreement;

“**ZYUS Financial Statements**” has the meaning ascribed thereto in Section 5.1(j);

“**ZYUS Holdback Shares**” means 95,271 ZYUS Shares issuable to certain ZYUS Shareholders;

“**ZYUS IP**” means: (a) all Intellectual Property in which ZYUS or its subsidiaries have an ownership interest; and (b) all other Intellectual Property which ZYUS or its subsidiaries use and exploit in connection with the manufacture, use, testing, sale, licence or other commercialization of the ZYUS Products;

“**ZYUS Lock-Up Agreements**” means the lock-up agreements between ZYUS and each of the directors and officers and certain shareholders of Phoenix, substantially in the form of Schedule F;

“**ZYUS Meeting**” means the annual and special meeting of ZYUS Shareholders, including any adjournment or postponement thereof, to be held to consider, among other things, the Arrangement Resolution;

“**ZYUS Nominees**” means any four nominees to be selected by ZYUS prior to completion of the Arrangement and currently anticipated to be Brent Zettl, Richard Hoyt, John Knowles and Garnette Weber;

“**ZYUS Omnibus Equity Compensation Plan**” means the equity compensation plan approved by the ZYUS Board on May 19, 2021, subsequently approved by the ZYUS Shareholders on June 18, 2021;

“**ZYUS Options**” means the outstanding options to purchase ZYUS Shares granted under or otherwise subject to the ZYUS Stock Option Plan and the ZYUS Omnibus Equity Compensation Plan, as set forth in the ZYUS Disclosure Letter;

“**ZYUS Phase 1 Clinical Trial**” has the meaning ascribed to such term in Schedule L hereto;

“**ZYUS Shareholder Approval**” has the meaning ascribed thereto in Section 3.2(a)(ii);

“**ZYUS Shareholders**” means the holders of ZYUS Shares;

“**ZYUS Shares**” means the common shares in the authorized share capital of ZYUS, as currently constituted, which for greater clarity shall include the ZYUS Holdback Shares issued to certain ZYUS Shareholders prior to the Effective Date;

“**ZYUS Stock Option Plan**” means the stock option plan approved by a majority of ZYUS Shareholders on September 1, 2018;

“**ZYUS Termination Fee Event**” has the meaning ascribed thereto in Section 9.3(b); and

“**ZYUS Warrants**” means the outstanding warrants to purchase ZYUS Shares, as set forth in the ZYUS Disclosure Letter.

2.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Agreement.

2.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.

2.4 Date for Any Action

If the date on or by which any action is required or permitted to be taken hereunder by a Party is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

2.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and “\$” or “CAD\$” refers to Canadian dollars.

2.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS consistently applied.

2.7 Knowledge

In this Agreement:

- (a) references to “the knowledge of Phoenix” mean the actual collective knowledge of Charlotte Moore Hepburn and Michael D Kindy in their capacities as directors and/or officers of Phoenix; and
- (a) references to “the knowledge of ZYUS” mean the actual collective knowledge of Brent Zetl and John Hyshka in their capacities as directors and/or officers of ZYUS

2.8 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	-	Plan of Arrangement
Schedule B	-	Arrangement Resolution
Schedule C	-	Key Regulatory Approvals
Schedule D	-	Key Third Party Consents
Schedule E	-	Form of Phoenix Lock-Up Agreement
Schedule F	-	Form of ZYUS Lock-Up Agreement
Schedule G	-	Form of Phoenix Amended Articles/Letters Patent
Schedule H	-	Form of Phoenix Amended Bylaws
Schedule I	-	Form of Omnibus Equity Compensation Plan
Schedule J	-	Exchange Ratio
Schedule K	-	Phoenix Working Capital Calculation
Schedule L	-	Definition of “ZYUS Phase 1 Clinical Trial”

ARTICLE 3 THE ARRANGEMENT

3.1 Arrangement and Meetings

ZYUS and Phoenix agree that:

- (a) the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement; and
- (b) unless one or both of the ZYUS Meeting and the Phoenix Meeting is postponed or adjourned in accordance with the terms of this Agreement, the ZYUS Meeting and the Phoenix Meeting shall be held on the same day and at the same time, and the Parties agree to take such actions from time to time as may be necessary in order to ensure that this occurs.

3.2 Court Orders

ZYUS shall apply to the Court, in a manner acceptable to Phoenix, acting reasonably, pursuant to Section 186.1 of the SBCA for the Interim Order and the Final Order as follows:

- (a) As soon as reasonably practicable following the date of the Conditional Approval, but in any event not later than January 16, 2023, ZYUS shall prepare, file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall provide, among other things:
- (i) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the ZYUS Meeting and the manner in which such notice is to be provided;
 - (ii) that the requisite approval for the Arrangement Resolution shall be at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by ZYUS Shareholders, present in person or represented by proxy at the ZYUS Meeting (the “**ZYUS Shareholder Approval**”);
 - (iii) that in all other respects, other than as ordered by the Court, the terms, conditions and restrictions of the ZYUS constating documents, including quorum requirements and other matters, shall apply in respect of the ZYUS Meeting;
 - (iv) for the grant of the Dissent Rights to registered holders of ZYUS Shares, which Dissent Rights shall provide for written objection to any Arrangement Resolution to be sent to ZYUS by such ZYUS Shareholders who wish to dissent at least two days before the ZYUS Meeting;
 - (v) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
 - (vi) that the ZYUS Meeting may be adjourned or postponed from time to time by management of ZYUS without the need for additional approval of the Court; and
 - (vii) that the record date for ZYUS Shareholders entitled to notice of and to vote at the ZYUS Meeting will not change in respect of any adjournment(s) or postponement(s) of the ZYUS Meeting, unless required by applicable Laws.
- (b) The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares issued to the ZYUS Shareholders that are U.S. residents will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof (the “**Section 3(a)(10) Exemption**”). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:
- (i) the Arrangement will be subject to the approval of the Court;
 - (ii) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption based on the Court’s approval of the

Arrangement prior to the hearing of the Court required to approve the Arrangement;

- (iii) the Court will be invited to satisfy itself and find, prior to approving the Arrangement, that the Arrangement is fair and reasonable, both procedurally and substantively, to the ZYUS Shareholders;
- (iv) ZYUS will ensure that: each U.S. resident ZYUS Shareholder entitled to receive Consideration Shares pursuant to the Arrangement will be given adequate notice advising such ZYUS Shareholder of his or her right to attend the hearing of the Court with respect to the application for the Final Order (the “**Final Application**”) and provide each with sufficient information necessary for him or her to exercise that right;
- (v) each U.S. resident ZYUS Shareholder will be advised that the Consideration Shares issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act and will be issued by Phoenix in reliance on the Section 3(a)(10) Exemption, and may be subject to restrictions on resale under the applicable securities laws of the United States, including Rule 144 under the U.S. Securities Act with respect to affiliates of ZYUS and Phoenix;
- (vi) the Interim Order will specify that each ZYUS Shareholder have the right to appear before the Court at the Final Application so long as they enter an appearance within a reasonable time;
- (vii) the Final Order shall include statements substantially to the following effect:

in the preamble to the Final Order:

“AND UPON BEING ADVISED by counsel for ZYUS Life Sciences Inc. that this Court’s approval of the arrangement and its determination that the arrangement and the procedures followed by ZYUS Life Sciences Inc. are fair to the persons to be issued securities or to have securities made issuable to them pursuant to the arrangement will serve as the basis of a claim to an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof, regarding the distribution of securities of Phoenix Canada Oil Company Limited pursuant to the Plan of Arrangement”; and

as a term of the Final Order:

“The Arrangement is fair and reasonable, both procedurally and substantively, to the ZYUS Shareholders.”

- (viii) under no circumstances shall Phoenix offer cash consideration to any ZYUS Shareholders for ZYUS Shares.

- (c) Phoenix shall take all steps as may be required to cause the securities to be issued under the Plan of Arrangement to be issued pursuant to an exemption from the prospectus and registration requirements of applicable Securities Laws and not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 – *Resale of Securities*).

3.3 ZYUS Meeting

Subject to receipt of the Interim Order and the terms of this Agreement:

- (a) ZYUS agrees to convene and conduct the ZYUS Meeting for the purposes of considering the Arrangement Resolution in accordance with the Interim Order, ZYUS' constating documents and applicable Laws as soon as reasonably practicable and in any event on or before February 28, 2023.
- (b) ZYUS will schedule the ZYUS Meeting on the same day and at the same time as the Phoenix Meeting. ZYUS will not adjourn, postpone or cancel the ZYUS Meeting without the prior written consent of Phoenix, not to be unreasonably withheld, except as required to align with the Phoenix Meeting or as otherwise permitted herein or as required for quorum purposes (in which case, the ZYUS Meeting shall be adjourned and not cancelled) or as required by applicable Laws or a Governmental Entity.
- (c) Subject to the terms of this Agreement, and compliance by the directors and officers of ZYUS with their fiduciary duties, ZYUS will use all commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution in compliance with any Laws applicable to the solicitation of proxies. ZYUS shall advise Phoenix as Phoenix may reasonably request as to the aggregate tally of the proxies received by ZYUS in respect of the Arrangement Resolution.
- (d) ZYUS will promptly advise Phoenix of any written notice of dissent or purported exercise by any ZYUS Shareholder of Dissent Rights received by ZYUS in relation to the Arrangement Resolution and any withdrawal of Dissent Rights received by ZYUS and, subject to applicable Law, any written communications sent by or on behalf of ZYUS to any ZYUS Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement Resolution. Subject to applicable Law, ZYUS shall provide a copy of any written communication it proposes to send to any ZYUS Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement Resolution and provide Phoenix and its Representatives a reasonable period of time to review and comment on such written communication prior to ZYUS' transmitting such communication to such ZYUS Shareholder, and ZYUS shall give reasonable and good faith consideration to all additions, deletions or changes suggested thereto by Phoenix and its Representatives.
- (e) Within three days of execution of this Agreement and as soon as practicable after the record date for the ZYUS Meeting, ZYUS will deliver to Phoenix a list of the

holders of ZYUS Shares, and will deliver to Phoenix thereafter on demand supplemental lists setting out any changes thereto.

3.4 ZYUS Circular

- (a) Subject to Phoenix's compliance with Section 3.4(c), ZYUS shall prepare the ZYUS Circular in compliance with all applicable Laws and file the ZYUS Circular on a timely basis, after obtaining the Interim Order and in any event on or before January 31, 2023, in all jurisdictions where the same is required to be filed and mail the same as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the same is required.
- (b) Subject to Phoenix's compliance with Section 3.4(c), ZYUS shall ensure that the ZYUS Circular complies with applicable Laws, and, without limiting the generality of the foregoing, that the ZYUS Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to Phoenix and provided by Phoenix in writing) and shall provide ZYUS Shareholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the ZYUS Meeting. The ZYUS Circular will include the recommendation of all of the members of the ZYUS Board, other than those directors that recused themselves due to conflicts, that ZYUS Shareholders vote in favour of the Arrangement Resolution, and a statement that each director, officer and certain shareholders of ZYUS intends to vote all of such director's, officer's and shareholder's ZYUS Shares in favour of the Arrangement Resolution, subject to the other terms of this Agreement and the ZYUS Lock-Up Agreements.
- (c) Phoenix will, in a timely manner, furnish to ZYUS all such information regarding Phoenix, its affiliates, and its securities as may be reasonably required by ZYUS in the preparation of the ZYUS Circular and other documents related thereto. Phoenix shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the ZYUS Circular in order to make any information so furnished or any information concerning Phoenix, its affiliates and its securities not misleading in light of the circumstances in which it is disclosed. Phoenix shall use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the ZYUS Circular and to the identification in the ZYUS Circular of each such advisor.
- (d) Phoenix and its Representatives shall be given a reasonable opportunity to review and comment on the ZYUS Circular, prior to the ZYUS Circular being printed and mailed to ZYUS Shareholders, and ZYUS shall give reasonable consideration to all additions, deletions or changes suggested thereto by Phoenix and its Representatives; provided that all information relating to Phoenix included in the ZYUS Circular shall be in form and content satisfactory to Phoenix, acting

reasonably. ZYUS shall provide Phoenix with a final copy of the ZYUS Circular prior to mailing to the ZYUS Shareholders.

- (e) Phoenix and ZYUS shall each promptly notify the other if at any time before the Effective Date, any of them becomes aware (in the case of Phoenix only with respect to Phoenix and in the case of ZYUS only with respect to ZYUS) that the ZYUS Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the ZYUS Circular, and the Parties shall cooperate in the preparation of any amendment or supplement to the ZYUS Circular, as required or appropriate, and ZYUS shall promptly mail or otherwise publicly disseminate any amendment or supplement to the ZYUS Circular to ZYUS Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities or any other Governmental Entity and as otherwise required.

3.5 Phoenix Meeting

Subject to the terms of this Agreement:

- (a) Phoenix agrees to convene and conduct the Phoenix Meeting for the purposes of considering the Phoenix Resolution in accordance with Phoenix's constating documents and applicable Laws as soon as reasonably practicable and in any event on or before February 28, 2023.
- (b) Phoenix will schedule the Phoenix Meeting on the same day and at the same time as the ZYUS Meeting. Phoenix will not adjourn, postpone or cancel the Phoenix Meeting without the prior written consent of ZYUS, not to be unreasonably withheld, except as required to align with the ZYUS Meeting or as otherwise permitted herein or as required for quorum purposes (in which case, the Phoenix Meeting shall be adjourned and not cancelled) or as required by applicable Laws or a Governmental Entity.
- (c) Subject to the terms of this Agreement, and compliance by the directors and officers of Phoenix with their fiduciary duties, Phoenix will use all commercially reasonable efforts to solicit proxies in favour of the approval of the Phoenix Resolution, including, if so requested by ZYUS and at ZYUS' cost, by using proxy solicitation services, designated by ZYUS, in compliance with any Laws applicable to the solicitation of proxies. Phoenix shall instruct Phoenix's transfer agent and any such proxy solicitation agents to report to ZYUS concurrently with their reports to Phoenix and to advise ZYUS as ZYUS may reasonably request as to the aggregate tally of the proxies received by Phoenix in respect of the Phoenix Resolution.
- (d) Within three days of execution of this Agreement and as soon as practicable after the record date for the Phoenix Meeting, Phoenix will deliver or cause to be delivered by its transfer agent and provided to ZYUS a list of the registered holders of Phoenix Shares, and will deliver to ZYUS thereafter on demand supplemental

lists setting out any changes thereto. For greater certainty, Phoenix will be under no obligation to provide a NOBO list or any equivalent document with respect to beneficial ownership prior to the record date for the Phoenix Meeting but will provide to ZYUS a copy of the NOBO list obtained in the ordinary course in respect of the Phoenix Meeting.

3.6 Phoenix Circular

- (a) Subject to ZYUS' compliance with Section 2.6(c), Phoenix shall prepare the Phoenix Circular in compliance with applicable Laws and file the Phoenix Circular on a timely basis, after ZYUS has obtained the Interim Order, and in any event on or before January 31, 2023 in all jurisdictions where the same is required to be filed and mail the same as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the same is required. Without limiting the generality of the foregoing, Phoenix shall, in consultation with ZYUS, use all commercially reasonable efforts to abridge the timing contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as provided in Section 2.20 thereof.
- (b) Subject to ZYUS' compliance with Section 3.6(c), Phoenix shall ensure that the Phoenix Circular complies with applicable Laws, and, without limiting the generality of the foregoing, that the Phoenix Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to ZYUS and provided by ZYUS in writing) and shall provide Phoenix Shareholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the Phoenix Meeting. The Phoenix Circular will include the recommendation of all of the members of the Phoenix Board, other than those directors that recused themselves due to conflicts, that Phoenix Shareholders vote in favour of the Phoenix Resolution, and a statement that each director, officer and certain shareholders of Phoenix intends to vote all of such director's, officer's and shareholder's Phoenix Shares in favour of the Phoenix Resolution, subject to the other terms of this Agreement and the Phoenix Lock-Up Agreements.
- (c) ZYUS will, in a timely manner, furnish to Phoenix all such information regarding ZYUS, its affiliates, and its securities as may be reasonably required by Phoenix in the preparation of the Phoenix Circular and other documents related thereto. ZYUS shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Phoenix Circular in order to make any information so furnished or any information concerning ZYUS, its affiliates and its securities not misleading in light of the circumstances in which it is disclosed. ZYUS shall also provide Phoenix with disclosure regarding ZYUS that is sufficient to allow Phoenix to rely upon the Section 3(a)(10) Exemption with respect to the distribution of the Consideration Share pursuant to the transactions described herein, and Phoenix shall include such disclosure in the form provided by ZYUS in the Phoenix Circular. ZYUS shall use commercially reasonable efforts

to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Phoenix Circular and to the identification in the Phoenix Circular of each such advisor.

- (d) ZYUS and its Representatives shall be given a reasonable opportunity to review and comment on the Phoenix Circular, prior to the Phoenix Circular being printed and mailed to Phoenix Shareholders and filed with the Securities Authorities, and Phoenix shall give reasonable consideration to all additions, deletions or changes suggested thereto by ZYUS and its Representatives; provided that all information relating to ZYUS included in the Phoenix Circular shall be in form and content satisfactory to ZYUS, acting reasonably. Phoenix shall provide ZYUS with a final copy of the Phoenix Circular prior to mailing to the Phoenix Shareholders.
- (e) Phoenix and ZYUS shall each promptly notify the other if at any time before the Effective Date, any of them becomes aware (in the case of Phoenix only with respect to Phoenix and in the case of ZYUS only with respect to ZYUS) that the Phoenix Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Phoenix Circular, and the Parties shall cooperate in the preparation of any amendment or supplement to the Phoenix Circular, as required or appropriate, and Phoenix shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Phoenix Circular to Phoenix Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities or any other Governmental Entity and as otherwise required.

3.7 Final Order

If (i) the Interim Order is obtained, (i) the Phoenix Resolution is passed at the Phoenix Meeting by the Phoenix Shareholders, and (ii) the Arrangement Resolution is passed at the ZYUS Meeting by the ZYUS Shareholders as provided for in the Interim Order and as required by applicable Law, subject to the terms of this Agreement, ZYUS shall as soon as reasonably practicable thereafter and in any event within three (3) Business Days thereafter take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 186.1 of the SBCA.

3.8 Court Proceedings

Subject to the terms of this Agreement, Phoenix will cooperate with, assist and consent to ZYUS seeking the Interim Order and the Final Order, including by providing ZYUS on a timely basis any information required to be supplied by Phoenix in connection therewith. ZYUS will provide legal counsel to Phoenix with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. ZYUS will also provide legal counsel to Phoenix on a timely basis with copies of any notice of appearance or notice of intent to oppose and any evidence served on ZYUS or its legal

counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom. Subject to applicable Law, ZYUS will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with Phoenix's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Phoenix to agree or consent to any modifications or amendments to such filed or served materials that expand or increase Phoenix's rights and obligations set forth in this Agreement. In addition, ZYUS will not object to legal counsel to Phoenix making submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; *provided that*, ZYUS is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement.

3.9 Effect on the Arrangement and Effective Date

Subject to the satisfaction or, where not prohibited by applicable Law, the waiver of the conditions set forth in Article 7 by the applicable Party for whose benefit such conditions exist (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited by applicable Law, the waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), upon the Arrangement Resolution having been approved by the ZYUS Shareholders at the ZYUS Meeting, in accordance with the Interim Order, the Phoenix Resolution having been approved by the Phoenix Shareholders at the Phoenix Meeting, and ZYUS obtaining the Final Order, the Arrangement shall be effective at the Effective Time on the Effective Date, whereupon, the transactions comprising the Arrangement shall be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality. From and after the Effective Time, the Plan of Arrangement shall have all the effects provided by applicable Law, including the SBCA.

3.10 Payment of Consideration

Phoenix shall, prior to the filing by ZYUS of the Articles of Arrangement with the Registrar, provide or cause to be provided the Depositary with an irrevocable direction for the issuance of the Consideration Shares (the terms and conditions of such escrow and direction to be satisfactory to ZYUS and Phoenix, acting reasonably) and any treasury directions addressed to Phoenix's transfer agent as may be necessary, in order to pay and deliver the Consideration Shares as provided in the Plan of Arrangement. The Parties acknowledge and agree that the ZYUS Options and ZYUS Warrants, other than those held by Phoenix which shall be cancelled in consideration for the issuance of the Phoenix Replacement Warrants, shall be exercisable, following Closing, for Phoenix Shares in accordance with the terms of the ZYUS Stock Option Plan and the warrant certificates governing the ZYUS Warrants, as applicable.

3.11 Preparation of Filings

The Parties shall cooperate in the preparation of any application for the Key Regulatory Approvals and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by

either of them to be necessary to discharge its respective obligations or otherwise advisable under applicable Laws in connection with this Agreement or the Plan of Arrangement.

3.12 Announcement and Shareholder Communications

Phoenix and ZYUS shall issue a joint press release with respect to this Agreement and the Arrangement promptly following the execution of this Agreement, the text of such announcement to be in a form approved by each of Phoenix and ZYUS in advance, acting reasonably and without delay. Each Party shall consult with the other Party prior to issuing any other press releases or otherwise making public written statements with respect to the Arrangement or this Agreement and shall provide the other Party with a reasonable opportunity to review and comment on all such press releases or public written statements prior to the release thereof. Phoenix and ZYUS agree to cooperate in the preparation of presentations, if any, to ZYUS Shareholders regarding the Plan of Arrangement; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with shareholders and financial analysts and other stakeholders so long as such statements and announcements are consistent with the most recent news releases, public disclosures or public statements made by the Parties. Without limiting the generality of the foregoing and for greater certainty, ZYUS acknowledges and agrees that Phoenix shall file, in accordance with Securities Laws, this Agreement, together with a material change report related thereto, under Phoenix's profile on SEDAR.

3.13 Withholding Taxes

Phoenix, ZYUS and the Depositary shall be entitled to deduct and withhold from all dividends, distributions, other payments or other consideration payable to any Person such amounts as Phoenix, ZYUS or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, or any provision of any applicable federal, provincial, or local tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

3.14 Phoenix Board

Phoenix shall take all necessary actions to ensure that upon the completion of the Arrangement the Phoenix Board will be reconstituted such that the Phoenix Board will be comprised solely of the ZYUS Nominees and the Phoenix Nominee, provided no such individual has been objected to by the TSX-V.

3.15 Adjustment of Consideration Shares

If on or after the date hereof, either Party, with the prior written consent of the other Party: (a) splits, consolidates or reclassifies any of its common shares; (b) undertakes any other capital reorganization; or (c) declares, sets aside or pays any dividend or other distribution to its shareholders of record as of a time prior to the Effective Date, the Parties hereto shall make such adjustments to the Arrangement, including the number or fraction of Consideration Shares deliverable per ZYUS Share under the Arrangement, as they determine acting in good faith to be necessary to restore the original intention of the Parties in the circumstances and to provide to ZYUS Shareholders the same economic effect as contemplated by this Agreement and the Plan of Arrangement prior to such action.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PHOENIX

4.1 Representations and Warranties

Phoenix hereby represents and warrants to and in favour of ZYUS as follows, except to the extent that such representations and warranties are qualified by the Phoenix Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), and acknowledges that ZYUS is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Board Approval. As of the date hereof the Phoenix Board, after consultation with its financial and legal advisors, has determined that the Arrangement is in the best interests of Phoenix and that the Exchange Ratio is fair to Phoenix and accordingly has resolved unanimously to recommend to the Phoenix Shareholders that they vote in favour of the Phoenix Resolution. The Phoenix Board has approved the Arrangement and the execution and performance of this Agreement.
- (b) Authority Relative to this Agreement. Phoenix has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Phoenix as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Phoenix and the performance by Phoenix of its obligations under this Agreement have been duly authorized by the Phoenix Board and except for obtaining Phoenix Shareholder Approval in the manner contemplated herein, no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Phoenix and, constitutes a legal, valid and binding obligation of Phoenix, enforceable against Phoenix in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) Organization and Qualification; Subsidiaries. Each of Phoenix and its subsidiary is a corporation duly incorporated, amalgamated, continued or created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or legal power and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. A true and complete copy of the constating documents of Phoenix has been provided to ZYUS. Each of Phoenix and its subsidiary is duly registered, licensed or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so registered or in good standing or to have such Permits would not have, or be expected to have, a Material Adverse Effect on Phoenix. No steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of Phoenix.
- (d) No Material Change. Since December 31, 2021, except as contemplated by this Agreement or as set out in the Phoenix Disclosure Letter:
- (i) Phoenix and its subsidiary have conducted its business only in the Ordinary Course;
 - (ii) there has not occurred any event that constituted or with the passage of time would constitute a Material Adverse Effect in respect of Phoenix and its subsidiary taken as a whole;
 - (iii) Phoenix has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Phoenix Shares;
 - (iv) Phoenix has not effected any material change in its accounting methods, principles or practices;
 - (v) other than the distribution of the Phoenix Replacement Warrants, there has been no dividend or distribution of any kind declared, paid, made by or contemplated by Phoenix on any Phoenix Shares or any other securities of Phoenix;
 - (vi) other than in the Ordinary Course, the business and property of Phoenix and its subsidiary conform in all material respects to the description thereof contained in the Phoenix Public Disclosure Record and there has not been any acquisition or sale by Phoenix or its subsidiary of any material property or assets;
 - (vii) other than in the Ordinary Course, there has not been any incurrence, assumption or guarantee by Phoenix or its subsidiary of any debt for borrowed money, any creation or assumption by Phoenix or its subsidiary of any Lien or any making by Phoenix or its subsidiary of any loan, advance or capital contribution to or investment in any other Person; and

- (viii) there has not been any material increase in or modification of the compensation payable to or to become payable by Phoenix or its subsidiary to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any material increase in severance or termination pay or any material increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors, officers, employees or consultants.
- (e) No Violations. Neither the authorization, execution and delivery of this Agreement by Phoenix nor the completion of the transactions contemplated by this Agreement or the Arrangement, nor the performance of its obligations hereunder or thereunder, nor the compliance by Phoenix with any of the provisions hereof will:
 - (i) result in a violation or breach of, constitute a default (or an event which, with notice or lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to purchase or sale under, any provision of:
 - (A) the articles of incorporation, by-laws or other constating documents of Phoenix or its subsidiary;
 - (B) any material Permit or Material Contract to which Phoenix or its subsidiary is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Phoenix or its subsidiary is bound; or
 - (C) any Laws, regulation, order, judgment or decree applicable to Phoenix or its subsidiary, or any of its their respective properties or assets;
 - (ii) give rise to any rights of first refusal or trigger any change in control provisions, rights of first offer or first refusal or any similar provisions or any restrictions or limitations under any material note, bond, mortgage, indenture, Material Contract, license, franchise or Permit to which Phoenix or its subsidiary is a party;
 - (iii) give rise to any termination or acceleration of indebtedness, or cause any third party indebtedness to come due before its stated maturity or cause any available credit to cease to be available;
 - (iv) result in the imposition of any Lien upon any of the property or assets of Phoenix or its subsidiary or restrict, hinder, impair or limit the ability of either Phoenix or its subsidiary to conduct its business as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Phoenix; or

- (v) result in any material payment (including retention, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director, officer, employee, or consultant of Phoenix or its subsidiary, or increase any benefit payable to such director, officer, employee, or consultant by Phoenix or its subsidiary, or result in the acceleration of the time of payment or vesting of any such benefits.
- (f) Required Consents. No consents, approvals or notices are required from any third party under any Material Contracts of Phoenix or its subsidiary in order for Phoenix and its subsidiary to proceed with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement and the Arrangement pursuant to the Plan of Arrangement.
- (g) Capitalization. The authorized share capital of Phoenix consists of an unlimited number of Phoenix Shares. As of the date hereof, there were issued and outstanding 5,314,103 Phoenix Shares and an aggregate of up to 32,800 Phoenix Shares were issuable upon the exercise of Phoenix Options. Section 4.1(g) of the Phoenix Disclosure Letter sets forth with respect to each Phoenix Option outstanding as of the date of this Agreement, (i) the number of Phoenix Shares issuable therefor; (ii) the purchase price payable therefor upon the exercise thereof, as applicable; and (iii) the date on which such security was granted or issued. Except for the Phoenix Options and the Plan of Arrangement, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by Phoenix of any securities of Phoenix (including Phoenix Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of Phoenix (including Phoenix Shares) or any subsidiary of Phoenix. All outstanding Phoenix Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Phoenix Shares issuable upon the exercise of Phoenix Options in accordance with their respective terms have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights or any applicable rules or policies of the TSX-V. All securities of Phoenix (including the Phoenix Shares and the Phoenix Options) have been issued and reserved, as the case may be, in compliance with all applicable Laws and Securities Laws. Other than the Phoenix Options, there are no securities of Phoenix or its subsidiary outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Phoenix Shareholders on any matter. There are no outstanding contractual or other obligations of Phoenix or its subsidiary to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities of its subsidiary. There are no outstanding bonds, debentures or other evidences of indebtedness of Phoenix or its subsidiary having the right to vote with the holders of the outstanding Phoenix Shares on any matters. Phoenix has provided ZYUS with a true and complete copy of the Phoenix Stock Option Plan and there are no contracts, commitments, agreements, arrangements or

understandings between (A) Phoenix or its subsidiary on the one hand and (B) any current holder of Phoenix Options which would result in any such security vesting solely as a result of the Arrangement. All dividends or distributions on securities of Phoenix that have been declared or authorized have been paid.

- (h) Ownership of Subsidiaries. Section 4.1(h) of the Phoenix Disclosure Letter lists, as of the date hereof, the sole subsidiary of Phoenix (including its jurisdiction of incorporation or formation). All of the outstanding shares of, or other equity interests in, the subsidiary of Phoenix is, directly or indirectly, owned by Phoenix. All the issued and outstanding shares of, or other equity interests in, the subsidiary of Phoenix, to the extent applicable, have been validly issued and are fully paid and non-assessable and are owned directly or indirectly by Phoenix free and clear of all Liens, and free of any restriction on the right to vote, sell or otherwise dispose of such shares or other equity or similar interests, and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the subsidiary of Phoenix or any other security convertible into or exchangeable for any such shares.
- (i) Reporting Status and Securities Laws Matters. Phoenix is a “reporting issuer” and not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in each of the Provinces of British Columbia, Alberta and Ontario. The Phoenix Shares are listed on the TSX-V, and Phoenix is in compliance with the rules and policies of the TSX-V and of applicable Securities Laws in all material respects. Phoenix is not subject to regulation by any other stock exchange. Other than the trading halt imposed upon the Phoenix Shares by the TSX-V in connection with this transaction, no delisting, suspension of trading in or cease trading order with respect to any securities of Phoenix and, to the knowledge of Phoenix, no inquiry or investigation (formal or informal) of any Securities Authority or the TSX-V is in effect or ongoing or, to the knowledge of Phoenix, expected to be implemented or undertaken. As of the date of this Agreement, Phoenix has not taken any action to cease to be a reporting issuer in any province or territory of Canada nor has Phoenix received notification from any Securities Authority to revoke the reporting issuer status of Phoenix.
- (j) Public Filings. Phoenix has filed all material documents required to be filed by it in accordance with applicable Securities Laws with the Securities Authorities and the TSX-V. All such documents and information comprising the Phoenix Public Disclosure Record, as of their respective dates (or, if amended, as of the date of such amendment), (1) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (2) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Phoenix Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities and the TSX-V. Phoenix has not filed any confidential material change

report with any Securities Authorities or the TSX-V that at the date of this Agreement remains confidential. To the knowledge of Phoenix, neither Phoenix nor any of the Phoenix Public Disclosure Record is subject to an ongoing audit, review, comment or investigation by any Securities Authorities or the TSX-V.

- (k) Phoenix Financial Statements. Phoenix's audited consolidated financial statements as at and for the fiscal years ended December 31, 2021 and 2020 (including the notes thereto), the auditor's report thereon and related management's discussion and analysis ("MD&A") and Phoenix's unaudited consolidated financial statements as at and for the six months ended June 30, 2022 (collectively, the "**Phoenix Financial Statements**") were prepared in accordance with IFRS consistently applied (except as such statements are otherwise indicated in such financial statements and the notes thereto and subject to normal period-end adjustments (none of which are material, individually or in the aggregate) and may omit notes which are not required by applicable Laws in the unaudited statements) and present fairly in all material respects the consolidated financial condition, results of operations, changes in financial position of Phoenix and its subsidiary as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments, none of which are material, individually or in the aggregate) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Phoenix and its subsidiary on a consolidated basis. There has been no change in Phoenix's accounting policies since December 31, 2021.
- (l) Financial Reporting. Phoenix has not failed to disclose any information regarding any event, circumstance or action taken or failed to be taken within the knowledge of Phoenix as at the date of this Agreement which could reasonably be expected to have a Material Adverse Effect on Phoenix. To the knowledge of Phoenix, prior to the date of this Agreement there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the financial reporting of Phoenix. Since December 31, 2021 Phoenix has received no: (x) complaints from its auditors, the TSX-V, or any Governmental Entity regarding accounting, internal accounting controls or auditing matters; or (y) expressions of concern from employees of Phoenix or its subsidiary regarding questionable accounting or auditing matters.
- (m) Books and Records. The financial books, records and accounts of Phoenix and each of its subsidiaries: (i) have been maintained in all material respects in accordance with applicable Laws and IFRS on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of Phoenix and each of its subsidiaries in all material respects; and (iii) accurately and fairly reflect the basis for Phoenix Financial Statements.
- (n) Minute Books. Other than as disclosed in Section 4.1(n) of the Phoenix Disclosure Letter, the corporate minute books of Phoenix and its subsidiary contain minutes of all material meetings and resolutions of its board of directors, committees of such board of directors, and shareholders, as applicable, other than those reflecting

discussions of the Arrangement, and are complete and accurate in all material respects. No material meeting, resolution or proceeding of any such shareholders, directors or committees of the board of directors of Phoenix or its subsidiary has been held or passed that has not been reflected in such minute books.

- (o) No Undisclosed Liabilities. Phoenix and its subsidiary have no outstanding indebtedness, liability or obligation (including liabilities or obligations to fund any operations or work or exploration program, to give any guarantees, or for Taxes), whether accrued, absolute, contingent or otherwise, and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those (i) fully disclosed or reflected or reserved in the Phoenix Financial Statements, or (ii) pursuant to this Agreement or the Plan of Arrangement.
- (p) Taxes.
 - (i) Phoenix has filed or caused or will cause to be filed all Returns required to be filed by applicable Law on or before the Effective Date. All such Returns are or will be correct and complete in all material respects. Phoenix has timely paid all Taxes that are due and payable by Phoenix, including all instalments on account of taxes for the current year that are due and payable by Phoenix whether or not assessed (or reassessed) by the appropriate Governmental Entity, and has, as applicable, timely remitted such Taxes to the appropriate Governmental Entity under applicable Law. Phoenix and its subsidiary have no liability for unpaid Taxes that, in the aggregate, would be expected to have a Material Adverse Effect on Phoenix. There are no Liens for Taxes upon any of the assets or properties of Phoenix except Liens for current Taxes not yet due and payable.
 - (ii) There is no material dispute or claim, including any audit, investigation or examination by any Governmental Entity, actual, pending or, to the knowledge of Phoenix, threatened, concerning any Tax liability of Phoenix, no written notice of such an audit, investigation, examination, material dispute or claim has been received by Phoenix.
 - (iii) Phoenix has not requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:
 - (A) to file any Return (which has not since been filed) in respect of any Taxes for which Phoenix is or may be liable;
 - (B) to file any elections, designations or similar filings relating to Taxes (which have not since been filed) for which Phoenix is or may be liable;

- (C) Phoenix is required to pay or remit any Taxes or amounts on account of Taxes (which have not since been paid or remitted); or
 - (D) any Governmental Entity may assess or collect Taxes for which Phoenix is liable.
- (iv) Phoenix has duly and timely deducted, collected or withheld from any amount paid or credited by it to or for the account or benefit of any Person and has duly and timely remitted the same (or is properly holding for such remittance) to the appropriate Governmental Entity all Taxes and amounts it is required by applicable Law to so deduct or collect and remit.
 - (v) Phoenix has not acquired property or services from, or disposed of property or provided services to, any Person with whom it does not deal at Arm's Length for an amount that is other than the fair market value of such property or services.
 - (vi) For all transactions between Phoenix and any Person who is not resident in Canada for purposes of the Tax Act with whom Phoenix was not dealing at Arm's Length, Phoenix has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.
 - (vii) To Phoenix's knowledge, no claim has ever been made by any Governmental Entity in a jurisdiction where Phoenix does not file Returns that Phoenix is or may be subject to Taxes or is required to file Returns in that jurisdiction.
 - (viii) There are no rulings or closing agreements relating to Phoenix which could affect Phoenix's liability for Taxes for any taxable period after the Effective Date. Phoenix has not requested an advance tax ruling from the Canada Revenue Agency or comparable rulings from other Governmental Entities.
 - (ix) Phoenix has maintained and continues to maintain in all material respects at its place of business in Canada all records and books of account required to be maintained under the Tax Act, the *Excise Tax Act* (Canada) and any comparable Law of any province or territory in Canada, including Laws relating to sales and use taxes.
 - (x) The terms and conditions made or imposed in respect of every transaction (or series of transactions) between Phoenix and any Person that is (i) a non-resident of Canada for purposes of the Tax Act, and (ii) not dealing at Arm's Length with Phoenix, do not differ from those that would have been made between Persons dealing at Arm's Length.
 - (xi) Phoenix is not party to or bound by any tax sharing agreement or tax indemnity obligation in favour of any Person or similar agreement in favour of any Person with respect to Taxes (including any advance pricing agreement or other similar agreement relating to Taxes with any

Governmental Entity). Without limiting the generality of the foregoing, Phoenix has not entered into an agreement contemplated in Section 80.04 or 191.3, or subsection 18(2.3), 125(3), 127(13) to (17) or 127(20) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.

- (xii) Phoenix will not be required to include in a tax period ending after the Effective Date any amount of net taxable income (after taking into account deductions claimed for such a period that relate to a prior period) attributable to income that accrued, or that was required to be reported for financial accounting purposes in a prior taxable period but that was not included in taxable income for that or another prior tax period.
- (xiii) There are no transactions or events that have resulted, and no circumstances existing which could result, in the application of Sections 80, 80.01, 80.02, 80.03, 80.04 of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xiv) Phoenix has not incurred any deductible outlay or expense owing to a Person not dealing at Arm's Length with Phoenix, the amount of which would, in the absence of an agreement filed under paragraph 78(1)(b) of the Tax Act, be included in Phoenix's income for Canadian income tax purposes for any taxation year or fiscal period beginning on or after the Effective Date under paragraph 78(1)(a) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xv) Phoenix has not acquired property from a Person not dealing at Arm's Length with it in circumstances that would result in Phoenix becoming liable to pay Taxes of such Person under subsection 160(1) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xvi) Phoenix is a "Canadian corporation" as defined in subsection 89(1) of the Tax Act.
- (q) Litigation. There are no claims, actions, suits, grievances, complaints, investigations or proceedings commenced, pending or, to the knowledge of Phoenix, threatened, affecting Phoenix or its subsidiary or affecting any of their property or assets or Intellectual Property at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws, which, individually or in the aggregate, if determined adversely to Phoenix or to its subsidiary, as the case may be, has or could reasonably be expected to result in liability to Phoenix in excess of \$50,000. Neither Phoenix nor its subsidiary nor their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.
- (r) Material Contracts. With respect to the Material Contracts of Phoenix:

- (i) Section 4.1(q) of the Phoenix Disclosure Letter includes a complete and accurate list of all Material Contracts to which Phoenix or its subsidiary is bound, and that are currently in force and Phoenix has made available to ZYUS for inspection true and complete copies of all such Material Contracts (or forms thereof);
 - (ii) All of the Material Contracts of Phoenix and of its subsidiary is in full force and effect, and Phoenix and its subsidiary are entitled to all rights and benefits thereunder in accordance with the terms thereof. Phoenix and its subsidiary have not waived any material rights under any Material Contract and no material default or breach exists in respect thereof on the part of Phoenix or its subsidiary or, to the knowledge of Phoenix, on the part of any other party thereto, and to the knowledge of Phoenix no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts that would reasonably be expected to result in a Material Adverse Effect on Phoenix;
 - (iii) All of the Material Contracts of Phoenix and its subsidiary are valid and binding obligations of Phoenix and its subsidiary as applicable, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;
 - (iv) As at the date hereof, neither Phoenix or its subsidiary have has received written notice that any party to a Material Contract of Phoenix or its subsidiary intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of Phoenix, no such action has been threatened;
 - (v) Neither Phoenix or its subsidiary are a party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of Phoenix or its subsidiary.
- (s) Permits.
- (i) Phoenix and its subsidiary have obtained and is in material compliance with all material Permits required by applicable Laws, necessary to conduct its current business as now being conducted;
 - (ii) There are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in material compliance with such material Permits as are necessary to conduct the business of Phoenix and its subsidiary as it is currently being conducted; and

- (iii) The execution, delivery and performance by Phoenix of its obligations under this Agreement and the consummation of the Arrangement do not require any other Permits or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than: (i) any actions or filings with the Securities Authorities and TSX-V; and (ii) any consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to materially impede or delay the ability of Phoenix to consummate the Arrangement.
- (t) Expropriation. No part of the property or assets of Phoenix or its subsidiary have been taken, condemned or expropriated by any Governmental Entity nor has any written notice or proceeding in respect thereof been given or commenced nor does Phoenix know of any intent or proposal to give such notice or commence any such proceedings.
- (u) Rights of Other Persons. No Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Phoenix or its subsidiary, or any part thereof except as disclosed in the Phoenix Financial Statements.
- (v) Environmental Matters.
 - (i) Phoenix and its subsidiary have carried on their respective businesses and operations, in compliance in all material respects with all applicable Environmental Laws and all terms and conditions of all Environmental Permits.
 - (ii) Phoenix, including its subsidiary, has not received any written order, request or notice from any Person alleging a material violation of any Environmental Law.
 - (iii) Phoenix including its subsidiary (a) is not a party to any litigation or administrative proceeding, nor is any litigation or administrative proceeding, to the knowledge of Phoenix, threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Laws, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Substances, (b) is subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws; and (c) is involved in remediation operations and does not know of any facts, circumstances or conditions, including any Release of Hazardous Substance, that, in the case of each of the foregoing clauses

(a), (b) and (c) would reasonably be expected to result in any material Environmental Liabilities.

(w) Intellectual Property.

- (i) Phoenix does not own any Registered IP other than as identified on Section 4.1(s) of the Phoenix Disclosure Letter.
- (ii) Phoenix has delivered or made available to ZYUS an accurate and complete copy of each standard form of the following documents and Contracts used by Phoenix at any time, to the extent applicable: (A) employee agreement or similar Contract containing any assignment or license of Intellectual Property or any confidentiality provision; or (B) consulting or independent contractor agreement or similar Contract containing any assignment or license of Intellectual Property or any confidentiality provision. Section 4.1(s) of the Phoenix Disclosure Letter accurately identifies each Contract concerning the subject matter of (A) or (B) that is material to Phoenix and that deviates in any material respect from the corresponding standard form described above.
- (iii) Phoenix exclusively owns all right, title and interest to and in the Phoenix IP (other than Intellectual Property licensed to Phoenix, as identified in Section 4.1(s) of the Phoenix Disclosure Letter or pursuant to commercially available third-party software and material transfer agreements entered into in the Ordinary Course) free and clear of any Liens. Without limiting the generality of the foregoing:
 - (A) all documents and instruments required to perfect the rights of Phoenix in the registered trademarks identified on Section 4.1(s) of the Phoenix Disclosure Letter have been validly executed, delivered and filed in a timely manner with the appropriate Governmental Entity;
 - (B) no current or former officer or other employee, or any individual who is a current or former independent contractor, consultant or director, of Phoenix or its subsidiary, to the knowledge of Phoenix, has any claim, right (whether or not currently exercisable) or interest to or in any Phoenix IP and each such individual who is or was involved in the creation or development of any Intellectual Property for or on behalf of Phoenix has signed a valid, enforceable agreement containing an assignment of all rights in and to such Intellectual Property to Phoenix and confidentiality provisions protecting the Phoenix IP;
 - (C) Phoenix and its subsidiary have taken all reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all proprietary information held by Phoenix and its

subsidiary, or purported to be held by Phoenix and its subsidiary, as a trade secret;

- (D) Phoenix, or its subsidiary, is not now or has ever been a member or promoter of, or a contributor to, any industry standards body or any similar organization that would reasonably be expected to require or to grant or offer to any other Person any license or right to any Phoenix IP; and
 - (E) Phoenix and its subsidiary own or otherwise have, and after the completion of the transactions contemplated by this Agreement, will continue to have, the right, through ownership, license or otherwise, to all Intellectual Property reasonably necessary to conduct the business of Phoenix and its subsidiary as conducted as of the date of this Agreement.
- (iv) All Phoenix IP that is material to the business of Phoenix and its subsidiary is valid, subsisting and, to the knowledge of Phoenix, enforceable.
 - (v) Neither the execution, delivery or performance of this Agreement nor the consummation of any of the transactions contemplated by this Agreement will, or would reasonably be expected to, with or without notice or the lapse of time, result in or give any other Person the right or option to cause, create, impose or declare: (A) a loss of, or Lien on, any Phoenix IP; (B) the release, disclosure or delivery of any Phoenix IP by or to any escrow agent or other Person; or (C) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any of the Phoenix IP.
 - (vi) To the knowledge of Phoenix, no Person has infringed, misappropriated or otherwise violated, and no Person is infringing, misappropriating or otherwise violating, any Phoenix IP. Section 4.1(s) of the Phoenix Disclosure Letter: (A) accurately identifies (and Phoenix has made available to ZYUS an accurate and complete copy of) each letter or other written or electronic communication or correspondence that has been sent or otherwise delivered by or to Phoenix or its subsidiary or any Representative of Phoenix or its subsidiary regarding any alleged or suspected infringement or misappropriation of any Phoenix IP, as of the date of this Agreement; and (B) provides a brief description of the current status of the matter referred to in such letter, communication or correspondence.
 - (vii) To the knowledge of Phoenix, the conduct of the business Phoenix and its subsidiary as previously conducted or as currently conducted violated any valid Intellectual Property of any other Person. Section 4.1(s) of the Phoenix Disclosure Letter: (A) accurately identifies (and Phoenix has made available to ZYUS an accurate and complete copy of) each letter or other written or electronic communication or correspondence that has been sent or otherwise delivered by or to Phoenix or any of its subsidiaries or any

Representative of any of Phoenix and its subsidiaries, as of the date of this Agreement regarding any alleged or suspected infringement or misappropriation of any Intellectual Property of any other Person by Phoenix or any of its subsidiaries ; and (B) provides a brief description of the current status of the matter referred to in such letter, communication or correspondence.

- (viii) No written notice of infringement, misappropriation or similar claim or Legal Proceeding involving infringement or misappropriation of any Intellectual Property of any other Person is or has been pending and served or, to the knowledge of Phoenix, pending and not served or threatened against Phoenix or its subsidiary or against any other Person who is, or has asserted or would reasonably be expected to assert that it is, entitled to be indemnified, defended, held harmless or reimbursed by Phoenix or its subsidiary with respect to such claim or proceeding (including any claim or Legal Proceeding that has been settled, dismissed or otherwise concluded).
- (ix) None of Phoenix or its subsidiary have not transferred title to, or granted any exclusive license, or granted an option to acquire title or an exclusive license, with respect to, any material Phoenix IP.
- (x) No Phoenix IP is the subject of any outstanding decree, order, judgment, settlement agreement, or stipulation restricting in any manner the use, transfer, or licensing thereof by Phoenix or its subsidiary or that may affect the validity, use or enforceability of such Phoenix IP.
- (xi) Phoenix and its subsidiary have not taken any action or failed to take any action that reasonably could be expected to result in the abandonment, cancellation, forfeiture, relinquishment, invalidation or unenforceability of any registered trademarks.
- (xii) Phoenix and its subsidiary have not entered into any services agreements under which the party performing such services has obtained rights to Phoenix IP.

(x) Compliance with Laws.

Phoenix and its subsidiary have complied in all material respects with and are not in material violation of, any applicable Laws and have not received any written notices or other correspondence from any Governmental Entity regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any material license, Permit, authorization, approval, registration or consent of a Governmental Entity relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of Phoenix and its subsidiary to operate their businesses in a manner which would have, or would reasonably be expected to have, a Material Adverse Effect on Phoenix.

- (y) Employment Matters.
- (i) Section 4.1(y) of the Phoenix Disclosure Letter sets forth a complete list of all employees and consultants of Phoenix, together with their titles, salaries and bonus (whether monetary or otherwise), with personal information anonymized, and a list of the directors and the terms of their compensation. No such employee is on long-term disability leave, extended absence or workers' compensation leave.
 - (ii) Other than as set forth in Section 4.1(y) of the Phoenix Disclosure Letter, Phoenix is not:
 - (A) a party to any written or oral agreement, arrangement, plan, obligation, policy or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Phoenix;
 - (B) a party to any collective bargaining agreement or multiemployer plan nor, to the knowledge of Phoenix, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, or to the knowledge of Phoenix, pending or threatened strikes or lockouts at Phoenix; and
 - (C) subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Phoenix, threatened, or any litigation, actual or, to the knowledge of Phoenix, threatened, relating to its employees or independent contractors (including any termination of such individuals).
 - (iii) Phoenix has been and is now in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, pending, or, to the knowledge of Phoenix, threatened proceedings before any Governmental Entity with respect to employment or labour.
 - (iv) Other than the Phoenix Stock Option Plan, Phoenix has not, and is not, subject to any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, share purchase plan, profit sharing plan, bonus plan, employee benefit plan or policy, employee group insurance plan, program policy or practice, formal or informal, with respect to its employees.
- (z) Related Party Transactions. Except as set forth in Section 4.1(z) of the Phoenix Disclosure Letter, there are no Contracts or other transactions currently in place between Phoenix or any of its subsidiaries, on the one hand, and: (i) any officer or director of Phoenix or of Phoenix's subsidiary; (ii) any holder of record or, to the knowledge of Phoenix, beneficial owner of 10% or more of the Phoenix Shares; or

(iii) to the knowledge of Phoenix, any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other hand.

- (aa) Registration Rights. No Person has any right to compel Phoenix to register or otherwise qualify the Phoenix Shares (or any of them) or any other securities of Phoenix or its subsidiary for public sale or distribution.
- (bb) Restrictions on Business Activities. There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon Phoenix or its subsidiary that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to have a Material Adverse Effect on Phoenix.
- (cc) Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Phoenix.
- (dd) Insurance. As of the date hereof, Phoenix has such policies of insurance as are listed in Section 4.1(dd) of the Phoenix Disclosure Letter. All insurance maintained by Phoenix is in full force and effect and in good standing and is in amounts and in respect of such risks as are normal and usual for companies of similar size operating in the same industry and in the locations in which Phoenix operates.
- (ee) No Cease Trade. Phoenix is not subject to any cease trade or other order of any applicable Securities Authority, except as the trading halt imposed by the TSX-V, and, to the knowledge of Phoenix, no investigation or other proceedings involving Phoenix which may operate to prevent or restrict trading of any securities of Phoenix are currently in progress or pending before any applicable Securities Authority.
- (ff) Certain Business Practices. To the knowledge of Phoenix, neither Phoenix, nor its subsidiary, nor any director, officer, agent or employee of Phoenix or its subsidiary (in their capacities as such) has:
 - (i) used or agreed to use funds for contributions, gifts, entertainment or other purposes relating to political activity in violation of Law; or
 - (ii) made or agreed to make any payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns in violation of Law.
- (gg) Material Facts not Withheld. Phoenix has not withheld and will not withhold from ZYUS prior to the Effective Time, any material facts relating to Phoenix or its subsidiary.

- (hh) Insolvency. No act or proceeding has been taken by or against Phoenix or its subsidiary in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Phoenix or its subsidiary or for the appointment of a trustee, receiver, manager or other administrator of Phoenix or its subsidiary or any of its properties or assets nor, to the knowledge of Phoenix, is any such act or proceeding threatened. Phoenix nor its subsidiary has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither Phoenix nor its subsidiary nor any of their respective properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Phoenix or its subsidiary to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.
- (ii) Real Property and Leased Properties. Phoenix and its subsidiary do not own any real property and do not lease any real or immovable property.
- (jj) Personal Property. Phoenix and its subsidiary have valid, good and marketable title to all personal property owned by them, except as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.
- (kk) Material Assets and Property. Phoenix and its subsidiary owns or has the right to use all material assets and properties currently owned or used in the business, including: (i) all Material Contracts; and (ii) all material assets and properties necessary to enable it to carry on its business as now conducted and as presently proposed to be conducted.
- (ll) No Pending Acquisitions. Phoenix or its subsidiary have not approved, are not contemplating, nor have entered into any agreement in respect of, and to the knowledge of Phoenix: (i) the purchase of any property material to Phoenix or material assets or any interest therein or the sale, transfer or other disposition of any material property of Phoenix or material assets or any interest therein currently owned, directly or indirectly, by Phoenix, whether by asset sale, transfer or sale of shares or otherwise; or (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of Phoenix) of Phoenix or its subsidiary.
- (mm) Consideration Shares. The Consideration Shares to be issued pursuant to the Arrangement, the Phoenix Shares issuable upon the exercise from time to time of the ZYUS Options in accordance with their respective terms, the Phoenix Shares issuable upon the exercise from time to time of the ZYUS Warrants in accordance with their respective terms, and the Phoenix Shares issuable upon the conversion of the Convertible Debt in accordance with their respective terms, will, when issued and delivered, be duly and validly issued by Phoenix on their respective dates of issue as fully paid and non-assessable shares and will not subject to a hold period under Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 – *Resale of Securities*) or be issued in

violation of the terms of any agreement or other understanding binding upon Phoenix at the time that such shares are issued and will be issued in compliance with the constating documents of Phoenix and all applicable Laws. As of the Effective Date, the Phoenix Shares issuable upon exercise of the ZYUS Options and ZYUS Warrants will not be issued in violation of the terms of any agreement or other understanding binding upon Phoenix at the time at which they are issued.

- (nn) Significant Shareholder. Except as disclosed in Section 4.1(nn) of the Phoenix Disclosure Letter, to the knowledge of Phoenix, no Person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to the Phoenix Shares.
- (oo) Shareholders' and Similar Agreements. Neither Phoenix nor its subsidiary is subject to any unanimous shareholders' agreement and is not a party to any shareholder, pooling, voting, voting trust or other similar arrangement or agreement relating to the ownership or voting of any of the securities of Phoenix or of its subsidiary or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in Phoenix or in its subsidiary and Phoenix has not adopted a shareholders' rights plan or any similar plan or agreement.
- (pp) Auditors. To the knowledge of Phoenix, Phoenix's auditors, who audited the Phoenix Consolidated Financial Statements as at December 31, 2021 and December 31, 2020 and provided their audit report, were, at the relevant time, independent public accountants as required under the Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between Phoenix and such auditors or any former auditors of Phoenix.
- (qq) Oil & Gas Interests. To the best of Phoenix' knowledge:
 - (i) The entities operating the property in which Phoenix holds (or held in the case of Oil & Gas Interests previously disposed of) Oil & Gas Interests have (or had in the case of Oil & Gas Interests previously disposed of) the irrevocable right to produce and sell their petroleum, natural gas and related hydrocarbons; and
 - (ii) Such entities have obtained (or had obtained in the case of Oil & Gas Interests previously disposed of) and are (or were when Phoenix owned such Oil & Gas Interests in the case of Oil & Gas Interests previously disposed of) in material compliance with all material Permits required by applicable Laws, necessary to conduct their current business as now being conducted.
 - (iii) Section 4.1(qq) of the Phoenix Disclosure Letter sets forth a list of all shares of, or other voting securities or equity or similar interests in, any corporation, partnership, joint venture, association, limited liability

company or other entity or Person that Phoenix owns, directly or indirectly, in connection with its Oil & Gas Interests.

4.2 Survival of Representations and Warranties

The representations and warranties of Phoenix contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by ZYUS and its Representatives shall not mitigate, diminish or affect the representations and warranties of Phoenix pursuant to this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF ZYUS

5.1 Representations and Warranties

ZYUS hereby represents and warrants to and in favour of Phoenix as follows, except to the extent that such representations and warranties are qualified by the ZYUS Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), and acknowledges that Phoenix is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Board Approval. As of the date hereof the ZYUS Board, after consultation with its financial and legal advisors, has determined that the Arrangement is in the best interests of ZYUS and that the Exchange Ratio is fair to ZYUS and accordingly has resolved unanimously to recommend to the ZYUS Shareholders that they vote in favour of the Arrangement Resolution. The ZYUS Board has approved the Arrangement and the execution and performance of this Agreement.
- (b) Authority Relative to this Agreement. ZYUS has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by ZYUS as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by ZYUS and the performance by ZYUS of its obligations under this Agreement have been duly authorized by the ZYUS Board and except for obtaining ZYUS Shareholder Approval, the Interim Order and the Final Order in the manner contemplated herein, no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by ZYUS and constitutes a legal, valid and binding obligation of ZYUS, enforceable against ZYUS in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) Organization and Qualification; Subsidiaries. Each of ZYUS and its subsidiaries is a corporation duly incorporated, amalgamated, continued or created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or legal power and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. A true and complete copy of the constating documents of ZYUS has been provided to Phoenix. Each of ZYUS and its subsidiaries is duly registered, licensed or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so registered or in good standing or to have such Permits would not have, or be expected to have, a Material Adverse Effect on ZYUS. No steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of ZYUS.
- (d) No Material Change. Since December 31, 2021, except as contemplated by this Agreement or as set out in the ZYUS Disclosure Letter:
- (i) Each of ZYUS and its subsidiaries has conducted its business only in the Ordinary Course;
 - (ii) there has not occurred any event that constituted or with the passage of time would constitute a Material Adverse Effect in respect of ZYUS and its subsidiaries taken as a whole;
 - (iii) ZYUS has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding ZYUS Shares;
 - (iv) ZYUS has not effected any material change in its accounting methods, principles or practices;
 - (v) there has been no dividend or distribution of any kind declared, paid or made by ZYUS on any ZYUS Shares or any other securities of ZYUS;
 - (vi) the business and property of ZYUS and each of its subsidiaries conform in all material respects to the description thereof contained in the documents made available to Phoenix and there has not been any acquisition or sale by ZYUS or any of its subsidiaries of any material property or assets; and
 - (vii) other than in the Ordinary Course, there has not been any incurrence, assumption or guarantee by ZYUS or any of its subsidiaries of any debt for borrowed money, any creation or assumption by ZYUS or any of its subsidiaries of any Lien or any making by ZYUS or any of its subsidiaries of any loan, advance or capital contribution to or investment in any other Person.
- (e) No Violations. Except as set forth in Section 5.1(e) of the ZYUS Disclosure Letter, neither the authorization, execution and delivery of this Agreement by ZYUS nor

the completion of the transactions contemplated by this Agreement or the Arrangement, nor the performance of its obligations hereunder or thereunder, nor compliance by ZYUS with any of the provisions hereof will:

- (i) result in a violation or breach of, constitute a default (or an event which, with notice or lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to purchase or sale under, any provision of:
 - (A) the articles of incorporation, by-laws or other constating documents of ZYUS or any of its subsidiaries,
 - (B) any material Permit or Material Contract to which ZYUS or any of its subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which ZYUS or any of its subsidiaries is bound, or
 - (C) any Law, regulation, order, judgment or decree applicable to ZYUS, any of its subsidiaries or any of their respective properties or assets.
 - (ii) give rise to any rights of first refusal or trigger any change in control provisions, rights of first offer or first refusal or any similar provisions or any restrictions or limitations under any material note, bond, mortgage, indenture, Material Contract, license, franchise or Permit to which ZYUS or any of its subsidiaries is a party;
 - (iii) give rise to any termination or acceleration of indebtedness, or cause any third-party indebtedness to come due before its stated maturity or cause any available credit to cease to be available;
 - (iv) result in the imposition of any Lien upon any of the property or assets of ZYUS or any of its subsidiaries or restrict, hinder, impair or limit the ability of either ZYUS or any of its subsidiaries to conduct its business as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on ZYUS; or
 - (v) result in any material payment (including retention, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director, officer or employee of ZYUS or any of its subsidiaries, or increase any benefit payable to such director, officer or employee by ZYUS or any of its subsidiaries, or result in the acceleration of the time of payment or vesting of any such benefits.
- (f) Required Consents. Except as set forth in Section 5.1(f) of the ZYUS Disclosure Letter, no consents, approvals or notices are required from any third party under

any Material Contracts of ZYUS or any of its subsidiaries in order for ZYUS or any of its subsidiaries to proceed with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement and the Arrangement pursuant to the Plan of Arrangement.

- (g) Capitalization. The authorized share capital of ZYUS consists of an unlimited number of ZYUS Shares. As of the date hereof, there were issued and outstanding 54,700,754 ZYUS Shares. As of the date hereof, an aggregate of up to 3,217,187 ZYUS Shares were issuable upon the exercise of ZYUS Options, an aggregate of up to 5,051,560 ZYUS Shares were issuable upon the exercise of ZYUS Warrants, an aggregate of up to 95,271 ZYUS Shares were issuable upon expiration of the Revon Holdback Period and an aggregate of up to approximately 22,604,767 ZYUS Shares shall become issuable upon the conversion of the ZYUS Convertible Debt immediately prior to the completion of the Arrangement (assuming the Concurrent Financing is completed at a price of C\$1.60 per Phoenix subscription receipt and the Arrangement is completed prior to February 28, 2023). Section 5.1(g) of the ZYUS Disclosure Letter sets forth: (i) a summary of the ZYUS Convertible Debt and (ii) with respect to each ZYUS Option and ZYUS Warrants outstanding as of the date of this Agreement, (A) the number of ZYUS Shares issuable therefor; (B) the purchase price payable therefor upon the exercise thereof, as applicable; and (C) the date on which such security was granted or issued. Except for the ZYUS Options, ZYUS Warrants, ZYUS Convertible Debt, ZYUS Holdback Shares, the Concurrent Financing, and the Plan of Arrangement, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by ZYUS of any securities of ZYUS (including ZYUS Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of ZYUS (including ZYUS Shares) or any subsidiary of ZYUS. All outstanding ZYUS Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all ZYUS Shares issuable upon the exercise of ZYUS Options and ZYUS Warrants, expiration of the Revon Holdback Period and the conversion of the ZYUS Convertible Debt in accordance with their respective terms have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All securities of ZYUS (including the ZYUS Shares, the ZYUS Options, the ZYUS Warrants, the ZYUS Holdback Shares and the ZYUS Convertible Debt) have been issued and reserved, as the case may be, in compliance with all applicable Laws and Securities Laws. Other than the ZYUS Options, ZYUS Warrants and ZYUS Convertible Debt, there are no securities of ZYUS or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the ZYUS Shareholders on any matter. There are no outstanding contractual or other obligations of ZYUS or any of its subsidiaries to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities of any of its subsidiaries. There are no outstanding bonds, debentures or other evidences of indebtedness of ZYUS

or any of its subsidiaries having the right to vote with the holders of the outstanding ZYUS Shares on any matters. There are no contracts, commitments, agreements, arrangements or understandings between (A) ZYUS or any of its subsidiaries on the one hand and (B) any current holder of ZYUS Options which would result in any such security vesting solely as a result of the Arrangement. All dividends or distributions on securities of ZYUS that have been declared or authorized have been paid.

- (h) Ownership of Subsidiaries. Section 5.1(h) of the ZYUS Disclosure Letter lists, as of the date hereof, each of the subsidiaries of ZYUS (including its jurisdiction of incorporation or formation). All of the outstanding shares of, and any other equity interests in, each subsidiary of ZYUS is, directly or indirectly, owned by ZYUS. All the issued and outstanding shares of, or other equity interests in, subsidiaries of ZYUS, to the extent applicable, have been validly issued and are fully paid and non-assessable and are owned directly or indirectly by ZYUS free and clear of all Liens, and free of any restriction on the right to vote, sell or otherwise dispose of such shares or other equity or similar interests, and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of any subsidiaries of ZYUS or any other security convertible into or exchangeable for any such shares. Except as set forth in Section 5.1(h) of the ZYUS Disclosure Letter, ZYUS does not own, directly or indirectly any shares of, or other voting securities or equity or similar interests in, any corporation, partnership, joint venture, association, limited liability company or other entity or Person.
- (i) Reporting Status. ZYUS is not a “reporting issuer” or the equivalent under the applicable Securities Laws of any jurisdiction of Canada.
- (j) ZYUS Financial Statements. ZYUS’ audited consolidated financial statements as at and for the fiscal years ended December 31, 2020 and December 31, 2021 (including the notes thereto) (collectively, the “**ZYUS Financial Statements**”) were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto, and such statements are otherwise subject to normal period-end adjustments (none of which are material, individually or in the aggregate) and may omit notes which are not required by applicable Laws in the unaudited statements) and present fairly in all material respects the consolidated financial condition, results of operations and changes in financial position of ZYUS and each of its subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments, none of which are material, individually or in the aggregate) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of ZYUS and each of its subsidiaries on a consolidated basis. There has been no material change in ZYUS’ accounting policies since December 31, 2021.
- (k) Financial Reporting. ZYUS has not failed to disclose any information regarding any event, circumstance or action taken or failed to be taken within the knowledge

of ZYUS as at the date of this Agreement which could reasonably be expected to have a Material Adverse Effect on ZYUS. To the knowledge of ZYUS, prior to the date of this Agreement there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the financial reporting of ZYUS. Since December 31, 2021 ZYUS has received no: (x) complaints from its auditors or any Governmental Entity regarding accounting, internal accounting controls or auditing matters; or (y) expressions of concern from employees of ZYUS or any of its subsidiaries regarding questionable accounting or auditing matters.

- (l) Books and Records. The financial books, records and accounts of ZYUS and each of its subsidiaries: (i) have been maintained in all material respects in accordance with applicable Laws and IFRS on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of ZYUS and each of its subsidiaries in all material respects; and (iii) accurately and fairly reflect the basis for the ZYUS Financial Statements.
- (m) Minute Books. The corporate minute books of ZYUS and each of its subsidiaries contain minutes of all material meetings and resolutions of its board of directors, committees of such board of directors and shareholders, as applicable, other than those reflecting discussions of the Arrangement, and are complete and accurate in all material respects. No material meeting, resolution or proceeding of any such shareholders, directors or committees of the board of directors of ZYUS or any of its subsidiaries has been held or passed that has not been reflected in such minute books.
- (n) No Undisclosed Liabilities. ZYUS and each of its subsidiaries have no outstanding indebtedness, liability or obligation (including liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person other than those (i) fully disclosed or reflected or reserved in the ZYUS Financial Statements, (ii) disclosed in Schedule 5.1(n) of the ZYUS Disclosure Letter or (iii) pursuant to this Agreement or the Plan of Arrangement.
- (o) Taxes. Except as set forth in Section 5.1(o) of the ZYUS Disclosure Letter:
 - (i) ZYUS has filed or caused or will cause to be filed all Returns required to be filed by applicable Law on or before the Effective Date. All such Returns are or will be correct and complete in all material respects. ZYUS has timely paid all Taxes that are due and payable by ZYUS, including all instalments on account of taxes for the current year that are due and payable by ZYUS whether or not assessed (or reassessed) by the appropriate Governmental Entity, and has, as applicable, timely remitted such Taxes to the appropriate Governmental Entity under applicable Law. ZYUS and each of its

subsidiaries have no liability for unpaid Taxes that, in the aggregate, would be expected to have a Material Adverse Effect on ZYUS. There are no Liens for Taxes upon any of the assets or properties of ZYUS except Liens for current Taxes not yet due and payable.

- (ii) There is no material dispute or claim, including any audit, investigation or examination by any Governmental Entity, actual, pending or, to the knowledge of ZYUS, threatened, concerning any Tax liability of ZYUS, no written notice of such an audit, investigation, examination, material dispute or claim has been received by ZYUS.
- (iii) ZYUS has not requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which:
 - (A) to file any Return (which has not since been filed) in respect of any Taxes for which ZYUS is or may be liable;
 - (B) to file any elections, designations or similar filings relating to Taxes (which have not since been filed) for which ZYUS is or may be liable;
 - (C) ZYUS is required to pay or remit any Taxes or amounts on account of Taxes (which have not since been paid or remitted); or
 - (D) any Governmental Entity may assess or collect Taxes for which ZYUS is liable.
- (iv) ZYUS has duly and timely deducted, collected or withheld from any amount paid or credited by it to or for the account or benefit of any Person and has duly and timely remitted the same (or is properly holding for such remittance) to the appropriate Governmental Entity all Taxes and amounts it is required by applicable Law to so deduct or collect and remit.
- (v) ZYUS has not acquired property or services from, or disposed of property or provided services to, any Person with whom it does not deal at Arm's Length for an amount that is other than the fair market value of such property or services.
- (vi) For all transactions between ZYUS and any Person who is not resident in Canada for purposes of the Tax Act with whom ZYUS was not dealing at Arm's Length, ZYUS has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.
- (vii) To ZYUS' knowledge, no claim has ever been made by any Governmental Entity in a jurisdiction where ZYUS does not file Returns that ZYUS is or may be subject to Taxes or is required to file Returns in that jurisdiction.

- (viii) There are no rulings or closing agreements relating to ZYUS which could affect ZYUS' liability for Taxes for any taxable period after the Effective Date. ZYUS has not requested an advance tax ruling from the Canada Revenue Agency or comparable rulings from other Governmental Entities.
- (ix) ZYUS has maintained and continues to maintain in all material respects at its place of business in Canada all records and books of account required to be maintained under the Tax Act, the Excise Tax Act (Canada) and any comparable Law of any province or territory in Canada, including Laws relating to sales and use taxes.
- (x) The terms and conditions made or imposed in respect of every transaction (or series of transactions) between ZYUS and any Person that is (i) a non-resident of Canada for purposes of the Tax Act, and (ii) not dealing at Arm's Length with ZYUS, do not differ from those that would have been made between Persons dealing at Arm's Length.
- (xi) ZYUS is not party to or bound by any tax sharing agreement or tax indemnity obligation in favour of any Person or similar agreement in favour of any Person with respect to Taxes (including any advance pricing agreement or other similar agreement relating to Taxes with any Governmental Entity). Without limiting the generality of the foregoing, ZYUS has not entered into an agreement contemplated in Section 80.04 or 191.3 or subsection 18(2.3), 125(3), 127(13) to (17) or 127(20) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xii) ZYUS will not be required to include in a tax period ending after the Effective Date any amount of net taxable income (after taking into account deductions claimed for such a period that relate to a prior period) attributable to income that accrued, or that was required to be reported for financial accounting purposes in a prior taxable period but that was not included in taxable income for that or another prior tax period.
- (xiii) There are no transactions or events that have resulted, and no circumstances existing which could result, in the application of Sections 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xiv) ZYUS has not incurred any deductible outlay or expense owing to a Person not dealing at Arm's Length with ZYUS, the amount of which would, in the absence of an agreement filed under paragraph 78(1)(b) of the Tax Act, be included in ZYUS's income for Canadian income tax purposes for any taxation year or fiscal period beginning on or after the Effective Date under paragraph 78(1)(a) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.

- (xv) ZYUS has not acquired property from a Person not dealing at Arm's Length with it in circumstances that would result in ZYUS becoming liable to pay Taxes of such Person under subsection 160(1) of the Tax Act or any analogous provision of any comparable Law of any province or territory of Canada.
- (xvi) ZYUS is a "Canadian corporation" as defined in subsection 89(1) of the Tax Act.
- (p) Litigation. There are no claims, actions, suits, grievances, complaints, investigations or proceedings commenced, pending or, to the knowledge of ZYUS, threatened affecting ZYUS or any of its subsidiaries or affecting any of their respective material property or assets or Intellectual Property at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws which, individually or in the aggregate, if determined adversely to ZYUS or to any of its subsidiaries, as the case may be, has or could reasonably be expected to result in liability to ZYUS in excess of \$50,000. Neither ZYUS nor any of its subsidiaries nor any of their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.
- (q) Material Contracts. With respect to the Material Contracts of ZYUS:
 - (i) Section 5.1(q) of the ZYUS Disclosure Letter includes a complete and accurate list of all Material Contracts to which ZYUS or any of its subsidiaries are bound and that are currently in force and ZYUS has made available to Phoenix for inspection true and complete copies of all such Material Contracts (or forms thereof).
 - (ii) All of the Material Contracts of ZYUS and each of its subsidiaries are in full force and effect, and ZYUS and each of its subsidiaries are entitled to all rights and benefits thereunder in accordance with the terms thereof. ZYUS and each of its subsidiaries have not waived any material rights under any Material Contract and no material default or breach exists in respect thereof on the part of ZYUS or any of its subsidiaries, other than past due payables set out in Section 5.1(q)(ii) of the ZYUS Disclosure Letter, or, to the knowledge of ZYUS, on the part of any other party thereto, and to the knowledge of ZYUS no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts that would reasonably be expected to result in a Material Adverse Effect on ZYUS.
 - (iii) All of the Material Contracts of ZYUS and each of its subsidiaries are valid and binding obligations of ZYUS and its subsidiaries, as applicable, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

- (iv) As at the date hereof, neither ZYUS or its subsidiaries have received written notice that any party to a Material Contract of ZYUS or any of its subsidiaries intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of ZYUS, no such action has been threatened.
- (v) Neither ZYUS or any of its subsidiaries are a party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of ZYUS or any of its subsidiaries.
- (r) Permits.
 - (i) Each of ZYUS and each of its subsidiaries has obtained and is in material compliance with all material Permits required by applicable Laws, necessary to conduct its current business as now being conducted;
 - (ii) There are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in material compliance with such material Permits as are necessary to conduct the business of ZYUS and each of its subsidiaries as it is currently being conducted.
 - (iii) The execution, delivery and performance by ZYUS of its obligations under this Agreement and the consummation of the Arrangement do not require any other Permits or other action by or in respect of, or filing with, or notification to, any Governmental Entity other than consents, waivers, approvals or actions or filings or notifications, the absence of which would not reasonably be expected to materially impede or delay the ability of ZYUS to consummate the Arrangement.
- (s) Expropriation. No part of the property or assets of ZYUS or any of its subsidiaries has been taken, condemned or expropriated by any Governmental Entity nor has any written notice or proceeding in respect thereof been given or commenced nor does ZYUS know of any intent or proposal to give such notice or commence any such proceedings.
- (t) Rights of Other Persons. No Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by ZYUS or any of its subsidiaries, or any part thereof, except as disclosed in the ZYUS Financial Statements.
- (u) Environmental Matters.
 - (i) ZYUS and each of its subsidiaries have carried on their respective businesses and operations in compliance in all material respects with all applicable Environmental Laws and all terms and conditions of all Environmental Permits;

- (ii) ZYUS, including each of its subsidiaries has not received any written order, request or notice from any Person alleging a material violation of any Environmental Law;
 - (iii) ZYUS, including each of its subsidiaries (a) is not a party to any litigation or administrative proceeding, nor is any litigation or administrative proceeding, to the knowledge of ZYUS, threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Laws, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Substances, (b) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws and (c) is not involved in remediation operations and does not know of any facts, circumstances or conditions, including any Release of Hazardous Substance, that, in the case of each of the foregoing clauses (a), (b) and (c) would reasonably be expected to result in any material Environmental Liabilities.
- (v) Intellectual Property.
- (i) ZYUS does not own any Registered IP other than as identified on Section 5.1(v) of the ZYUS Disclosure Letter;
 - (ii) ZYUS has delivered or made available to Phoenix an accurate and complete copy of each standard form of the following documents and Contracts used by ZYUS at any time, to the extent applicable: (A) terms and conditions with respect to the clinical testing of any ZYUS Product; (B) employee agreement or similar Contract containing any assignment or license of Intellectual Property or any confidentiality provision; or (C) consulting or independent contractor agreement or similar Contract containing any assignment or license of Intellectual Property or any confidentiality provision. Section 5.1(v) of the ZYUS Disclosure Letter accurately identifies each Contract concerning the subject matter of (A), (B) or (C) that is material to ZYUS and that deviates in any material respect from the corresponding standard form described above;
 - (iii) ZYUS exclusively owns all right, title and interest to and in the ZYUS IP (other than Intellectual Property licensed to ZYUS, as identified in Section 5.1(v) of the ZYUS Disclosure Letter or pursuant to commercially available third-party software and material transfer agreements entered into in the Ordinary Course) free and clear of any Liens. Without limiting the generality of the foregoing:

- (A) all documents and instruments required to perfect the rights of ZYUS in the registered trademarks identified on Section 5.1(v) of the ZYUS Disclosure Letter have been validly executed, delivered and filed in a timely manner with the appropriate Governmental Entity;
 - (B) no current or former officer or other employee, or any individual who is a current or former independent contractor, consultant or director, of ZYUS or any of its subsidiaries, to the knowledge of ZYUS, has any claim, right (whether or not currently exercisable) or interest to or in any ZYUS IP and each such individual who is or was involved in the creation or development of any Intellectual Property for or on behalf of ZYUS has signed a valid, enforceable agreement containing an assignment of all rights in and to such Intellectual Property to ZYUS and confidentiality provisions protecting the ZYUS IP;
 - (C) ZYUS and each of its subsidiaries have taken all reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all proprietary information held by ZYUS and each of its subsidiaries, or purported to be held by ZYUS and its subsidiaries, as a trade secret;
 - (D) ZYUS, and each of its subsidiaries, is not now or has ever been a member or promoter of, or a contributor to, any industry standards body or any similar organization that would reasonably be expected to require or ZYUS or its subsidiaries to grant or offer to any other Person any license or right to any ZYUS IP; and
 - (E) ZYUS and each of its subsidiaries own or otherwise have, and after the completion of the transactions contemplated by this Agreement, will continue to have, the right, through ownership, license or otherwise, to all Intellectual Property reasonably necessary to conduct the business of ZYUS and each of its subsidiaries as conducted as of the date of this Agreement;
- (iv) All ZYUS IP that is material to the business of ZYUS and each of its subsidiaries is valid, subsisting and, to the knowledge of ZYUS, enforceable;
 - (v) Neither the execution, delivery or performance of this Agreement nor the consummation of any of the transactions contemplated by this Agreement will, or would reasonably be expected to, with or without notice or the lapse of time, result in or give any other Person the right or option to cause, create, impose or declare: (A) a loss of, or Lien on, any ZYUS IP; (B) the release, disclosure or delivery of any ZYUS IP by or to any escrow agent or other Person; or (C) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any of the ZYUS IP;

- (vi) To the knowledge of ZYUS, no Person has infringed, misappropriated or otherwise violated, and no Person is infringing, misappropriating or otherwise violating, any ZYUS IP;
- (vii) To the knowledge of ZYUS, the conduct of the business of ZYUS and each of its subsidiaries as previously conducted or as currently conducted including, without limitation, the development, manufacture, use, import, export, offer for sale, sale or other commercialization of any of the ZYUS Products, does not and has not infringed (directly, contributorily, by inducement or otherwise), misappropriated or otherwise violated any valid Intellectual Property of any other Person. Section 5.1(v) of the ZYUS Disclosure Letter: (A) accurately identifies (and ZYUS has made available to Phoenix an accurate and complete copy of) each letter or other written or electronic communication or correspondence that has been sent or otherwise delivered by or to ZYUS or any of its subsidiaries or any Representative of any of ZYUS and its subsidiaries, as of the date of this Agreement regarding any alleged or suspected infringement or misappropriation of any Intellectual Property of any other Person by ZYUS or any of its subsidiaries or any of the ZYUS Products; and (D) provides a brief description of the current status of the matter referred to in such letter, communication or correspondence.
- (viii) No written notice of infringement, misappropriation or similar claim or Legal Proceeding involving infringement or misappropriation of any Intellectual Property of any other Person is or has been pending and served or, to the knowledge of ZYUS, pending and not served or threatened against ZYUS or its subsidiaries or against any other Person who is, or has asserted or would reasonably be expected to assert that it is, entitled to be indemnified, defended, held harmless or reimbursed by ZYUS or any of its subsidiaries with respect to such claim or proceeding (including any claim or Legal Proceeding that has been settled, dismissed or otherwise concluded);
- (ix) None of ZYUS or any of its subsidiaries have transferred title to, or granted any exclusive license, or granted an option to acquire title or an exclusive license, with respect to, any material ZYUS IP;
- (x) No ZYUS IP is the subject of any outstanding decree, order, judgment, settlement agreement, or stipulation restricting in any manner the use, transfer, or licensing thereof by ZYUS or any of its subsidiaries, or that may affect the validity, use or enforceability of such ZYUS IP;
- (xi) ZYUS and each of its subsidiaries have not taken any action or failed to take any action that reasonably could be expected to result in the abandonment, cancellation, forfeiture, relinquishment, invalidation or unenforceability of any registered trademarks identified on Section 5.1(v) of the ZYUS Disclosure Letter; and

(xii) Except as disclosed in Section 5.1(v)(xii) of the Disclosure Letter, ZYUS and each of its subsidiaries has not entered into any services agreements under which the party performing such services has obtained rights to ZYUS Intellectual Property.

(w) Status of ZYUS Products.

- (i) Section 5.1(w) of the ZYUS Disclosure Letter sets out a complete list of all material products that are designed, manufactured, marketed, licensed, leased, sold, performed, made available or otherwise distributed or disposed of by ZYUS or any of its subsidiaries (including, to the extent included in the intellectual property owned by ZYUS, any part of any product or service that ZYUS or any of its subsidiaries designs, manufactures, markets, licenses, sells, performs, makes available or, in connection with ZYUS' business, otherwise distributes or disposes of) (the “**ZYUS Products**”).
- (ii) ZYUS or its subsidiaries have the Permits and approvals to market, use, distribute, offer for sale, sale or other commercialization of the ZYUS Products in Canada.
- (iii) There have been no adverse regulatory actions taken (nor, to the knowledge of ZYUS, threatened in writing) by any Governmental Entity with respect to any ZYUS Products.

(x) Compliance with Laws.

- (i) ZYUS and each of its subsidiaries have complied in all material respects with and are not in material violation of any applicable Laws and have not received any written notices or other correspondence from any Governmental Entity regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, modification of, or a refusal to issue, any material license, Permit, authorization, approval, registration or consent of a Governmental Entity relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of ZYUS and each of its subsidiaries to operate their businesses in a manner which would have, or would reasonably be expected to have, a Material Adverse Effect on ZYUS.
- (ii) To the knowledge of ZYUS, the studies, tests and nonclinical, preclinical, safety, and clinical studies and testing, if any, conducted by ZYUS and its subsidiaries relating to any ZYUS Product and product of any of its subsidiaries, and, if still pending, are being conducted in all material respects in accordance with standard and accepted medical and professional scientific research procedures and all applicable Laws; the descriptions of the results of such studies, tests and trials provided to Phoenix are accurate in all material respects; none of ZYUS or any of its subsidiaries have received any written notices or correspondence from any applicable Governmental Entity requiring the termination, suspension, material

modification or clinical hold of any such studies, tests or trials conducted by or on behalf of ZYUS or any of its subsidiaries, which termination, suspension, material modification or clinical hold would reasonably be expected to result in a Material Adverse Effect on ZYUS. Research involving human subjects conducted by or on behalf of ZYUS and each of its subsidiaries: (i) was approved by an institutional review board, if required, (ii) had the informed consent of the subjects, if required, and (iii) to knowledge of ZYUS, did not involve any investigator who has been disqualified as a clinical investigator by the United States Food and Drug Administration or any other Governmental Entity or has been found by any agency with jurisdiction to have engaged in scientific misconduct.

(y) Employment Matters.

- (i) Section 5.1(y) of the ZYUS Disclosure Letter sets forth a complete list of all employees and consultants of ZYUS, together with their titles, salaries and bonus (whether monetary or otherwise), with personal information anonymized, and a list of the directors and the terms of their compensation. No such employees are on long-term disability leave, extended absence or workers' compensation leave.
- (ii) Other than set forth in Section 5.1(y) of the ZYUS Disclosure Letter, ZYUS is not:
 - (A) a party to any written or oral agreement, arrangement, plan, obligation, policy or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of ZYUS;
 - (B) a party to any collective bargaining agreement or multiemployer plan nor, to the knowledge of ZYUS, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, or to the knowledge of ZYUS, pending or threatened strikes or lockouts at ZYUS; and
 - (C) subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of ZYUS, threatened, or any litigation, actual or, to the knowledge of ZYUS, threatened, relating to its employees or independent contractors (including any termination of such individuals).
- (iii) ZYUS has been and is now in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, pending, or, to the knowledge of ZYUS, threatened proceedings before any Governmental Entity with respect to employment or labour.

- (iv) Other than the ZYUS Stock Option Plan, Omnibus Equity Compensation Plan or as disclosed in the ZYUS Disclosure Letter, ZYUS has not, and is not, subject to any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, stock option or share purchase plan, profit sharing plan, bonus plan, employee benefit plan or policy, employee group insurance plan, program policy or practice, formal or informal, with respect to its employees.
- (z) Related Party Transactions. Except as set forth in Section 5.1(z) of the ZYUS Disclosure Letter, there are no Contracts or other transactions currently in place between ZYUS or any of its subsidiaries, on the one hand, and: (i) any officer or director of ZYUS or any of its subsidiaries; (ii) any holder of record or, to the knowledge of ZYUS, beneficial owner of 10% or more of the ZYUS Shares; and (iii) to the knowledge of ZYUS, any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other hand.
- (aa) Registration Rights. No Person has any right to compel ZYUS to register or otherwise qualify the ZYUS Shares (or any of them) or any other securities of ZYUS or any of its subsidiaries for public sale or distribution.
- (bb) Restrictions on Business Activities. There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon ZYUS or any of its subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to have a Material Adverse Effect on ZYUS.
- (cc) Brokers. Except as set out in Section 5.1(cc) of the ZYUS Disclosure Letter, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of ZYUS, and the aggregate amount of such fees that may become payable in respect of all such arrangements is set out in Section 5.1(cc) to the ZYUS Disclosure Letter.
- (dd) Insurance. As of the date hereof, ZYUS has such policies of insurance as are listed in Section 5.1(dd) of the ZYUS Disclosure Letter. All insurance maintained by ZYUS is in full force and effect and is in amounts and in respect of such risks as are normal and usual for companies of similar size operating in the same industry and in the location in which ZYUS operates.
- (ee) No Cease Trade. ZYUS is not subject to any cease trade or other order of any applicable Securities Authority and, to the knowledge of ZYUS, no investigation or other proceedings involving ZYUS which may operate to prevent or restrict trading of any securities of ZYUS are currently in progress or pending before any applicable Securities Authority.

- (ff) Certain Business Practices. To the knowledge of ZYUS, neither ZYUS, nor any of its subsidiaries nor any director, officer, agent or employee of ZYUS or any of its subsidiaries (in their capacities as such) has:
- (i) used or agreed to use funds for contributions, gifts, entertainment or other purposes relating to political activity in violation of Law; or
 - (ii) made or agreed to make any payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns in violation of Law.
- (gg) Material Facts not Withheld. ZYUS has not withheld and will not withhold from Phoenix prior to the Effective Time, any material facts relating to ZYUS or any of its subsidiaries.
- (hh) Insolvency. No act or proceeding has been taken by or against ZYUS or any of its subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of ZYUS or any of its subsidiaries or for the appointment of a trustee, receiver, manager or other administrator of ZYUS or any of its subsidiaries or any of its properties or assets nor, to the knowledge of ZYUS, is any such act or proceeding threatened. Notwithstanding the previous sentence, ZYUS may dissolve the following subsidiaries prior to the Effective Date: ZYUS S.H. Bio Manufacturing Pty. Ltd., ZYUS Life Sciences Europe Sarl and ZYUS Life Sciences Germany GmbH. ZYUS (nor any of its subsidiaries) has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither ZYUS nor any of its subsidiaries nor any of their respective properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of ZYUS or any of its subsidiaries to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.
- (ii) Real Property and Leased Properties.
- (i) Section 5.1(ii) of the ZYUS Disclosure Letter sets forth complete and accurate copies of all certificates of title for all real or immovable property owned by ZYUS or any of its subsidiaries.
 - (ii) Section 5.1(ii) of the ZYUS Disclosure Letter includes a complete and accurate list of all leases and subleases for real and immovable property meeting the definition of Material Contracts hereunder which are leased or subleased by ZYUS or any of its subsidiaries (the “**ZYUS Leased Properties**”) and ZYUS has made available to Phoenix for inspection true and complete copies of all such Material Contracts (or forms thereof).
 - (iii) With respect to all ZYUS Leased Properties, other than as disclosed in Section 5.1(ii) of the ZYUS Disclosure Letter: (A) each lease or sublease in

respect thereof is in good standing, legal, valid, binding and in full force and effect and is a legal, valid, binding obligation of, and is enforceable against, each other party thereto in accordance with its terms subject to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies, such as specific performance and injunction; and (B) there is no event of breach or default, or any event which, with the giving of notice, the lapse of time or both, would become an event of default, under any such lease or sublease and, to the knowledge of ZYUS, none of ZYUS or any of its subsidiaries has received or delivered any notice of any material breach of, or default under, any such lease or sublease.

- (jj) Personal Property. ZYUS and each of its subsidiaries have valid, good and marketable title to all personal property owned by them, except as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.
- (kk) Material Assets and Property. ZYUS and each of its subsidiaries owns or has the right to use all material assets and properties currently owned or used in the business, including: (i) all Material Contracts; and (ii) all material assets and properties necessary to enable it to carry on its business as now conducted and as presently proposed to be conducted.
- (ll) No Pending Acquisitions. ZYUS (or any of its subsidiaries) has not approved, is not contemplating, nor has it entered into any agreement in respect of, and to the knowledge of ZYUS: (i) the purchase of any property material to ZYUS or material assets or any interest therein or the sale, transfer or other disposition of any material property of ZYUS or material assets or any interest therein currently owned, directly or indirectly, by ZYUS, whether by asset sale, transfer or sale of shares or otherwise; or (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of ZYUS) of ZYUS (or any of its subsidiaries).
- (mm) Significant Shareholder. Except as disclosed in Section 5.1(mm) of the ZYUS Disclosure Letter, to the knowledge of ZYUS, no Person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the votes attached to the ZYUS Shares.
- (nn) Shareholders' and Similar Agreements. Neither ZYUS nor any of its subsidiaries is subject to any unanimous shareholders' agreement and is not a party to any shareholder, pooling, voting, voting trust or other similar arrangement or agreement relating to the ownership or voting of any of the securities of ZYUS or of any of its subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in ZYUS or in any of its subsidiaries and ZYUS has not adopted a shareholders' rights plan or any similar plan or agreement.

- (oo) Auditors. To the knowledge of ZYUS, ZYUS's auditors, who audited the ZYUS Annual Financial Statements and Notes as at December 31, 2021 and provided their audit report, were, at the relevant time, independent public accountants as required under the Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between ZYUS and such auditors or any former auditors of ZYUS.

5.2 Survival of Representations and Warranties

The representations and warranties of ZYUS contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Phoenix and its Representatives shall not mitigate, diminish or affect the representations and warranties of ZYUS pursuant to this Agreement.

ARTICLE 6 COVENANTS OF PHOENIX AND ZYUS

6.1 Covenants of Phoenix Regarding the Conduct of Business

- (a) Phoenix covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, required by applicable Laws or any Governmental Entities or consented to by ZYUS in writing (which consent shall not be unreasonably withheld or delayed), Phoenix shall, and shall cause its subsidiary to conduct its business in the Ordinary Course, and use commercially reasonable efforts to maintain and preserve their respective business organization, assets, employees, goodwill and business relationships. Without limiting the generality of the foregoing, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, Phoenix shall not, and shall cause its subsidiary not to, directly or indirectly, without the prior written consent of ZYUS (such consent not to be unreasonably withheld, conditioned or delayed):
- (i) take any action other than in the Ordinary Course or as otherwise required or permitted pursuant to this Agreement;
 - (ii) (i) amend its or its subsidiary's by-laws, articles or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of Phoenix or its subsidiary; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of Phoenix or its subsidiary, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Phoenix or its subsidiary, other than the issuance of Phoenix Shares pursuant to the terms of the outstanding Phoenix Options and other than Replacement Options issued in accordance with section 6.1(a)(v) below; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or

otherwise acquire, any outstanding securities of Phoenix or its subsidiary, (v) amend the terms of any of its securities; (vi) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Phoenix or its subsidiary; (vii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (viii) enter into any agreement with respect to any of the foregoing;

- (iii) (i) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any investment, other than in the Ordinary Course, either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other Person other than pursuant to a Contract in existence on the date hereof; (ii) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other 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 Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof or entered into in the Ordinary Course; (iii) waive, release, grant or transfer any rights of material value; or (iv) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (iv) except in the Ordinary Course (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer any assets, tangible or intangible, securities, properties, interests or businesses of Phoenix or its subsidiary; or (ii) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (v) other than in the Ordinary Course or as is necessary to comply with applicable Laws or Material Contracts: (i) grant to any officer, employee, consultant or director of Phoenix or its subsidiary an increase in compensation in any form, or grant any general salary increase; (ii) make any loan to any officer, employee, consultant or director of Phoenix or its subsidiary; (iii) take any action with respect to the grant of any severance, change of control, bonus or termination pay to, or enter into any employment agreement, deferred compensation or other similar agreement (or amend any such existing agreement) with, or hire any officer, employee, consultant or director of Phoenix or its subsidiary; (iv) increase any benefits payable under any existing severance or termination pay policies or employment agreements, or adopt or materially amend any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors, officers, employees, consultants or former directors, officers, employees or consultants of Phoenix or its subsidiary; (v) increase bonus levels or other benefits payable

to any director, executive officer, consultant or employee of Phoenix or its subsidiary; or (vi) provide for accelerated vesting, removal of restrictions or an exercise of any share based or share related awards (including stock options, share appreciation rights, deferred share units, performance units and restricted share awards) upon a change of control occurring on or prior to the Effective Time provided that for greater certainty, nothing in this Agreement shall prevent Phoenix from granting a number of stock options in accordance with the Phoenix Stock Option Plan equal to: (i) the number of Phoenix Options outstanding on the date hereof that are not exercised and expire prior to the Closing date (the “**Legacy Options**”) provided that there shall be no more than 33,000 Legacy Options; and (ii) 157,919 stock options currently available for grant under the Phoenix Stock Option Plan (the “**Available Options**” and together with the Legacy Options, the “**Replacement Options**”), in which event, Phoenix may:

- (A) Issue the Replacement Options provided that the exercise price of the Replacement Options is not less than the price at which the Concurrent Financing is undertaken adjusted by the Exchange Ratio; and
- (B) The Replacement Options are issued having an expiry date that is no later than 180 days after the Effective Date;

provided that the recipient of any Replacement Options enter into a lock up agreement with ZYUS on substantially the same terms as the lock up agreement entered into with holders of the convertible promissory notes issued by ZYUS, which lock up agreements shall impose resale restrictions on any Phoenix Shares owned or controlled by the holder of the Replacement Options for a period of 180 days from the Effective Date, subject to 30% of the Phoenix Shares being released from such resale restrictions on that date which is 90 days from the Effective Date.

- (vi) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any material action, claim or proceeding brought against Phoenix or its subsidiary; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (vii) declare any dividend, or make any other distribution whatsoever to its securityholders;
- (viii) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Phoenix or its subsidiary or any successor thereto from conducting its business in the Ordinary Course, or that would, after the Effective Time, limit or restrict in any material respect Phoenix or its subsidiary from competing in any manner;

- (ix) waive, release or assign any material rights, claims or benefits of Phoenix or its subsidiary;
 - (x) amend or change any of its methods of reporting income deductions or accounting for Tax purposes, make, amend or rescind any Tax election, file any amended Return, settle or compromise any Tax claim, action, litigation, proceeding, arbitration, investigation, audit, controversy, assessment, reassessment or liability, agree to an extension or waiver of the limitation period with respect to the assessment, reassessment or determination of Taxes, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax abatement, reduction, deduction, exemption, credit or refund;
 - (xi) make a request for a Tax ruling or enter into any material agreement with a Governmental Entity with respect to Taxes.
 - (xii) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Phoenix to consummate the Arrangement or the other transactions contemplated by this Agreement;
 - (xiii) enter into a new line of business or abandonment or discontinuance of existing lines of business; or
 - (xiv) agree, resolve or commit to do any of the foregoing.
- (b) Phoenix shall use commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Phoenix or its subsidiary, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to Section 8.4, none of Phoenix or its subsidiary shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.
- (c) Phoenix shall promptly notify ZYUS in writing of any circumstance or development that, to the knowledge of Phoenix, is or could reasonably be expected to constitute a Material Adverse Effect.
- (d) Phoenix shall use commercially reasonable efforts to provide any assistance reasonably requested by ZYUS and at ZYUS's cost to permit its common shares to be listed for trading on the OTC Pink Sheets after the Effective Date.

- (e) Phoenix shall use commercially reasonable efforts to be in compliance with the rules and policies of the TSX-V and the Phoenix Shares shall be listed for trading thereon.

6.2 Covenants of Phoenix Relating to the Arrangement

Phoenix shall and shall cause its subsidiary to perform all obligations required or desirable to be performed by Phoenix or its subsidiary under this Agreement, co-operate with ZYUS in connection therewith, and do or cause to be done all such further acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement, including the execution and delivery of such documents as ZYUS may reasonably require. Without limiting the generality of the foregoing, Phoenix shall and, where applicable, shall cause its subsidiary to:

- (a) provide to ZYUS at least seven (7) Business Days prior to the Effective Date a reasonable estimate of the cash that will be held by Phoenix and its subsidiary immediately before the Effective Time;
- (b) subject to obtaining confirmation that insurance coverage is maintained as contemplated in Section 8.4 it shall use commercially reasonable efforts to cause to be delivered to ZYUS on the Effective Date resignations and reciprocal releases, effective on the Effective Date or at such other time and in the manner requested by ZYUS, of the directors, officers and employees of Phoenix agreed to by the Parties, with nominees of ZYUS to be appointed to the Phoenix Board immediately after each such resignation;
- (c) apply for and use commercially reasonable efforts to obtain all required approvals from Governmental Entities, including the Key Regulatory Approvals, relating to Phoenix or any of its subsidiaries which are typically applied for by Phoenix and, in doing so, keep ZYUS informed as to the status of the proceedings related to obtaining such approvals, including providing ZYUS with copies of all related applications and notifications, in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to ZYUS' outside counsel on an "external counsel" basis), in order for ZYUS to provide its comments thereon, which shall be given due and reasonable consideration;
- (d) upon reasonable notice and subject to the Confidentiality Agreement and applicable Laws, until the earlier of the Effective Date and termination of this Agreement, Phoenix shall provide ZYUS and its Representatives reasonable access (without disruption of the conduct of Phoenix's business), during normal business hours, to the, books, contracts and records as well as to the management personnel of Phoenix and each of its subsidiaries on an as reasonably requested basis as well as reasonable access to Phoenix's and each of its subsidiaries' properties for the purpose of confirming the representations and warranties of Phoenix contained herein;

- (e) use commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third-party consents, approvals and notices required under any of the Material Contracts, including all Key Third Party Consents, as applicable;
- (f) allow Representatives of ZYUS (including legal and financial advisors) to attend the Phoenix Meeting;
- (g) use all commercially reasonable efforts to obtain the Conditional Approval; and
- (h) defend all lawsuits or other legal, regulatory or other proceedings against Phoenix or its subsidiary challenging or affecting this Agreement or the consummation of the transactions contemplated hereby.

6.3 Covenants of Phoenix Regarding Employees

Any severance obligations of Phoenix or other payments payable to employees, consultants and directors of Phoenix or its subsidiary resulting from the change of control of Phoenix as a result of the Arrangement shall be a responsibility of and paid by Phoenix and accrued prior to the Arrangement.

6.4 Covenants of Phoenix Regarding its Oil and Gas Assets

Phoenix has, and shall continue to, use all reasonable commercial efforts to ensure all assets and liabilities related to interests Phoenix currently holds in an oil and gas property to be either transferred or settled and to obtain releases respecting liability related to such interests.

6.5 Covenants of ZYUS Regarding the Conduct of Business

- (a) ZYUS covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, required by applicable Laws or any Governmental Entities or consented to by Phoenix in writing (which consent shall not be unreasonably withheld or delayed), ZYUS shall, and shall cause each of its subsidiaries to, conduct its business in the Ordinary Course, and use commercially reasonable efforts to maintain and preserve their respective business organization, assets, employees, goodwill and business relationships. Without limiting the generality of the foregoing, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement or as disclosed in Section 6.5(a) of the ZYUS Disclosure Letter, ZYUS shall not, and shall cause each of its subsidiaries not to, directly or indirectly, without the prior written consent of Phoenix (such consent not to be unreasonably withheld, conditioned or delayed):
 - (i) take any action other than in the Ordinary Course or as otherwise required or permitted pursuant to this Agreement;

- (ii) (i) amend its, or any of its subsidiaries, articles or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of ZYUS or any of its subsidiaries; (iii) other than the Concurrent Financing, issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of ZYUS or any of its subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of ZYUS or any of its subsidiaries, other than (A) the issuance of ZYUS Shares pursuant to the terms of the outstanding ZYUS Options, ZYUS Warrants and Convertible Debt (B) ZYUS Options issued in the Ordinary Course pursuant to ZYUS Omnibus Equity Compensation Plan, and (C) the issuance of the ZYUS Holdback Shares; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of ZYUS or any of its subsidiaries, (v) amend the terms of any of its securities; (vi) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of ZYUS or any of its subsidiaries; (vii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (viii) enter into any agreement with respect to any of the foregoing;
- (iii) (i) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other Person other than pursuant to a Contract in existence on the date hereof; (ii), incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other 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 Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof or entered into in the Ordinary Course; (iii) waive, release, grant or transfer any rights of material value; or (iv) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (iv) except in the Ordinary Course (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer any assets, tangible or intangible, securities, properties, interests or businesses of ZYUS or any of its subsidiaries; or (ii) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (v) other than in the Ordinary Course or as is necessary to comply with applicable Laws or Material Contracts: (i) grant to any officer, employee, consultant or director of ZYUS or any of its subsidiaries an increase in compensation in any form, or grant any general salary increase; (ii) make any loan to any officer, employee, consultant or director of ZYUS or any of

its subsidiaries; (iii) take any action with respect to the grant of any severance, change of control, bonus or termination pay to, or enter into any employment agreement, deferred compensation or other similar agreement (or amend any such existing agreement) with, or hire any officer, employee, consultant or director of ZYUS or any of its subsidiaries; (iv) increase any benefits payable under any existing severance or termination pay policies or employment agreements, or adopt or materially amend any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors, officers, employees, consultants or former directors, officers, employees or consultants of ZYUS or any of its subsidiaries; (v) increase bonus levels or other benefits payable to any director, executive officer, consultant or employee of ZYUS or any of its subsidiaries; or (vi) provide for accelerated vesting, removal of restrictions or an exercise of any share based or share related awards (including stock options, share appreciation rights, deferred share units, performance units and restricted share awards) upon a change of control occurring on or prior to the Effective Time;

- (vi) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any material action, claim or proceeding brought against ZYUS or any of its subsidiaries; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (vii) declare any dividend, or make any other distribution whatsoever to its securityholders;
- (viii) enter into any agreement or arrangement that limits or otherwise restricts in any material respect ZYUS or any of its subsidiaries or any successor thereto from conducting its business in the Ordinary Course, or that would, after the Effective Time, limit or restrict in any material respect ZYUS or any of its subsidiaries from competing in any manner;
- (ix) waive, release or assign any material rights, claims or benefits of ZYUS or any of its subsidiaries;
- (x) amend or change any of its methods of reporting income deductions or accounting for Tax purposes, make, amend or rescind any Tax election, file any amended Return, settle or compromise any Tax claim, action, litigation, proceeding, arbitration, investigation, audit, controversy, assessment, reassessment or liability, agree to an extension or waiver of the limitation period with respect to the assessment, reassessment or determination of Taxes, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax abatement, reduction, deduction, exemption, credit or refund;

- (xi) make a request for a Tax ruling or enter into any material agreement with a Governmental Entity with respect to Taxes.
 - (xii) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of ZYUS to consummate the Arrangement or the other transactions contemplated by this Agreement;
 - (xiii) enter into a new line of business or abandonment or discontinuance of existing lines of business; or
 - (xiv) agree, resolve or commit to do any of the foregoing.
- (b) ZYUS shall promptly notify Phoenix in writing of any circumstance or development that, to the knowledge of ZYUS, constitutes, or could reasonably be expected to constitute, a Material Adverse Effect.

6.6 Covenants of ZYUS Relating to the Arrangement

ZYUS shall, and shall cause each of its subsidiaries to, perform all obligations required or desirable to be performed by ZYUS or any of its subsidiaries under this Agreement, cooperate with Phoenix in connection therewith, and do or cause to be done all such further acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement, including the execution and delivery of such documents as Phoenix may reasonably require. Without limiting the generality of the foregoing, ZYUS shall and, where applicable shall cause each of its subsidiaries to:

- (a) apply for and use commercially reasonable efforts to obtain all required approvals from Governmental Entities, including the Key Regulatory Approvals relating to ZYUS or any of its subsidiaries which are typically applied for by ZYUS and, in doing so, keep Phoenix informed as to the status of the proceedings related to obtaining such approvals, including providing Phoenix with copies of all related applications and notifications in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to Phoenix's outside counsel on an "external counsel" basis), in order for Phoenix to provide its comments thereon, which shall be given due and reasonable consideration;
- (b) upon reasonable notice and subject to the Confidentiality Agreement and applicable Laws, until the earlier of the Effective Date and termination of this Agreement, ZYUS shall provide Phoenix and its Representatives reasonable access (without disruption of the conduct of ZYUS' business), during normal business hours, to the, books, contracts and records as well as to the management personnel of ZYUS and each of its subsidiaries on an as reasonably requested basis as well as reasonable access to ZYUS' and each of its subsidiaries' properties for the purpose of confirming the representations and warranties of ZYUS contained herein;

- (c) use commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third-party consents, approvals and notices required under any of the Material Contracts, including all Key Third Party Consents;
- (d) allow Representatives of Phoenix (including legal and financial advisors) to attend the ZYUS Meeting; and
- (e) use commercially reasonable efforts to assist and cooperate with Phoenix in fulfilling all of the requirements of the TSX-V related to the Arrangement, including promptly providing any information related to ZYUS or Phoenix following completion of the Arrangement that is requested by the TSX-V; and,
- (f) defend all lawsuits or other legal, regulatory or other proceedings against ZYUS or any of its subsidiaries challenging or affecting this Agreement or the consummation of the transactions contemplated hereby.

6.7 Mutual Covenants

Each of the Parties covenants and agrees that, except as contemplated in this Agreement, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:

- (a) it shall, and shall cause each of its subsidiaries to, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 7 to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Plan of Arrangement, including using commercially reasonable efforts to: (i) obtain all Key Regulatory Approvals required to be obtained by it; (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Plan of Arrangement; (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Plan of Arrangement; and (iv) cooperate with the other Party in connection with the performance by it and each of its subsidiaries of their obligations hereunder; in addition, subject to the terms and conditions of this Agreement, none of the Parties shall knowingly take or cause to be taken any action which would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereby; and
- (b) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to, individually or in the aggregate, materially delay or materially impede the making or completion of the Arrangement except as permitted by this Agreement.

ARTICLE 7 CONDITIONS

7.1 Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by this Agreement, including the Arrangement, are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may be waived only with the mutual consent of the Parties:

- (a) the Arrangement Resolution shall have been approved and adopted by ZYUS and the ZYUS Shareholders at the ZYUS Meeting in accordance with the Interim Order;
- (b) the Phoenix Resolution shall have been approved and adopted by Phoenix and the Phoenix Shareholders at the Phoenix Meeting;
- (c) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to ZYUS or Phoenix, acting reasonably, on appeal or otherwise;
- (d) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins, prevents or prohibits the consummation of the Arrangement;
- (e) the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control Persons or pursuant to Section 2.6 of National Instrument 45-102);
- (f) the Phoenix Shares to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and will not be subject to resale restrictions under the U.S. Securities Act, subject to restrictions applicable to affiliates (as defined in Rule 405 of the U.S. Securities Act) of Phoenix following the Effective Date;
- (g) the TSX-V shall have issued the Conditional Approval;
- (h) Phoenix shall have distributed the Phoenix Replacement Warrants to the Phoenix Shareholders with a record date in advance of the Effective Date;

- (i) the mutually agreed upon directors and officers of Phoenix shall have delivered letters of resignation, and reciprocal releases of such individuals in connection therewith are issued;
- (j) the Key Regulatory Approvals shall have been obtained;
- (k) the Key Third Party Consents shall have been obtained;
- (l) the Concurrent Financing having been completed in accordance with Article 2;
- (m) this Agreement shall not have been terminated pursuant to Article 9.

7.2 Additional Conditions Precedent to the Obligations of ZYUS

The obligations of ZYUS to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date or such other time as specified below (each of which is for the exclusive benefit of ZYUS and may be waived by ZYUS in whole or in part at any time):

- (a) all covenants of Phoenix under this Agreement to be performed on or before the Effective Date shall have been duly performed by Phoenix in all material respects, and ZYUS shall have received a certificate of Phoenix addressed to ZYUS and dated the Effective Date, signed by a senior executive officer of Phoenix (on behalf of Phoenix and without personal liability), confirming the same as at the Effective Date;
- (b) all representations and warranties of Phoenix set forth in this Agreement shall be true and correct in all respects as at the Effective Date as though made on and as of the Effective Date (except for representations and warranties made as at a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Phoenix and ZYUS shall have received a certificate of Phoenix addressed to ZYUS and dated the Effective Date, signed on behalf of Phoenix by a senior executive officer of Phoenix (on behalf of Phoenix and without personal liability), confirming the same as at the Effective Date;
- (c) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Material Adverse Effect in respect of Phoenix, and Phoenix shall have provided to ZYUS a certificate of a senior executive officer of Phoenix certifying the same as at the Effective Date;
- (d) Phoenix shall have, as of the Effective Date, a minimum Working Capital in an amount that is not less than the working capital available and used to determine the Exchange Ratio on the date of the Interim Order minus \$200,000; and

- (e) Phoenix shall have delivered to ZYUS copies of any joint venture, partnership or other similar arrangements or agreements in respect of any entity or Person listed in Section 4.1(qq) of the Phoenix Disclosure Letter.

7.3 Additional Conditions Precedent to the Obligations of Phoenix

The obligations of Phoenix to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date or such other time as specified below (each of which is for the exclusive benefit of Phoenix and may be waived by Phoenix in whole or in part at any time):

- (a) a preliminary letter (the “**Preliminary Letter**”) setting forth a list of adverse events from the ZYUS Phase 1 Clinical Trial has been provided to Phoenix sufficiently in advance of the Effective Date to permit time to review and assess such Preliminary Letter;
- (b) the disclosure in the Preliminary Letter does not represent a Material Adverse Effect in respect of ZYUS;
- (c) all covenants of ZYUS under this Agreement to be performed on or before the Effective Date shall have been duly performed by ZYUS in all material respects, and Phoenix shall have received a certificate of ZYUS, addressed to Phoenix and dated the Effective Date, signed by a senior executive officer of ZYUS (on behalf of ZYUS and without personal liability), confirming the same as at the Effective Date;
- (d) all representations and warranties of ZYUS set forth in this Agreement shall be true and correct in all respects as at the Effective Date as though made on and as at the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on ZYUS; and Phoenix shall have received a certificate of ZYUS addressed to Phoenix and dated the Effective Date, signed by a senior executive officer of ZYUS (on behalf of ZYUS and without personal liability), confirming the same as at the Effective Date; and
- (e) since the date of this Agreement there shall not have occurred any Material Adverse Effect in respect of ZYUS, and Phoenix shall have received a certificate of, addressed to Phoenix and dated the Effective Date, signed by a senior executive officer of ZYUS (on ZYUS’ behalf and without personal liability), confirming the same as at the Effective Date.

7.4 Satisfaction of Conditions

The conditions precedent set out in Section 7.1, Section 7.2 and Section 7.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

7.5 Notice and Cure Provisions

Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Time; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Time.

ZYUS may not exercise its rights to terminate this Agreement pursuant to Section 9.2(c)(iii) and Phoenix may not exercise its right to terminate this Agreement pursuant to 9.2(d)(iii) unless 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 which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Agreement until the expiration of a period of 10 Business Days from such notice, and then only if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order or the Phoenix Meeting, such application and/or such filing shall be postponed until the expiry of such period.

ARTICLE 8 ADDITIONAL COVENANTS

8.1 Non-Solicitation

- (a) On and after the date hereof until the date upon which this Agreement is terminated, and except as otherwise expressly provided in this Section 8.1, neither Party shall, directly or indirectly, or through any of its Representatives, and shall cause each of its subsidiaries and their Representatives not to:
 - (i) solicit, initiate, encourage or facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals whatsoever which would constitute an Acquisition Proposal;
 - (ii) participate in any discussions or negotiations with any Person (other than the other Party hereto or its Representatives) regarding an Acquisition Proposal;
 - (iii) approve, accept, endorse or recommend, or propose publicly to accept, approve, endorse or recommend, any Acquisition Proposal; or

- (iv) accept or enter into or publicly propose to accept or enter into, any agreement, understanding or arrangement or other contract in respect of an Acquisition Proposal;
- (b) Except as otherwise provided in this Section 8.1, each Party shall, and shall cause each of its subsidiaries and its and their Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Persons (other than the other Party and its Representatives) conducted heretofore by the Party, each of its subsidiaries or its or their respective Representatives with respect to any potential Acquisition Proposal and, in connection therewith, each Party will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request (and exercise all rights it has to require) the return or destruction of all confidential information (including all material including or incorporating or otherwise reflecting any material confidential information) regarding the Party and each of its subsidiaries previously provided to any such Person or any other Person. Each Party agrees that neither it nor any of its subsidiaries shall terminate, waive, amend or modify any provision of any existing confidentiality agreement relating to a potential Acquisition Proposal or any standstill agreement to which it or any of its subsidiaries is a party (it being acknowledged and agreed that the automatic termination of any standstill provisions of any such agreement as the result of the entering into an announcement of this Agreement by the Parties, pursuant to the express terms of any such agreement, shall not be a violation of this Section 8.1(b)) and each of the Parties undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its subsidiaries have entered into prior to the date hereof; provided, however, that the foregoing shall not prevent the board of directors of a Party from considering an Acquisition Proposal that is reasonably likely to lead to a Superior Proposal and accepting a Superior Proposal that might be made by any such third party, in each case subject to the terms of this Agreement.

8.2 Notification of Acquisition Proposals

- (a) Each Party shall promptly notify the other Party, at first orally and then in writing within 24 hours of receipt of any proposal, inquiry, offer or request received by the Party or its Representatives after the date hereof (i) relating to an Acquisition Proposal or potential Acquisition Proposal or inquiry that could reasonably lead to or be expected to lead to an Acquisition Proposal; (ii) for discussions or negotiations in respect of an Acquisition Proposal or potential Acquisition Proposal; or (iii) for non-public information relating to the such Party or any of its subsidiaries, access to properties, books and records or a list of the such Party's shareholders. Such notice shall indicate the identity of the Person making such proposal, inquiry or request, include a copy of the Acquisition Proposal and include a copy of any other documentation received by such Party or its Representatives and such other details of the Acquisition Proposal known to such Party as the other Party may reasonably request.

- (b) The board of directors of the Party receiving any proposal, inquiry, offer or request shall promptly reaffirm its recommendation of the Arrangement by news release after any Acquisition Proposal is publicly announced. Such Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such news release and shall make all reasonable amendments to such news release as requested by the other Party and its legal counsel.
- (c) Nothing in this Agreement shall prevent a Party from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal. The other Party and its advisors shall be given a reasonable opportunity to review and comment on the content of any directors' circular prior to its printing and the Party shall consider for inclusion all reasonable comments made by the other Party and its advisors.

8.3 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing Contracts, each Party shall, and shall cause each of its subsidiaries and their respective officers, directors, employees, independent auditors, accounting advisors and agents to, afford to the other Party and to the officers, employees, agents and other Representatives of the other Party (upon reasonable advance notice and, at the option of the Party, with a Representative of the Party present), such reasonable access during regular business hours as the other Party may reasonably require at all reasonable times, without disruption to the conduct of the Party's business, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and Contracts of the Party and each of its subsidiaries, and shall furnish the other Party with all data and information as the Party may reasonably request. The Parties acknowledge and agree that information furnished pursuant to this Section 8.3 shall be subject to the terms and conditions of the Confidentiality Agreement.

8.4 Insurance and Indemnification

- (a) Phoenix shall undertake to purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date with the prior written consent of ZYUS, not to be unreasonably withheld. Phoenix shall ensure that until the Effective Date, the by-laws of Phoenix and its subsidiary (or their respective successors) shall contain the provisions with respect to indemnification set forth in Phoenix's or its applicable subsidiary's current by-laws, which provisions shall not, except to the extent required by applicable Laws, be amended, repealed or otherwise modified for a period of six years from the Effective Date in any manner that would adversely affect any rights of indemnification of individuals who, immediately prior to the Effective Date, were directors or officers of Phoenix or its subsidiary. The parties agree that the Bylaw Replacement shall also contain substantially similar provisions.

- (b) Phoenix agrees that it shall directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Phoenix and its subsidiary, and acknowledges that such rights, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.
- (c) The provisions of this Section 8.4 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose. Furthermore, this Section 8.4 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of six years.

ARTICLE 9 TERM, TERMINATION, AMENDMENT AND WAIVER

9.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with this Article 9.

9.2 Termination

Subject to the last paragraph of this Section 9.2, this Agreement, may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time:

- (a) by mutual written agreement of Phoenix and ZYUS;
- (b) by either Phoenix or ZYUS, if:
 - (i) the Effective Date shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 9.2(b)(i) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date;
 - (ii) after the date hereof, there shall be enacted or made any applicable Law or there shall exist any injunction or court order that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Phoenix or ZYUS from consummating the Arrangement and such applicable Law, injunction or court order shall have become final and non-appealable;
 - (iii) the Arrangement Resolution shall have failed to obtain the ZYUS Shareholder Approval at the ZYUS Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order; or
 - (iv) the Phoenix Resolution shall have failed to obtain the Phoenix Shareholder Approval at the Phoenix Meeting (including any adjournment or postponement thereof);

- (c) by ZYUS, if:
- (i) prior to obtaining the Phoenix Shareholder Approval, the Phoenix Board shall (i) withdraw, qualify, modify, change or amend in any manner adverse to the transactions contemplated by this Agreement or ZYUS, or publicly propose to withdraw, qualify, modify, change or amend in any manner adverse to the transactions contemplated by this Agreement or ZYUS, the Phoenix Board's recommendation of the Arrangement, (ii) adopt, recommend or take a neutral or no position in respect of an Acquisition Proposal, (iii) fail to make or reaffirm the Phoenix Board's recommendation of the Arrangement within three (3) Business Days (and in any case prior to the Phoenix Meeting) after having been requested in writing by ZYUS to do so, (iv) approve or recommend, or publicly propose to approve or recommend, or cause or permit Phoenix or its subsidiary to execute or enter into any agreement, arrangement or understanding, including any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar agreement with respect to an Acquisition Proposal, or (v) resolve or publicly propose to take any action described in the foregoing clauses (i) through (iv) (each of the foregoing actions described in clauses (i) through (v) being referred to as a **"Phoenix Change in Recommendation"**);
 - (ii) any of the conditions set forth in Section 7.1 or Section 7.2 have not been satisfied or waived by the Outside Date or it is clear that such condition is incapable of being satisfied by the Outside Date provided that ZYUS is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 7.1 or Section 7.3 not to be satisfied;
 - (iii) subject to Section 7.5, Phoenix breaches any representation or warranty of Phoenix set forth in this Agreement which breach would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on Phoenix, or Phoenix breaches any covenant (with the exception of the covenants contained in Sections 8.1 and 8.2), or other obligation made in this Agreement, in each case, in any material respect; provided that ZYUS is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 7.1 or Section 7.3 not to be satisfied;
 - (iv) Phoenix is in breach or in default of any of its obligations or covenants set forth in (i) Section 8.1 or, (ii) in any material respect Section 8.2;
 - (v) the Phoenix Meeting has not occurred on or before February 28, 2023 or such later date to which the Phoenix Meeting may have been postponed or adjourned in accordance with Section 3.3(a) provided that the right to terminate this Agreement pursuant to this Section 9.2(c)(v) shall not be available to ZYUS if the failure by ZYUS to fulfil any obligation hereunder is the cause of, or results in, the failure of the Phoenix Meeting to occur on or before such date;

- (vi) if there shall occur after the date hereof any change, effect, event, circumstance or fact that constitutes a Material Adverse Effect in respect of Phoenix and its subsidiaries, taken as a whole;
- (d) by Phoenix, if:
- (i) prior to obtaining the ZYUS Shareholder Approval, the ZYUS Board shall, (i) withdraw, qualify, modify, change or amend in any manner adverse to the transactions contemplated by this Agreement or Phoenix, or publicly propose to withdraw, qualify, modify, change or amend in any manner adverse to the transactions contemplated by this Agreement or Phoenix, the ZYUS Board's recommendation of the Arrangement, (ii) adopt, recommend or take a neutral or no position in respect of an Acquisition Proposal, (iii) fail to make or reaffirm the ZYUS Board's recommendation of the Arrangement within three (3) Business Days (and in any case prior to the ZYUS Meeting) after having been requested in writing by Phoenix to do so, (iv) approve or recommend, or publicly propose to approve or recommend, or cause or permit ZYUS or any of its subsidiaries to execute or enter into any agreement, arrangement or understanding, including any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other similar agreement with respect to an Acquisition Proposal, or (v) resolve or publicly propose to take any action described in the foregoing clauses (i) through (iv) (each of the foregoing actions described in clauses (i) through (v) being referred to as a "**ZYUS Change in Recommendation**");
 - (ii) any of the conditions set forth in Section 7.1 or Section 7.3 have not been satisfied or waived by the Outside Date or it is clear that such condition is incapable of being satisfied by the Outside Date, provided that Phoenix is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 7.1 or Section 7.2 not to be satisfied;
 - (iii) subject to Section 7.5, ZYUS breaches any representation or warranty of ZYUS set forth in this Agreement which breach would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on ZYUS, or ZYUS breaches any covenant (with the exception of the covenants contained in Sections 8.1 and 8.2) or other obligation made in this Agreement, in each case, in any material respect; provided that Phoenix is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 7.1 or Section 7.2 not to be satisfied;
 - (iv) ZYUS is in breach or in default of any of its obligations or covenants set forth in (i) Section 8.1 or, (ii) in any material respect Section 8.2;
 - (v) the ZYUS Meeting has not occurred on or before February 28, 2023 or such later date to which the ZYUS Meeting may have been postponed or adjourned in accordance with Section 3.3(a) provided that the right to

terminate this Agreement pursuant to this Section 9.2(d)(v) shall not be available to Phoenix if the failure by Phoenix to fulfil any obligation hereunder is the cause of, or results in, the failure of the ZYUS Meeting to occur on or before such date;

- (vi) if there shall occur after the date hereof any change, effect, event, circumstance or fact that constitutes a Material Adverse Effect in respect of ZYUS and its subsidiaries, taken as a whole.

The Party desiring to terminate this Agreement pursuant to this Section 9.2 (other than pursuant to Section 9.2(a)) shall give notice of such termination to the other Party. If this Agreement is terminated pursuant to this Section 9.2, this Agreement shall become void and of no effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or Representative of such Party) to any other Party hereto, except as otherwise expressly contemplated hereby, and provided that the provisions of this paragraph and Sections 8.3, 8.4, 9.3, 10.3, 10.4, 10.5 and 10.7 and the provisions of the Confidentiality Agreement (pursuant to the terms set out therein) shall survive any termination hereof pursuant to Section 9.2; provided further that neither the termination of this Agreement nor anything contained in this Section 9.2 shall relieve a Party from any liability for breach of this Agreement arising prior to such termination.

9.3 Termination Fee

- (a) Phoenix shall be entitled to a fee of \$350,000 (the “**Termination Fee**”) upon the occurrence of any of the following events (each a “**Phoenix Termination Fee Event**”) which shall be paid by ZYUS within the time specified in respect of each such Phoenix Termination Fee Event:
 - (i) This Agreement is terminated by Phoenix pursuant to Section 9.2(d)(i) or Section 9.2(d)(iv) in which case the Termination Fee shall be paid on the first Business Day following such termination; or
 - (ii) This Agreement is terminated by ZYUS or Phoenix pursuant to Section 9.2(b)(iv) in which case the Termination Fee shall be paid on the first Business Day following such termination; or
 - (iii) This Agreement is terminated by Phoenix in accordance with Section 9.2(d)(ii) as a result of result of ZYUS’ failure to meet any of the conditions set out in Section 7.1(l), 7.3(a) or 7.3(b), in which case the Termination Fee shall be paid on the first Business Day following such termination.
- (b) ZYUS shall be entitled to the Termination Fee upon the occurrence of any of the following events (each an “**ZYUS Termination Fee Event**”) which shall be paid by Phoenix within the time specified below:
 - (i) This Agreement is terminated by ZYUS pursuant to Section 9.2(c)(i) or Section 9.2(c)(iv) in which case the Termination Fee shall be paid on the first Business Day following such termination; or

- (ii) This Agreement is terminated by ZYUS or Phoenix pursuant to Section 9.2(b)(iv) in which case the Termination Fee shall be paid on the first Business Day following such termination.
- (c) The Termination Fee shall be payable by the applicable Party to the other Party by wire transfer in immediately available funds to an account specified in writing by the other Party.
- (d) Each of the Parties acknowledges that the agreements contained in this Section 9.3 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Each of the Parties acknowledges that the Termination Fee is a payment of liquidated damages which is a genuine estimate of the damages, which the other Party will suffer or incur as a result of the event giving rise to such payment and the resultant non-completion of the Arrangement, and is not a penalty. Each Party irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. Each Party hereby acknowledges and agrees that, upon any termination of this Agreement under circumstances where a Party is entitled to the Termination Fee and such Termination Fee is paid in full, such Party shall be precluded from any other remedy against the other Party at law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Party or any of its subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby, other than with respect to Section 9.3(g).
- (e) Nothing in this Section 9.3 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of a knowing and intentional breach of this Agreement.
- (f) Nothing in this Section 9.3 shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting bond or security in connection therewith.
- (g) All legal fees and other expenses incurred in connection with this Agreement and the Arrangement will be borne separately by the respective Party incurring such fees and other expenses; however, all filing fees and expenses payable to the TSX-V, the OTC, transfer agents or fees incurred to secure regulatory approvals required to list and trade the Phoenix Shares are the responsibility of ZYUS, regardless of which Party incurs such expenses.

ARTICLE 10 GENERAL PROVISIONS

10.1 Amendment

This Agreement and, subject to Section 6.01 thereof, the Plan of Arrangement, may, at any time and from time to time before or after the holding of the ZYUS Meeting and Phoenix Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of the Parties;
- (d) to provide for the issuance of Phoenix Shares rather than ZYUS Shares to ZYUS Shareholders entitled to receive ZYUS Holdback Shares pursuant to the terms of the Revon Agreement, if so required; and/or
- (e) waive compliance with or modify any mutual conditions precedent herein contained.

10.2 Waiver

Any Party may (i) extend the time for the performance of any of the obligations or acts of the other Party, (ii) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; *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 Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

10.3 Notices

All notices and other communications given or made pursuant hereto shall be sent by email and shall be deemed to have been duly given or made as of the date sent by email, or as of the following Business Day if sent by email after 5:00pm (Toronto time) or on a day that is not a Business Day, to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to ZYUS:

ZYUS Life Sciences Inc.
 #204, 407 Downey Road, Saskatoon, Saskatchewan S7N 4L8
 Attention: Legal Department
 E-mail: [REDACTED]

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

Borden Ladner Gervais LLP
 Bay Adelaide Centre - East Tower 22 Adelaide Street West, Toronto,
 Ontario M5H 4E3
 Attention: Philippe Tardif and Andrew McLean
 Email: [REDACTED] and [REDACTED]

(b) if to Phoenix:

Phoenix Canada Oil Company Limited
 #307, 3219 Yonge Street, Toronto, Ontario M4N 3S1
 Attention: Mike Kindy
 Email: [REDACTED]

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

Gardiner Roberts LLP
 22 Adelaide Street West Suite 3600, Bay Adelaide Centre – East Tower
 Toronto, ON M5H 4E3
 Attention: Kathleen E. Skerrett
 Email: [REDACTED]

10.4 Governing Law; Waiver of Jury Trial

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Saskatchewan and the laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Saskatchewan in respect of all matters arising under and in relation to this Agreement and waives any defences to the maintenance of an action in the Courts of the Province of Saskatchewan. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

10.5 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It

is accordingly agreed that the Parties shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

10.6 Time of Essence

Time shall be of the essence in this Agreement.

10.7 Entire Agreement, Binding Effect and Assignment

This Agreement, the Plan of Arrangement and the Confidentiality Agreement constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Party.

10.8 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

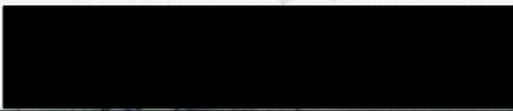
10.9 Counterparts, Execution

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement (including by email attachment), and such facsimile or similar executed electronic copy (including by email attachment) shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF ZYUS and Phoenix have caused this Agreement to be executed as of the date first written above.

ZYUS LIFE SCIENCES INC.

Per: 
Name: Brent H. Zettl
Title: President and CEO

Per: _____
Name
Title

I/We have the authority to bind the corporation.

PHOENIX CANADA OIL COMPANY LIMITED

Per: 
Name: Charlotte Moore Hepburn
Title: President and CEO

Per: _____
Name
Title

I/We have the authority to bind the corporation.

A-1

SCHEDULE A
PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT
UNDER SECTION 186.1 OF THE
BUSINESS CORPORATIONS ACT (SASKATCHEWAN)**

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) **“Arrangement”** means the arrangement under Section 186.1 of the SBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 10.1 of the Arrangement Agreement and Section 6.01 of this Plan of Arrangement or at the direction of the Court in the Interim Order or Final Order.
- (b) **“Arrangement Agreement”** means the arrangement agreement dated as of [●], 2022 between Phoenix and ZYUS, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.
- (c) **“Arrangement Resolution”** means the special resolution of the ZYUS Shareholders approving this Plan of Arrangement, to be considered at the ZYUS Meeting, substantially in the form attached as Schedule B to the Arrangement Agreement, subject to any amendments or variations thereto in accordance with Section 10.1 of the Arrangement Agreement and Section 6.01 of this Plan of Arrangement or at the direction of the Court in the Interim Order or Final Order.
- (d) **“Articles of Arrangement”** means the articles of arrangement of ZYUS in respect of the Arrangement, required by the SBCA to be sent to the Director after the Final Order is made, which shall be in form and content satisfactory to ZYUS and Phoenix, each acting reasonably;
- (e) **“Business Day”** means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Saskatoon, Saskatchewan or Toronto, Ontario.
- (f) **“Certificate of Arrangement”** means the certificate giving effect to the Arrangement issued by the Director pursuant to Section 186.1(7) of the SBCA in respect of the Articles of Arrangement;
- (g) **“Consideration”** means the consideration to be received by the ZYUS Shareholders pursuant to this Plan of Arrangement in exchange for their ZYUS Shares, consisting of such number of Phoenix Shares as is equal to the Exchange Ratio multiplied by the number of ZYUS Shares being exchanged.
- (h) **“Court”** means the Court of King’s Bench for Saskatchewan.

- (i) **“Depository”** means any nationally recognized trust company, bank or financial institution engaged by Phoenix and ZYUS for the purpose of, among other things, receiving Letters of Transmittal, receiving deposits of certificates formerly representing ZYUS Shares and distributing certificates representing the Phoenix Shares issued as the Consideration.
- (j) **“Director”** means the Director appointed pursuant to Section 279 of the SBCA;
- (k) **“Dissent Rights”** has the meaning ascribed thereto in Article 3.01.
- (l) **“Dissenting Shareholder”** means a registered holder of ZYUS Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their ZYUS Shares.
- (m) **“DRS Advice”** means a Direct Registry System Advice.
- (n) **“Effective Date”** means the date shown on the Certificate of Arrangement.
- (o) **“Effective Time”** means 12:01 a.m. (Saskatchewan time), or such other time as may be specified in writing by ZYUS with the written consent of Phoenix, on the Effective Date.
- (p) **“Exchange Ratio”** means [●] Phoenix Shares for each ZYUS Share, which will result in the ZYUS Shareholders immediately prior to the Effective Time owning, in aggregate, [●] of the issued and outstanding Phoenix Shares immediately after the Effective Time.
- (q) **“Final Order”** means the final order of the Court approving the Arrangement pursuant to Section 186.1(4) of the SBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to ZYUS and Phoenix, acting reasonably, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.
- (r) **“Former ZYUS Shareholders”** means the holders of ZYUS Shares immediately prior to the Effective Time, which for greater clarity shall include the holders of ZYUS Convertible Debt which has been converted into ZYUS Shares prior to the Effective Time in accordance with the terms thereof.
- (s) **“Interim Order”** means the interim order of the Court made in connection with the Arrangement in a form acceptable to ZYUS and Phoenix, acting reasonably, providing for, among other things, the calling and holding of the ZYUS Meeting, as the same may be amended, supplemented or varied by the Court with the consent of the Parties, acting reasonably.
- (t) **“Letter of Transmittal”** means the letter of transmittal to be sent to ZYUS Shareholders for use in connection with the Arrangement.
- (u) **“Lien”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option,

right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

- (v) **“Parties”** means ZYUS and Phoenix and **“Party”** means either of them.
- (w) **“Person”** includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including any governmental agency, syndicate or other entity, whether or not having legal status.
- (x) **“Phoenix Shares”** means the common shares in the authorized share structure of Phoenix, as currently constituted.
- (y) **“Plan of Arrangement”** means this plan of arrangement and any amendments or variations hereto made in accordance with Section 10.1 of the Arrangement Agreement or Section 6.01 of this plan of arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably.
- (z) **“SBCA”** means *The Business Corporations Act* (Saskatchewan) and the regulations made thereunder, as promulgated or amended from time to time, and includes any successor thereto.
- (aa) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.
- (bb) **“Taxes”** means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any governmental entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any governmental entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.
- (cc) **“U.S. Holder”** means a person in or a resident of the United States.
- (dd) **“U.S. Securities Act”** means the *United States Securities Act of 1933* as the same has been, and hereinafter from time to time may be, amended.

- (ee) **“U.S. Tax Code”** means the United States *Internal Revenue Code of 1986*, as amended.
- (ff) **“ZYUS Convertible Debt”** means the convertible debentures and convertible promissory notes issued by ZYUS and convertible into ZYUS Shares in certain circumstances, including the Arrangement.
- (gg) **“ZYUS Meeting”** means the special meeting of ZYUS Shareholders, including any adjournment or postponement thereof, to be held in accordance with the Arrangement Agreement and the terms of the Interim Order to consider, among other things, the Arrangement Resolution.
- (hh) **“ZYUS Options”** means the outstanding options to purchase ZYUS Shares granted under or otherwise subject to the ZYUS Option Plan and the ZYUS Omnibus Equity Compensation Plan.
- (ii) **“ZYUS Omnibus Equity Compensation Plan”** means the equity compensation plan approved by the ZYUS board of directors on May 19, 2021, subsequently approved by the ZYUS Shareholders on June 18, 2021.
- (jj) **“ZYUS Option Plan”** means the stock option plan approved by a majority of ZYUS Shareholders on September 1, 2018.
- (kk) **“ZYUS Option In-The Money Amount”** in respect of a ZYUS Option means the amount, if any, by which the total fair market value (determined immediately before the Effective Time) of the ZYUS Shares that a holder is entitled to acquire on exercise of the ZYUS Option immediately before the Effective Time exceeds the amount payable to acquire such shares.
- (ll) **“ZYUS Shareholders”** means the holders of ZYUS Shares.
- (mm) **“ZYUS Shares”** means the common shares in the authorized share capital of ZYUS, as currently constituted.
- (nn) **“ZYUS Warrants”** means the outstanding warrants to purchase ZYUS Shares, as set forth in the Arrangement Agreement.

In addition, words and phrases used herein and defined in the SBCA and not otherwise defined herein shall have the same meaning herein as in the SBCA unless the context otherwise requires.

Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

Section 1.04 *Date for any Action*

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day. A period of Business Days is to be computed as beginning on the day following the event that began the period and ending at 4:00 p.m. on the last day of the period if the period is a Business Day or at 4:00 p.m. on the next Business Day if the last day of the period does not fall on a Business Day.

Section 1.05 *Statutory References*

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

Section 1.06 *Currency*

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

Section 1.07 *Governing Law*

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

Section 1.07 *U.S. Securities Law Matters*

Notwithstanding any provision herein to the contrary, this Plan of Arrangement will be carried out with the intention that all Phoenix Shares to be issued to ZYUS Shareholders in exchange for their ZYUS Shares pursuant to this Plan of Arrangement, as applicable, will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by section 3(a)(10) thereof, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

Section 1.09 *Interpretation of "Including" and Similar Phrases*

Wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively. References to any agreement or document shall be to such agreement or document (together with the schedules and exhibits attached thereto), as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time.

Section 1.10 *Time*

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Saskatoon, Saskatchewan unless otherwise stipulated herein.

ARTICLE TWO ARRANGEMENT

Section 2.01 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

Section 2.02 Binding Effect

This Plan of Arrangement constitutes an arrangement as referred to in section 186.1 of the SBCA. The Arrangement will become effective at, and be binding at and after, the Effective Time on: (i) ZYUS; (ii) Phoenix (iii) all ZYUS Shareholders (including Dissenting Shareholders); and (iv) the Depository, without any further act or formality required on the part of any person, except as expressly provided herein.

Section 2.02 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 2.04 Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further authorization, act or formality, in each case, unless stated otherwise, effective as at two-minute intervals starting at the Effective Time (unless otherwise indicated):

- (a) Subject to Section 3.01 hereof, each ZYUS Share held by a Dissenting Shareholder shall be deemed to have been transferred without any further act or formality to ZYUS in consideration for a debt claim against ZYUS for the amount determined under Article 3, and
 - (i) such Dissenting Shareholder shall cease to be the holder of such ZYUS Shares and to have any rights as a ZYUS Shareholder other than the right to be paid fair value for such ZYUS Shares as set out in Section 3.01;
 - (ii) such Dissenting Shareholder's name shall be removed as the holder of such ZYUS Shares from the register of ZYUS Shares maintained by or on behalf of ZYUS; and
 - (iii) the ZYUS Shares so transferred shall be cancelled; and
- (b) each ZYUS Share held by a ZYUS Shareholder (other than a Dissenting Shareholder, Phoenix or any subsidiary of Phoenix) shall, without any further action by or on behalf of any ZYUS Shareholder, be deemed to be assigned and transferred by the holder thereof to Phoenix in exchange for the Consideration, and

- (i) each holder of such ZYUS Shares shall cease to be the holder thereof and to have any rights as a ZYUS Shareholder other than the right to be paid the Consideration in respect of such ZYUS Shares in accordance with this Plan of Arrangement;
 - (ii) the name of each such holder shall be removed from the register of the ZYUS Shares maintained by or on behalf of ZYUS; and
 - (iii) Phoenix shall be deemed to be the transferee of such ZYUS Shares and shall be entered in the register of the ZYUS Shares maintained by or on behalf of ZYUS; and
- (c) each ZYUS Share held by Phoenix shall, without any further action by or on behalf of Phoenix, be deemed to be cancelled for no consideration.

Section 2.05 *No Fractional Consideration*

No fractional Phoenix Shares shall be issued to Former ZYUS Shareholders. The number of Phoenix Shares to be issued to Former ZYUS Shareholders shall be rounded down to the nearest whole Phoenix Share in the event that a Former ZYUS Shareholder is entitled to a fractional share.

Section 2.06 *ZYUS Warrants*

In accordance with the terms of each ZYUS Warrant, each holder of a ZYUS Warrant outstanding immediately prior to the Effective Time shall receive upon the subsequent exercise of such holder's ZYUS Warrant, in accordance with its terms, and shall accept in lieu of each ZYUS Share to which such holder was theretofore entitled upon such exercise (including payment of the same aggregate consideration), such number of Phoenix Shares that is equal to: (i) the number of ZYUS Shares to which the holder was entitled; multiplied by (ii) the Exchange Ratio.

Section 2.07 *ZYUS Options*

In accordance with the terms of the ZYUS Option Plan, each holder of a ZYUS Option outstanding immediately prior to the Effective Time shall receive upon the subsequent exercise of such holder's ZYUS Option, in accordance with its terms, and shall accept in lieu of each ZYUS Share to which such holder was theretofore entitled upon such exercise (including payment of the same aggregate consideration), such number of Phoenix Shares that is equal to: (i) the number of ZYUS Shares to which the holder was entitled; multiplied by (ii) the Exchange Ratio.

Section 2.07 *ZYUS Convertible Debt*

In accordance with the terms of the instruments governing the ZYUS Convertible Debt, the ZYUS Convertible Debt shall be converted into ZYUS Shares immediately prior to the Effective Time of the Arrangement, and such ZYUS Shares issued upon the conversion of the ZYUS Convertible Debt shall be subject to Section 2.04(b) of this Plan of Arrangement.

ARTICLE THREE DISSENT RIGHTS

Section 3.01 *Dissent Rights*

Registered ZYUS Shareholders (other than Phoenix and its affiliates) may exercise dissent rights with respect to ZYUS Shares held by such Dissenting Shareholders (“**Dissent Rights**”), in connection with the Arrangement pursuant to and in the manner set forth in Section 184 of the SBCA, as modified by the Interim Order and this Section 3.01; provided that, notwithstanding Section 184(5) of the SBCA, the written objection to the Arrangement Resolution referred to in Section 184(5) of the SBCA must be received by ZYUS not later than 5:00 p.m. (Saskatchewan time) one Business Day immediately preceding the date of the ZYUS Meeting (as it may be adjourned or postponed from time to time). Each Dissenting Shareholder who duly exercises its Dissent Rights in accordance with this Section 3.01, shall be deemed to have transferred all ZYUS Shares held by such Dissenting Shareholder and in respect of which Dissent Rights have been validly exercised, to ZYUS free and clear of all Liens, as provided in Section 2.04(a) and if such Dissenting Shareholder:

- (a) is ultimately entitled to be paid fair value for its ZYUS Shares, such Dissenting Shareholder: (i) shall be deemed not to have participated in the transactions in Section 2.04 (other than Section 2.04(a)); (ii) will be entitled to be paid the fair value of such ZYUS Shares by Phoenix, which fair value, notwithstanding anything to the contrary contained in Part XIV of the SBCA, shall be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights in respect of such ZYUS Shares; or
- (b) ultimately is not entitled, for any reason, to be paid fair value for such ZYUS Shares, such Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of ZYUS Shares and shall be entitled to receive only the Consideration contemplated by Section 2.04(b) hereof that such Dissenting Shareholder would have received pursuant to the Arrangement if such Dissenting Shareholder had not exercised its Dissent Rights, but in no case shall Phoenix, ZYUS or any other person be required to recognize holders of ZYUS Shares who exercise Dissent Rights as holders of ZYUS Shares after the time that is immediately prior to the Effective Time, and the names of such holders of ZYUS Shares who exercise Dissent Rights shall be deleted from the central securities register as holders of ZYUS Shares at the Effective Time and ZYUS shall be recorded as the registered holder of the ZYUS Shares so transferred and such ZYUS Shares will be cancelled.

In no circumstances shall Phoenix, ZYUS or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of the ZYUS Shares in respect of which such Dissent Rights are purported to be exercised. For greater certainty, in no case shall Phoenix, ZYUS or any other Person be required to recognize any Dissenting Holder as a holder of ZYUS Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.04(a), and the name of such Dissenting Holder shall be removed from the register of ZYUS Shareholders as to those ZYUS Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.04(a) occurs. In addition to any other restrictions under Section 184 of the SBCA, none of the following Persons shall be entitled to exercise Dissent Rights: (i) any holder of a ZYUS Option; (ii) any holder of a ZYUS Warrant; (iii) any holder of ZYUS Convertible Debt; and (iv) any ZYUS Shareholder who votes or has instructed a proxyholder to vote such ZYUS Shareholder’s ZYUS Shares in favour of the Arrangement Resolution (but only in respect of such ZYUS Shares).

ARTICLE FOUR
DELIVERY OF PHOENIX SHARES

Section 4.01 *Delivery of Phoenix Shares*

- (a) Following the receipt of the Final Order and prior to the Effective Date, Phoenix shall deliver or arrange to be delivered to the Depositary the Consideration required to be issued to Former ZYUS Shareholders in accordance with the provisions of Section 2.04, which securities shall be held by the Depositary as agent and nominee for such Former ZYUS Shareholders for distribution to such Former ZYUS Shareholders.
- (b) Upon surrender to the Depositary of a duly completed and validly executed Letter of Transmittal, together with one or more certificates, or such other documents and instruments as would have been required to effect the transfer of the ZYUS Shares formerly represented by such certificate under the SBCA and the by-laws of ZYUS and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, **[certificates or]** DRS Advices representing the Phoenix Shares that such holder is entitled to receive in accordance with Section 2.04. After the Effective Time, the Depositary shall cause the Consideration to be delivered to the Former ZYUS Shareholder as instructed by such holder in the Letter of Transmittal.
- (c) After the Effective Time and until surrendered for cancellation as contemplated by Section 4.01(b), each certificate that immediately prior to the Effective Time represented one or more ZYUS Shares shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 2.04.

Section 4.02 *Lost Certificates*

In the event any certificate, that immediately prior to the Effective Time represented one or more outstanding ZYUS Shares that were exchanged for Phoenix Shares in accordance with Section 2.04, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, certificate representing Phoenix Shares that such holder is entitled to receive in accordance with Section 2.04. When authorizing such delivery of certificates representing Phoenix Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom certificates representing such Phoenix Shares is to be delivered shall, as a condition precedent to the delivery of such Phoenix Shares, give a bond satisfactory to Phoenix and the Depositary in such amount as Phoenix and the Depositary may direct, or otherwise indemnify Phoenix and the Depositary in a manner satisfactory to Phoenix and the Depositary, against any claim that may be made against Phoenix or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.03 *Distributions with Respect to Unsurrendered Certificates*

No dividend or other distribution declared or made after the Effective Time with respect to Phoenix Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding ZYUS Shares unless and until the holder of such certificate shall have complied with the provisions of

Section 4.01 or Section 4.02. Subject to applicable law and to Section 4.04, at the time of such compliance, there shall, in addition to the delivery of certificates representing Phoenix Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Phoenix Shares.

Section 4.04 *Withholding Rights*

Phoenix, ZYUS and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder and from all dividends or other distributions otherwise payable to any Former ZYUS Shareholders such amounts as Phoenix, ZYUS or the Depositary may be required or permitted to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such deducted or withheld amounts are actually remitted to the appropriate taxation authority. To the extent the amount required to be deducted or withheld from any consideration payable or otherwise deliverable to any Person hereunder exceeds the amount of cash consideration, if any, otherwise payable to the Person, any of Phoenix, ZYUS or the Depositary is hereby authorized to sell or otherwise dispose of any non-cash consideration payable to the Person as is necessary to provide sufficient funds to Phoenix, ZYUS or the Depositary, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to it, and Phoenix, ZYUS and the Depositary shall notify such Person and remit to such Person any unapplied balance of the net proceeds of such sale.

Section 4.05 *Limitation and Proscription*

To the extent that a Former ZYUS Shareholder shall not have complied with the provisions of Section 4.01 or Section 4.02 on or before the date that is six years after the Effective Date (the “**Final Proscription Date**”), then the Phoenix Shares that such Former ZYUS Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificates representing such Phoenix Shares, to which such Former ZYUS Shareholder was entitled, shall be delivered to Phoenix by the Depositary and the share certificates shall be cancelled by Phoenix, and the interest of the Former ZYUS Shareholder in such Phoenix Shares to which it was entitled shall be terminated as of such Final Proscription Date.

ARTICLE FIVE ZYUS WARRANTS AND OPTIONS

Section 5.01 *Exercise of ZYUS Warrants and ZYUS Options Post-Effective Time*

Upon any exercise of a ZYUS Warrant or ZYUS Option following the Effective Time, ZYUS shall cause Phoenix to issue the necessary the number of Phoenix Shares needed to settle such exercise.

ARTICLE SIX AMENDMENTS AND WITHDRAWAL

Section 6.01 *Amendments to Plan of Arrangement*

- (a) Phoenix and ZYUS reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that

each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Phoenix and ZYUS, (iii) filed with the Court and, if made following the ZYUS Meeting, approved by the Court, and (iv) communicated to ZYUS Shareholders if and as required by the Court.

- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by ZYUS at any time prior to the ZYUS Meeting provided that Phoenix shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the Persons voting at the ZYUS Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the ZYUS Meeting shall be effective only if: (i) it is consented to in writing by each of Phoenix and ZYUS; and (ii) if required by the Court, it is consented to by the ZYUS Shareholders voting in the manner directed by the Court.
- (d) Notwithstanding Section 6.01(a), Phoenix and ZYUS may, at any time following the date hereof, amend, modify or supplement this Plan of Arrangement without the approval of the ZYUS Shareholders or the Court provided that each amendment, modification or supplement (i) must be set out in writing, (ii) must concern a matter which, in the reasonable opinion of each of Phoenix and ZYUS is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement, and (iii) is not adverse to the economic interests of any Former ZYUS Shareholders or holders of ZYUS securities.

Section 6.02 *Withdrawal*

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE SEVEN MISCELLANEOUS

Section 7.01 *Further Assurances*

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out herein.

Section 7.02 *Paramountcy*

From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to the ZYUS Shares;

- (b) the rights and obligations of the holders of ZYUS Shares and any trustee and transfer agent therefor, shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to ZYUS Shares shall be deemed to have been settled, compromised, released and determined without any liability except as set forth herein.

SCHEDULE B

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 186.1 of the *Business Corporations Act (Saskatchewan)* (the “**SBCA**”) involving ZYUS Life Sciences Inc. (“**ZYUS**”), all as more particularly described and set forth in the Management Proxy Circular (the “**Proxy Circular**”) of ZYUS dated [●], accompanying the notice of this meeting (as the Arrangement may be modified or amended), is hereby authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving ZYUS and implementing the Arrangement, the full text of which is set out in Appendix B to the Proxy Circular, is hereby authorized, approved and adopted;
3. The arrangement agreement (the “**Arrangement Agreement**”) between ZYUS and Phoenix Canada Oil Company Limited dated November 15, 2022 and all the transactions contemplated therein, the actions of the directors of ZYUS in approving the Arrangement and the actions of the officers of ZYUS in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Court of Queen’s Bench for Saskatchewan, the directors of ZYUS are hereby authorized and empowered, without further notice to, or approval of, any securityholders of ZYUS:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement;
5. Any one or more directors or officers of ZYUS is hereby authorized, for and on behalf and in the name of ZYUS, to execute and deliver, whether under corporate seal of ZYUS or not, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of ZYUS, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and

- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by ZYUS; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C

KEY REGULATORY APPROVALS

Key Regulatory Approvals Related to ZYUS

- TSXV Approval is required to complete the Arrangement.
- Notice is required to be provided to Health Canada to complete the Arrangement.

Key Regulatory Approvals Related to Phoenix

- TSXV Approval is required to complete the Arrangement.

SCHEDULE D

KEY THIRD PARTY CONSENTS

Key Third Party Consents Related to ZYUS

- WEDC Contribution Agreement between ZYUS and the Minister Responsible for Western Economic Diversification Canada dated effective August 8, 2021 – the Minister’s consent to the Arrangement is required pursuant to section 4.6 of the agreement.

Key Third Party Consents Related to Phoenix

- None

SCHEDULE E
FORM OF ZYUS LOCK-UP AGREEMENT

VOTING AND SUPPORT AGREEMENT

THIS AGREEMENT is made as of _____, 2022,

BETWEEN:

The person executing this Agreement as “ZYUS Securityholder” on the signature page hereof
(the “ZYUS Securityholder”)

- and -

PHOENIX CANADA OIL COMPANY LIMITED

a corporation existing under the laws of Ontario

(“Phoenix”)

WHEREAS Phoenix and ZYUS Life Sciences Inc., a company existing under the laws of the Province of Saskatchewan have entered into an arrangement agreement (the “**Arrangement Agreement**”) concurrently with the entering into of this Agreement and propose to consummate an arrangement as set forth in the plan of arrangement attached to the Arrangement Agreement (the “**Arrangement**”);

AND WHEREAS the ZYUS Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over, certain (i) common shares in the capital of ZYUS (“**ZYUS Shares**”); and/or (ii) options to acquire ZYUS Shares (“**ZYUS Options**”); and/or warrants to acquire ZYUS Shares (“**ZYUS Warrants**”);

AND WHEREAS this Agreement sets out the terms and conditions, among other things, under which the ZYUS Securityholder has agreed to vote or cause to be voted all of his, her or its Subject Securities (defined below) in respect of the Arrangement and other matters related thereto;

AND WHEREAS the ZYUS Securityholder acknowledges that Phoenix and ZYUS would not have entered into the Arrangement Agreement but for the execution and delivery of this Agreement by the ZYUS Securityholder;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I INTERPRETATION

Section 1.01 Definitions

All terms used in this Agreement that are not defined herein shall have the respective meanings ascribed to them in the Arrangement Agreement.

For the purposes of this Agreement:

“**Subject Options**” means all ZYUS Options which the ZYUS Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over, particulars of which are set forth on Schedule A to this Agreement;

“**Subject Securities**” means, collectively, the Subject Shares, the Subject Warrants and the Subject Options;

“**Subject Shares**” means all ZYUS Shares which the ZYUS Securityholder owns, beneficially or of record,

directly or indirectly or exercises control or direction over, particulars of which are set forth on Schedule A to this Agreement, and shall further include any ZYUS Shares issued or issuable upon the exercise and/or vesting of Subject Warrants or Subject Options, or otherwise acquired, whether beneficially or of record, directly or indirectly or over which control or direction is exercised over, by the ZYUS Securityholder after the date hereof; and

“**Subject Warrants**” means all ZYUS Warrants which the ZYUS Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over, particulars of which are set forth on Schedule A to this Agreement.

ARTICLE II COVENANTS

Section 2.01 General Covenants of the ZYUS Securityholder

The ZYUS Securityholder hereby covenants and agrees in favour of Phoenix that, from the date hereof until the termination of this Agreement, except as permitted by this Agreement:

- (a) at any meeting of securityholders of ZYUS called to vote upon the Arrangement, the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to the Arrangement, the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement is sought, the ZYUS Securityholder shall cause all Subject Securities eligible to vote at such meeting to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) all such Subject Securities:
 - (i) in favour of (A) the approval of the Arrangement and any other matter necessary for the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement and (B) any other matter necessary for the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement; and
 - (ii) against (i) any Acquisition Proposal and (ii) any action, proposal, transaction or agreement that would reasonably be expected to in any material respect impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement (the “**Prohibited Matters**”);
- (b) the ZYUS Securityholder shall forthwith revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the matters set forth in this Agreement;
- (c) the ZYUS Securityholder agrees not to directly or indirectly (i) sell, transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a “**Transfer**”), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Subject Securities to any person, other than pursuant to the Arrangement Agreement, or (ii) grant any proxies or power of attorney, deposit any of its Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Subject Securities, other than pursuant to this Agreement. Notwithstanding the foregoing, the ZYUS Securityholder may, in the sole discretion of the ZYUS

Securityholder:

- (i) exercise any Subject Warrants and Subject Options; and
 - (ii) Transfer a sufficient number of ZYUS Shares issued upon exercise of such Subject Securities in order for the ZYUS Securityholder to receive the funds necessary to pay for the exercise price, withholding tax, Canada Pension Plan and any other obligations or payments required in connection with the exercise of such Subject Securities, provided that such Transfer is contemplated in the incentive plan governing the Subject Options;
- (d) the ZYUS Securityholder shall as a holder of Subject Securities cooperate with Phoenix and ZYUS to successfully complete the Arrangement and the transactions contemplated by the Arrangement Agreement, and to oppose any Prohibited Matter;
- (e) the ZYUS Securityholder shall not (i) exercise (and hereby waives) any rights of appraisal or rights of dissent, as applicable, from the Arrangement or the transactions contemplated by the Arrangement Agreement and (ii) commence or participate in, and shall, and hereby agrees to, take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Phoenix or ZYUS or any of their subsidiaries (or any of their respective successors) relating to the negotiation, execution and delivery of the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement;
- (f) the ZYUS Securityholder shall (i) immediately cease and terminate, and cause to be terminated, any discussions or negotiations commenced prior to the date of this Agreement with any person (other than Phoenix or ZYUS) by or on behalf of the ZYUS Securityholder with respect to any Acquisition Proposal, whether or not initiated by the ZYUS Securityholder; and (ii) not solicit, initiate or knowingly encourage inquiries, proposals or offers from any other person relating to, or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with or assist or participate in or facilitate or encourage any effort or attempt (and shall promptly notify Phoenix in writing of any inquiries, proposals, or offers of which it becomes aware) with respect to: (A) any Acquisition Proposal; (B) except as provided by the terms of this Agreement, the direct or indirect acquisition or disposition of all or any of the Subject Securities; or (C) any action which is inconsistent with the successful completion of the Arrangement or the transactions contemplated by the Arrangement Agreement;
- (g) the ZYUS Securityholder hereby agrees to deposit a proxy or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities eligible to vote on any matter as soon as practicable following the mailing of the ZYUS Circular and in any event at least 5 days prior to the ZYUS Meeting. Such proxy or voting instruction form shall appoint as proxyholder(s), the individual(s) designated by ZYUS in the ZYUS Circular, and vote all such Subject Securities as required by Section 2.01(a). The ZYUS Securityholder hereby agrees that neither it nor any person on its behalf will take any action to withdraw, amend or invalidate any proxy or voting instruction form deposited by the ZYUS Securityholder pursuant to this Agreement, unless this Agreement has at such time been previously terminated;
- (h) if the ZYUS Securityholder acquires any additional ZYUS Shares, ZYUS Warrants or ZYUS Options, the ZYUS Securityholder covenants to notify Phoenix of each such acquisition and agrees and acknowledges that such additional securities shall be deemed to be Subject Securities, and Subject Shares, Subject Warrants and Subject Options, for purposes of this Agreement;
- (i) if the Subject Securities are registered in the name of a person other than the ZYUS Securityholder or otherwise held other than personally, the ZYUS Securityholder will cause the direct owner of

such securities to perform (and the ZYUS Securityholder shall be liable for the performance of) all covenants of the ZYUS Securityholder under this Agreement as if the Securityholder; and

- (j) the ZYUS Securityholder shall not take any other action of any kind which might reasonably be regarded as likely to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

Section 2.02 Covenants of Phoenix

Phoenix agrees to comply with its obligations under the Arrangement Agreement. Phoenix hereby agrees and confirms to the ZYUS Securityholder that it shall take all steps required of it to consummate the Arrangement and cause the consideration to be made available to pay for the Subject Securities, in each case in accordance with and subject to the terms and conditions of the Arrangement Agreement and the Plan of Arrangement.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations and Warranties of the ZYUS Securityholder

The ZYUS Securityholder hereby represents and warrants to and covenants with Phoenix as follows, and acknowledges that Phoenix is relying upon such representations, warranties and covenants in entering into this Agreement and the Arrangement Agreement:

- (a) **Incorporation; Capacity; Authorization.** Where the ZYUS Securityholder is not an individual, it is duly formed and validly existing under the laws of its jurisdiction of formation and has the requisite corporate power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform its obligations hereunder. Where the ZYUS Securityholder is an individual, he or she has the power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform his or her obligations hereunder.
- (b) **Enforceable.** This Agreement has been duly executed and delivered by the ZYUS Securityholder and constitutes a legal, valid and binding obligation, enforceable against the ZYUS Securityholder in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.
- (c) **Ownership of Subject Securities.** Schedule A accurately sets forth all of the Subject Securities which the ZYUS Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over. The ZYUS Securityholder is, and will be at all times up to the Effective Time, the registered and/or beneficial owner of the Subject Securities.
- (d) **No Breach.** Neither the execution and delivery of this Agreement by the ZYUS Securityholder, the consummation by the ZYUS Securityholder of the transactions contemplated hereby nor the compliance by the ZYUS Securityholder with any of the provisions hereof will:
 - (i) result in any breach of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under any provision of the certificate of incorporation, articles, by-laws, or any other constating document of the ZYUS Securityholder, if the ZYUS Securityholder is a corporation, or under any of the terms, conditions or provisions of any note, loan agreement, bond, mortgage, indenture, contract, license, agreement, lease, permit or other instrument or obligation to which the ZYUS Securityholder is a party or by which the ZYUS Securityholder or any of its properties or assets (including the Subject Securities) may be bound;

- (ii) require on the part of the ZYUS Securityholder any filing with (other than pursuant to the requirements of Securities Laws (which filings the ZYUS Securityholder will undertake)) or permit, consent, approval, order or authorization of any Governmental Entity or other person; or
- (iii) subject to compliance with any approval or Laws contemplated by the Arrangement Agreement, violate or conflict with any Law or order applicable to the ZYUS Securityholder,

in each case of (i), (ii) and (iii), other than as would not be reasonably expected to have a materially adverse effect on the ZYUS Securityholder's ability to perform its obligations hereunder.

- (e) **No Proceedings.** There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any Governmental Entity, or, to the knowledge of the ZYUS Securityholder, threatened against the ZYUS Securityholder or any of its properties that, individually or in the aggregate, would reasonably be expected to have a material and adverse effect on the ZYUS Securityholder's ability to perform its obligations hereunder. There is no order of any Governmental Entity against the ZYUS Securityholder that would reasonably be expected to have a material adverse effect on the ZYUS Securityholder's ability to perform its obligations hereunder.
- (f) **Voting.** The ZYUS Securityholder has the sole and exclusive right to enter into this Agreement and to vote the Subject Securities as contemplated by this Agreement. None of the Subject Securities is subject to any proxy, power of attorney, attorney-in-fact, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind. Except pursuant to this Agreement, no individual, firm or entity has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, requiring the ZYUS Securityholder to Transfer any Subject Securities or any interest therein.

Section 3.02 Representations and Warranties of Phoenix

Phoenix hereby represents and warrants and covenants to the ZYUS Securityholder, acknowledging that the ZYUS Securityholder is relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) **Incorporation; Capacity; Authorization.** Phoenix is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder.
- (b) **Enforceable.** This Agreement has been duly executed and delivered by Phoenix and constitutes a legal, valid and binding obligation, enforceable against Phoenix in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.

ARTICLE IV TERMINATION

Section 4.01 Automatic Termination

This Agreement will automatically terminate and be of no further force or effect upon the earliest to occur of:

- (a) completion of the Arrangement; or

- (b) termination of the Arrangement Agreement in accordance with its terms.

Section 4.02 Termination by the Parties

This Agreement may be terminated at any time:

- (a) by mutual consent of Phoenix and the ZYUS Securityholder;
- (b) by either party, when not in material default in performance of its obligations hereunder, if the other party has not complied with its covenants contained herein in all materials respects; or
- (c) by either party, when not in material default in performance of its obligations hereunder, if any of the representations and warranties of the other party contained herein is untrue or inaccurate in any material respect.

Section 4.03 Effect of Termination

If this Agreement is terminated in accordance with this Article 4, the provisions of this Agreement will become void and the ZYUS Securityholder shall be entitled to withdraw any form of proxy or power of attorney which it may have given with respect of the Subject Securities and (ii) no party shall have liability to any other party, except in respect of any breach of this Agreement which occurred prior to such termination or in respect of any wilful breach by it of this Agreement.

ARTICLE V GENERAL

Section 5.01 Capacity and Fiduciary Obligations

Phoenix agrees and acknowledges that the ZYUS Securityholder is bound hereunder solely in his or her capacity as a securityholder of ZYUS and that the provisions of this Agreement shall not be deemed or interpreted to bind the ZYUS Securityholder or, if applicable, any of its directors, officers or shareholders, in his or her capacity as a director or officer of ZYUS or any of its subsidiaries. For the avoidance of doubt, nothing in this Agreement shall limit or restrict any party from properly fulfilling his or her fiduciary duties as a director or officer of ZYUS or any of its subsidiaries and nothing in this Agreement shall prevent a ZYUS Securityholder who is a member of the board of directors or an officer of ZYUS from engaging, in such ZYUS Securityholder's capacity as a director or officer of ZYUS or any of its subsidiaries, in discussion or negotiations with a person in response to any bona fide Acquisition Proposal or Superior Proposal in accordance with the terms of the Arrangement Agreement.

Section 5.02 Disclosure

The ZYUS Securityholder hereby consents to the disclosure of the substance of this Agreement, and any discussions leading up to the execution hereof, in any press release, documents filed with the court in connection with the Arrangement or transactions contemplated by the Arrangement Agreement or any filing pursuant to applicable Securities Laws, including the ZYUS Circular provided that the ZYUS Securityholder is afforded a reasonable opportunity to review and comment upon such disclosure prior to such disclosure being made.

Except as set forth above or as required by applicable Law or by any Governmental Entity, each party shall not make any public announcement or statement with respect to this Agreement without the approval of the other party, which shall not be unreasonably withheld or delayed.

Section 5.03 Time

Time shall be of the essence in this Agreement.

Section 5.04 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Saskatchewan and the federal laws of Canada applicable therein without regard to any conflict of laws rules or principles. The ZYUS Securityholder and Phoenix irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Saskatchewan in respect of all matters arising under and in relation to this Agreement and waive, to the fullest extent possible, the defense of an inconvenient forum or any similar defense to the maintenance of proceedings in such courts.

Section 5.05 Entire Agreement

This Agreement, including the schedules hereto and the provisions of the Arrangement Agreement incorporated herein by reference constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior agreement, representation or understanding with respect thereto.

Section 5.06 Amendments

This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by each of the parties hereto.

Section 5.07 Severability

If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

Section 5.08 Assignment

The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, and neither party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto.

Section 5.09 Notices

Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by overnight courier or e-mail, to [●], addressed as follows:

- (a) Phoenix, addressed as follows:

[●]

[●]

Attention: [●]

Email: [●]

- (b) the ZYUS Securityholder, addressed as set forth on the signature page hereto,

or to such other address as the relevant party may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be

the date of delivery thereof if delivered before [●] p.m. / [●] p.m. (Toronto time / Saskatoon time) on a Business Day at the place and time of receipt and, otherwise, on the next following Business Day.

Section 5.10 Equitable Relief

It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

Section 5.11 Expenses

Each of the parties shall pay its out of pocket and other expenses incurred in connection with the preparation, execution and delivery of this Agreement and transactions contemplated hereby.

Section 5.12 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

Section 5.13 No Third Party Beneficiaries

The parties intend that this Agreement will not benefit or create any right or cause of action in favour of any person, other than the parties and no person, other than the parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

Section 5.14 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement (including, without limitation, PDF) and such executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

[Remainder of page intentionally left blank.]

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

**PHOENIX CANADA OIL COMPANY
LIMITED**

By: _____

Name:

Title:

ZYUS SECURITYHOLDER:

(Signature of ZYUS Securityholder or Authorized Signatory)

Name:

Title:

(Signature of ZYUS Securityholder or Authorized Signatory, if owned jointly)

Name:

Title:

ZYUS Securityholder Notice Information

Address: _____

Attention: _____

E-mail: _____

SCHEDULE A

Subject Securities

1. Subject Shares:

Name of Beneficial Owner	Total Number of ZYUS Shares Beneficially Owned or Controlled	Registered holder (if different from beneficial owner)

2. Subject Options:

Name of Beneficial Owner	Total Number of ZYUS Options Beneficially Owned or Controlled	Registered holder (if different from beneficial owner)

3. Subject Warrants:

Name of Beneficial Owner	Total Number of ZYUS Warrants Beneficially Owned or Controlled	Registered holder (if different from beneficial owner)

SCHEDULE F
FORM OF PHOENIX LOCK-UP AGREEMENT

VOTING AND SUPPORT AGREEMENT

THIS AGREEMENT is made as of _____, 2022,

BETWEEN:

The person executing this Agreement as “Phoenix Securityholder” on the signature page hereof
(the “Phoenix **Securityholder**”)

- and -

ZYUS LIFE SCIENCES INC.

a corporation existing under the laws of Saskatchewan

(“**ZYUS**”)

WHEREAS Phoenix Canada Oil Company Limited, a company existing under the laws of the Province of Ontario (“**Phoenix**”) and ZYUS have entered into an arrangement agreement (the “**Arrangement Agreement**”) concurrently with the entering into of this Agreement and propose to consummate an arrangement as set forth in the plan of arrangement attached to the Arrangement Agreement (the “**Arrangement**”);

AND WHEREAS the Phoenix Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over, certain (i) common shares in the capital of Phoenix (“**Phoenix Shares**”); and/or (ii) options to acquire Phoenix Shares (“**Phoenix Options**”);

AND WHEREAS this Agreement sets out the terms and conditions, among other things, under which the Phoenix Securityholder has agreed to vote or cause to be voted all of his, her or its Subject Securities (defined below) in respect of the Arrangement and other matters related thereto;

AND WHEREAS the Phoenix Securityholder acknowledges that Phoenix and ZYUS would not have entered into the Arrangement Agreement but for the execution and delivery of this Agreement by the Phoenix Securityholder;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I INTERPRETATION

Section 1.01 Definitions

All terms used in this Agreement that are not defined herein shall have the respective meanings ascribed to them in the Arrangement Agreement.

For the purposes of this Agreement:

“**Subject Options**” means all Phoenix Options which the Phoenix Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over, particulars of which are set forth on Schedule A to this Agreement;

“**Subject Securities**” means, collectively, the Subject Shares and the Subject Options;

“**Subject Shares**” means all Phoenix Shares which the Phoenix Securityholder owns, beneficially or of

record, directly or indirectly or exercises control or direction over, particulars of which are set forth on Schedule A to this Agreement, and shall further include any Phoenix Shares issued or issuable upon the exercise and/or vesting of Subject Options, or otherwise acquired, whether beneficially or of record, directly or indirectly or over which control or direction is exercised over, by the Phoenix Securityholder after the date hereof; and

ARTICLE II COVENANTS

Section 2.01 General Covenants of the Phoenix Securityholder

The Phoenix Securityholder hereby covenants and agrees in favour of ZYUS that, from the date hereof until the termination of this Agreement, except as permitted by this Agreement:

- (a) at any meeting of securityholders of Phoenix called to vote upon the Arrangement, the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to the Arrangement, the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement is sought, the Phoenix Securityholder shall cause all Subject Securities eligible to vote at such meeting to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) all such Subject Securities:
 - (i) in favour of (A) the approval of the Arrangement and any other matter necessary for the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement and (B) any other matter necessary for the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement; and
 - (ii) against (i) any Acquisition Proposal and (ii) any action, proposal, transaction or agreement that would reasonably be expected to in any material respect impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement (the “**Prohibited Matters**”);
- (b) the Phoenix Securityholder shall forthwith revoke any and all previous proxies granted or voting instruction forms or other voting documents delivered that may conflict or be inconsistent with the matters set forth in this Agreement;
- (c) the Phoenix Securityholder agrees not to directly or indirectly (i) sell, transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a “**Transfer**”), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Subject Securities to any person, other than pursuant to the Arrangement Agreement, or (ii) grant any proxies or power of attorney, deposit any of its Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Subject Securities, other than pursuant to this Agreement. Notwithstanding the foregoing, the Phoenix Securityholder may, in the sole discretion of the Phoenix Securityholder:
 - (i) exercise any Subject Options; and
 - (ii) Transfer a sufficient number of Phoenix Shares issued upon exercise of such Subject Securities in order for the Phoenix Securityholder to receive the funds necessary to pay for

the exercise price, withholding tax, Canada Pension Plan and any other obligations or payments required in connection with the exercise of such Subject Securities, provided that such Transfer is contemplated in the incentive plan governing the Subject Options;

- (d) the Phoenix Securityholder shall as a holder of Subject Securities cooperate with Phoenix and ZYUS to successfully complete the Arrangement and the transactions contemplated by the Arrangement Agreement, and to oppose any Prohibited Matter;
- (e) the Phoenix Securityholder shall not (i) exercise (and hereby waives) any rights of appraisal or rights of dissent, as applicable, from the Arrangement or the transactions contemplated by the Arrangement Agreement and (ii) commence or participate in, and shall, and hereby agrees to, take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Phoenix or ZYUS or any of their subsidiaries (or any of their respective successors) relating to the negotiation, execution and delivery of the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement;
- (f) the Phoenix Securityholder shall (i) immediately cease and terminate, and cause to be terminated, any discussions or negotiations commenced prior to the date of this Agreement with any person (other than Phoenix or ZYUS) by or on behalf of the Phoenix Securityholder with respect to any Acquisition Proposal, whether or not initiated by the Phoenix Securityholder; and (ii) not solicit, initiate or knowingly encourage inquiries, proposals or offers from any other person relating to, or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with or assist or participate in or facilitate or encourage any effort or attempt (and shall promptly notify Phoenix in writing of any inquiries, proposals, or offers of which it becomes aware) with respect to: (A) any Acquisition Proposal; (B) except as provided by the terms of this Agreement, the direct or indirect acquisition or disposition of all or any of the Subject Securities; or (C) any action which is inconsistent with the successful completion of the Arrangement or the transactions contemplated by the Arrangement Agreement;
- (g) the Phoenix Securityholder hereby agrees to deposit a proxy or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities eligible to vote on any matter as soon as practicable following the mailing of the Phoenix Circular and in any event at least 5 days prior to the Phoenix Meeting. Such proxy or voting instruction form shall appoint as proxyholder(s), the individual(s) designated by Phoenix in the Phoenix Circular, and vote all such Subject Securities as required by Section 2.01(a). The Phoenix Securityholder hereby agrees that neither it nor any person on its behalf will take any action to withdraw, amend or invalidate any proxy or voting instruction form deposited by the Phoenix Securityholder pursuant to this Agreement, unless this Agreement has at such time been previously terminated;
- (h) if the Phoenix Securityholder acquires any additional Phoenix Shares, or Phoenix Options, the Phoenix Securityholder covenants to notify ZYUS of each such acquisition and agrees and acknowledges that such additional securities shall be deemed to be Subject Securities, and Subject Shares, and Subject Options, for purposes of this Agreement;
- (i) if the Subject Securities are registered in the name of a person other than the Phoenix Securityholder or otherwise held other than personally, the Phoenix Securityholder will cause the direct owner of such securities to perform (and the Phoenix Securityholder shall be liable for the performance of) all covenants of the Phoenix Securityholder under this Agreement as if the Securityholder; and
- (j) the Phoenix Securityholder shall not take any other action of any kind which might reasonably be regarded as likely to impede, interfere with, delay, discourage, adversely affect or inhibit the timely consummation of the Arrangement or the transactions contemplated by the Arrangement

Agreement.

Section 2.02 Covenants of ZYUS

ZYUS agrees to comply with its obligations under the Arrangement Agreement. ZYUS hereby agrees and confirms to the Phoenix Securityholder that it shall take all steps required of it to consummate the Arrangement and cause the consideration to be made available to pay for the Subject Securities, in each case in accordance with and subject to the terms and conditions of the Arrangement Agreement and the Plan of Arrangement.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations and Warranties of the Phoenix Securityholder

The Phoenix Securityholder hereby represents and warrants to and covenants with ZYUS as follows, and acknowledges that ZYUS is relying upon such representations, warranties and covenants in entering into this Agreement and the Arrangement Agreement:

- (a) **Incorporation; Capacity; Authorization.** Where the Phoenix Securityholder is not an individual, it is duly formed and validly existing under the laws of its jurisdiction of formation and has the requisite corporate power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform its obligations hereunder. Where the Phoenix Securityholder is an individual, he or she has the power and capacity and has received all requisite approvals to execute and deliver this Agreement and to perform his or her obligations hereunder.
- (b) **Enforceable.** This Agreement has been duly executed and delivered by the Phoenix Securityholder and constitutes a legal, valid and binding obligation, enforceable against the Phoenix Securityholder in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.
- (c) **Ownership of Subject Securities.** Schedule A accurately sets forth all of the Subject Securities which the Phoenix Securityholder owns, beneficially or of record, directly or indirectly or exercises control or direction over. The Phoenix Securityholder is, and will be at all times up to the Effective Time, the registered and/or beneficial owner of the Subject Securities.
- (d) **No Breach.** Neither the execution and delivery of this Agreement by the Phoenix Securityholder, the consummation by the Phoenix Securityholder of the transactions contemplated hereby nor the compliance by the Phoenix Securityholder with any of the provisions hereof will:
 - (i) result in any breach of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under any provision of the certificate of incorporation, articles, by-laws, or any other constating document of the Phoenix Securityholder, if the Phoenix Securityholder is a corporation, or under any of the terms, conditions or provisions of any note, loan agreement, bond, mortgage, indenture, contract, license, agreement, lease, permit or other instrument or obligation to which the Phoenix Securityholder is a party or by which the Phoenix Securityholder or any of its properties or assets (including the Subject Securities) may be bound;
 - (ii) require on the part of the Phoenix Securityholder any filing with (other than pursuant to the requirements of Securities Laws (which filings the Phoenix Securityholder will undertake)) or permit, consent, approval, order or authorization of any Governmental Entity or other person; or

- (iii) subject to compliance with any approval or Laws contemplated by the Arrangement Agreement, violate or conflict with any Law or order applicable to the Phoenix Securityholder,

in each case of (i), (ii) and (iii), other than as would not be reasonably expected to have a materially adverse effect on the Phoenix Securityholder's ability to perform its obligations hereunder.

- (e) **No Proceedings.** There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any Governmental Entity, or, to the knowledge of the Phoenix Securityholder, threatened against the Phoenix Securityholder or any of its properties that, individually or in the aggregate, would reasonably be expected to have a material and adverse effect on the Phoenix Securityholder's ability to perform its obligations hereunder. There is no order of any Governmental Entity against the Phoenix Securityholder that would reasonably be expected to have a material adverse effect on the Phoenix Securityholder's ability to perform its obligations hereunder.
- (f) **Voting.** The Phoenix Securityholder has the sole and exclusive right to enter into this Agreement and to vote the Subject Securities as contemplated by this Agreement. None of the Subject Securities is subject to any proxy, power of attorney, attorney-in-fact, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind. Except pursuant to this Agreement, no individual, firm or entity has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, requiring the Phoenix Securityholder to Transfer any Subject Securities or any interest therein.

Section 3.02 Representations and Warranties of ZYUS

ZYUS hereby represents and warrants and covenants to the Phoenix Securityholder, acknowledging that the Phoenix Securityholder is relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) **Incorporation; Capacity; Authorization.** ZYUS is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder.
- (b) **Enforceable.** This Agreement has been duly executed and delivered by ZYUS and constitutes a legal, valid and binding obligation, enforceable against ZYUS in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.

ARTICLE IV TERMINATION

Section 4.01 Automatic Termination

This Agreement will automatically terminate and be of no further force or effect upon the earliest to occur of:

- (a) completion of the Arrangement; or
- (b) termination of the Arrangement Agreement in accordance with its terms.

Section 4.02 Termination by the Parties

This Agreement may be terminated at any time:

- (a) by mutual consent of ZYUS and the Phoenix Securityholder;
- (b) by either party, when not in material default in performance of its obligations hereunder, if the other party has not complied with its covenants contained herein in all material respects; or
- (c) by either party, when not in material default in performance of its obligations hereunder, if any of the representations and warranties of the other party contained herein is untrue or inaccurate in any material respect.

Section 4.03 Effect of Termination

If this Agreement is terminated in accordance with this Article 4, the provisions of this Agreement will become void and the Phoenix Securityholder shall be entitled to withdraw any form of proxy or power of attorney which it may have given with respect of the Subject Securities and (ii) no party shall have liability to any other party, except in respect of any breach of this Agreement which occurred prior to such termination or in respect of any wilful breach by it of this Agreement.

ARTICLE V GENERAL

Section 5.01 Capacity and Fiduciary Obligations

ZYUS agrees and acknowledges that the Phoenix Securityholder is bound hereunder solely in his or her capacity as a securityholder of Phoenix and that the provisions of this Agreement shall not be deemed or interpreted to bind the Phoenix Securityholder or, if applicable, any of its directors, officers or shareholders, in his or her capacity as a director or officer of Phoenix or any of its subsidiaries. For the avoidance of doubt, nothing in this Agreement shall limit or restrict any party from properly fulfilling his or her fiduciary duties as a director or officer of Phoenix or any of its subsidiaries and nothing in this Agreement shall prevent a Phoenix Securityholder who is a member of the board of directors or an officer of Phoenix from engaging, in such Phoenix Securityholder's capacity as a director or officer of Phoenix or any of its subsidiaries, in discussion or negotiations with a person in response to any bona fide Acquisition Proposal or Superior Proposal in accordance with the terms of the Arrangement Agreement.

Section 5.02 Disclosure

The Phoenix Securityholder hereby consents to the disclosure of the substance of this Agreement, and any discussions leading up to the execution hereof, in any press release, documents filed with the court in connection with the Arrangement or transactions contemplated by the Arrangement Agreement or any filing pursuant to applicable Securities Laws, including the Phoenix Circular provided that the Phoenix Securityholder is afforded a reasonable opportunity to review and comment upon such disclosure prior to such disclosure being made.

Except as set forth above or as required by applicable Law or by any Governmental Entity, each party shall not make any public announcement or statement with respect to this Agreement without the approval of the other party, which shall not be unreasonably withheld or delayed.

Section 5.03 Time

Time shall be of the essence in this Agreement.

Section 5.04 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of

Saskatchewan and the federal laws of Canada applicable therein without regard to any conflict of laws rules or principles. The Phoenix Securityholder and ZYUS irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement and waive, to the fullest extent possible, the defense of an inconvenient forum or any similar defense to the maintenance of proceedings in such courts.

Section 5.05 Entire Agreement

This Agreement, including the schedules hereto and the provisions of the Arrangement Agreement incorporated herein by reference constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior agreement, representation or understanding with respect thereto.

Section 5.06 Amendments

This Agreement may not be modified, amended, altered or supplemented, except upon the execution and delivery of a written agreement executed by each of the parties hereto.

Section 5.07 Severability

If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

Section 5.08 Assignment

The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, and neither party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto.

Section 5.09 Notices

Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by overnight courier or e-mail, to [●], addressed as follows:

- (a) ZYUS, addressed as follows:

- [●]
 - [●]

- Attention: [●]
 - Email: [●]

- (b) the Phoenix Securityholder, addressed as set forth on the signature page hereto,

or to such other address as the relevant party may from time to time advise by notice in writing given pursuant to this Section. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery thereof if delivered before [●] p.m. / [●] p.m. (Toronto time / Saskatoon time) on a Business Day at the place and time of receipt and, otherwise, on the next following Business Day.

Section 5.10 Equitable Relief

It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

Section 5.11 Expenses

Each of the parties shall pay its out of pocket and other expenses incurred in connection with the preparation, execution and delivery of this Agreement and transactions contemplated hereby.

Section 5.12 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

Section 5.13 No Third Party Beneficiaries

The parties intend that this Agreement will not benefit or create any right or cause of action in favour of any person, other than the parties and no person, other than the parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

Section 5.14 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement (including, without limitation, PDF) and such executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

[Remainder of page intentionally left blank.]

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

ZYUS LIFE SCIENCES INC.

By: _____
Name:
Title:

Phoenix SECURITYHOLDER:

(Signature of Phoenix Securityholder or Authorized Signatory)

Name:
Title:

(Signature of Phoenix Securityholder or Authorized Signatory, if owned jointly)

Name:
Title:

Phoenix Securityholder Notice Information

Address: _____
Attention: _____
E-mail: _____

SCHEDULE A

Subject Securities

1. Subject Shares:

Name of Beneficial Owner	Total Number of Phoenix Shares Beneficially Owned or Controlled	Registered holder (if different from beneficial owner)

2. Subject Options:

Name of Beneficial Owner	Total Number of Phoenix Options Beneficially Owned or Controlled	Registered holder (if different from beneficial owner)

SCHEDULE G

FORM OF PHOENIX AMENDED ARTICLES

The articles of Phoenix will be amended to: (i) delete the objects set out in Phoenix's letters patent; (ii) change its name to "ZYUS Life Sciences Corporation" (or other similar name mutually acceptable to ZYUS and Phoenix); (iii) provide that Phoenix's share capital consists of an unlimited number of common shares without par value; (iv) provide that Phoenix's board of directors consists of a minimum of three and a maximum of 12 directors; and (v) change Phoenix's registered address to the address of ZYUS' solicitors in Ontario.

SCHEDULE H
FORM OF PHOENIX AMENDED BYLAWS

BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and affairs of
ZYUS LIFE SCIENCES CORPORATION

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BY-LAW NO. 1

ARTICLE I INTERPRETATION

1.1 **Definitions:** In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Business Corporations Act* (Ontario) or any successor statute, as amended from time to time, and includes the regulations thereunder;
- (b) “Corporation” means ZYUS Life Sciences Corporation, a corporation existing under the laws of the province of Ontario;
- (c) “holiday” means Sunday and any other day that is a holiday as defined in the *Legislation Act, 2006* (Ontario) or any successor statute, as amended from time to time;
- (d) “meeting of shareholders” includes an annual meeting of shareholders or a special meet of shareholders;
- (e) “ordinary resolution” means a resolution passed by a majority of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution;
- (f) “person” includes an individual, body corporate, sole proprietorship, partnership or syndicate, an unincorporated association or organization, a joint venture, trust or employee benefit plan, a government or any agency or political subdivision thereof, and a person acting as trustee, executor, administrator or other legal representative;
- (g) “recorded address” means, with respect to a single shareholder, his/her/its latest address as recorded in the securities register of the Corporation; with respect to joint shareholders, the first address appearing in the securities register in respect of their joint holding; and with respect to any other person, but subject to the Act, his/her latest address as recorded in the records of the Corporation or otherwise known to the Corporate Secretary;
- (h) “Regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;
- (i) “Securities Transfer Act” means the *Securities Transfer Act* (Ontario) 2006, C.8. as amended from time to time;
- (j) “signing officer” means, in relation to any instrument, any director or officer of the Corporation authorized to sign the instrument on behalf of the Corporation
- (k) “special business” means all business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the financial statements and auditor’s report, fixing the number of directors for the following year, election of directors and reappointment of the incumbent auditor;

- (l) “special meeting of shareholders” means a meeting, other than an annual meeting, of shareholders entitled to vote at an annual meeting of shareholders, and includes a meeting of any class or classes of shareholders acting separately from any other class or classes of shareholders;
- (m) “special resolution” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast in respect of that resolution or signed by all the shareholders entitled to vote on that resolution;
- (n) subject to the foregoing, words and expressions that are defined in the Act have the same meanings when used in the by-laws; and
- (o) words importing the singular include the plural and vice-versa, words importing any gender include the masculine, feminine and neuter genders, and headings are for convenience of reference only and shall not affect the interpretation of the bylaws.

1.2 Conflict with Laws

In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the Securities Transfer Act, the provisions of the Act or the Securities Transfer Act, as applicable, shall prevail.

ARTICLE II ADMINISTRATION

2.1 Registered Office, Records Office and Address for Service: Until changed in accordance with the Act, the registered office of the Corporation, the designated records office (if separate from the registered office) of the Corporation and the post office box (if any) designated as the address for service upon the Corporation by mail shall initially be at the address or addresses in Ontario specified in the notice thereof filed with the articles and thereafter as the board of directors of the Corporation (the “**Board**”) may from time to time determine.

2.2 Corporate Seal: The corporate seal of the Corporation shall be in the form as determined by the Board from time to time.

2.3 Financial Year: The financial year of the Corporation shall be determined by the Board from time to time.

2.4 Banking Arrangements: The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreement, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.5 Voting Rights in Other Bodies Corporate: Any one signing officer of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights.

**ARTICLE III
BORROWING AND SECURITIES**

- 3.1 Borrowing Powers:** Without limiting the borrowing powers of the Corporation as set forth in the Act, the Board may, subject to the articles and any unanimous shareholder agreement, from time to time, on behalf of the Corporation, without the authorization of the shareholders:
- (a) borrow money on the credit of the Corporation;
 - (b) issue, re-issue, sell or pledge debt obligations of the Corporation, whether secured or unsecured;
 - (c) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- 3.2 Delegation of Powers:** Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement, the Board may, from time to time, delegate any or all of the powers hereinbefore specified, to a director, a committee of directors or one or more officers of the Corporation.

**ARTICLE IV
MEETINGS OF SHAREHOLDERS**

- 4.1 Annual Meeting:** The annual meeting of the shareholders shall be held on such day and at such time as the Board may, subject to the Act, determine from time to time, for the purpose of transacting such business as is properly brought before the meeting.
- 4.2 Special Meeting:** From time to time the Board may call a special meeting of the shareholders to be held on such day and at such time as the Board may determine. Any special meeting of shareholders may be combined with an annual meeting.
- 4.3 Special Business:** All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the financial statements and auditor's report, fixing the number of directors for the following year, election of directors and reappointment of the incumbent auditor, is deemed to be special business.
- 4.4 Place of Meetings:** Meetings of shareholders shall be held at such place within North America as the Board may determine from time to time.
- 4.4.1 Participation by Electronic Means:** If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of shareholders, any shareholder entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility. A shareholder, who through such means votes at the meeting or establishes a communications link to the meeting is deemed to be present at the meeting. Notwithstanding any other provision of this By-law, any person participating in a meeting of shareholders pursuant to this Part who is entitled to vote at that meeting may vote, in accordance with the Act and the Regulations, by means of any telephonic, electronic or other communication facility that the

Corporation has made available for that purpose.

- 4.5 Record Date:** The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 clear days nor less than 21 clear days (or pursuant to the time limitations as may be prescribed by the Act from time to time), for the determination of the shareholders entitled to notice of the meeting, and where no such record date for notice is fixed by the Board, the record date for notice shall be the close of business on the day immediately preceding the day on which notice is given. Notice of any such record date fixed by the Board shall be given in the manner required by the Act.
- 4.6 Shareholder List:** For each meeting of shareholders the Corporate Secretary or the transfer agent for the Corporation shall cause to be prepared an alphabetical list of shareholders entitled to receive notice of the meeting showing the number of shares entitled to be voted at the meeting and held by each such shareholder. The list shall be prepared (i) if a record date for such notice is fixed by the Board, not later than 10 clear days thereafter, or (ii) if no such record date is fixed by the Board, at the close of business on the day immediately preceding the day on which notice of the meeting is given.
- 4.7 Notice:** Notice in writing of the time, place and purpose for holding each meeting of shareholders shall be sent not less than 21 clear days nor more than 50 clear days before the date on which the meeting is to be held, to each director, the auditor of the Corporation and each person who on the record date for notice appears in the securities register of the Corporation as the holder of one or more shares carrying the right to vote at the meeting or as the holder of one or more shares the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of shareholders shall state or be accompanied by the text of any special resolution or by-law to be submitted to the meeting and a statement in accordance with the Act of the nature of all special business to be transacted at the meeting. Reference is made to Sections 11.6 to 11.12.
- 4.8 Proxy and Management Information Circular:** The Corporate Secretary shall, concurrently with sending notice of a meeting of shareholders, (i) send a form of proxy and management information circular in accordance with the Act to each shareholder who is entitled to receive notice of and appears entitled to vote at the meeting, (ii) send such management information circular to any other shareholder who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled thereto and to the auditor, and (iii) file with the Ontario Securities Commission and any other agencies entitled thereto a copy of all documents sent in connection with the meeting.
- 4.9 Financial Statements:** Not less than 21 clear days (or as otherwise provided, by the Act) before each annual meeting of shareholders the Corporate Secretary shall send to each shareholder a copy of the annual financial statements of the Corporation and the auditor's report thereon. The Corporate Secretary shall also file a copy of the financial statements of the Corporation with the Ontario Securities Commission and any other agencies entitled thereto, as and when required.
- 4.10 Persons Entitled to be Present:** The only persons entitled to attend a meeting of shareholders shall be those persons entitled to notice thereof and others who although not entitled to notice are entitled or required under any provision of the Act or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.
- 4.11 Chairman, Corporate Secretary and Scrutineer:** The Chairman of the Board or in his/her absence the Chief Executive Officer or in his/her absence the President or in their absence a person designated by the Board shall be chairman of any meeting of shareholders. If no such person is

present within 15 minutes after the time appointed for the holding of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Corporate Secretary is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. One or more scrutineers, who need not be shareholders, may be appointed by the chairman or by a resolution of the shareholders.

- 4.12 Quorum:** The quorum for the transaction of business at any meeting of shareholders shall be two persons present in person or by proxy at the opening of the meeting who are entitled to vote not less than 5% of the shares entitled to be voted at the meeting. If a quorum is not present within such reasonable time after the time appointed for the holding of the meeting as the persons present and entitled to vote may determine, they may adjourn the meeting to a fixed time and place at which the quorum for the transaction of business shall be two persons present and entitled to vote.
- 4.13 Persons Entitled to Vote:** The persons entitled to vote at any meeting of shareholders shall be the persons entitled to vote in accordance with the Act.
- 4.14 Proxies:** Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or alternate proxyholders, who need not be shareholders, as his/her nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. The Board may specify in the notice calling a meeting of shareholders a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such item is specified in such notice, if it has been received by the Corporate Secretary of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting. A proxy ceases to be valid one year from its date.
- 4.15 Voting:** At each meeting of shareholders every question proposed for consideration by the shareholders shall be decided by a majority of the votes duly cast thereon, unless otherwise required by the articles or by-laws of the Corporation or by law.
- 4.16 Joint Shareholders:** If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.
- 4.17 Show of Hands:** At each meeting of shareholders voting shall be by show of hands unless a ballot is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the show of hands shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon be so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the question was carried or carried by a particular majority or not carried or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be prima facie evidence of the result of the vote without proof of the number or proportion of votes cast for or against.
- 4.18 Ballots:** On any question proposed for consideration at a meeting of shareholders, a ballot may be required by the chairman or demanded by any person present and entitled to vote, either before or after any vote by show of hands. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a poll upon the question shall be taken in such manner as the chairman

of the meeting shall direct. Subject to the articles, upon a ballot each person present shall be entitled to one vote in respect of each share which he/she is entitled to vote at the meeting on the question.

4.19 Adjournment: The chairman at the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that it is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

4.20 Nomination of Directors:

- (a) Subject only to the Act and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors. Such nominations may be made in the following manner:
- (i) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or
 - (iii) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving of the notice provided below in this Section 4.20 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in this Section 4.20.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
- (c) To be timely, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the “**Notice Date**”) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called

for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

- (iii) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- (d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed director nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed director nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder of the Corporation's understanding of the independence, or lack thereof, of such proposed director nominee.

- (e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 4.20; provided, however, that nothing in this Section 4.20 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of the Corporation of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Section 4.20:
- (i) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis

and Retrieval at www.sedar.com; and

- (ii) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province of Canada.
- (g) Notwithstanding any other provision of this Section 4.20, notice given to the Corporate Secretary of the Corporation may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (h) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 4.20.

ARTICLE V DIRECTORS

- 5.1 Powers of the Board of Directors:** The Board of directors shall supervise the management of the business and affairs of the Corporation.
- 5.2 Qualifications:** No person shall be qualified for election as a director if (i) he/she is less than 18 years of age; (ii) if he/she is of unsound mind and has been so found by a court in Canada or elsewhere; (iii) if he/she is not an individual; or (iv) if he/she has the status of a bankrupt, or as otherwise prescribed by the Act. A director need not be a shareholder. If the Corporation is or becomes an offering corporation within the meaning of the Act, at least one-third of the directors of the Corporation shall not be officers or employees of the Corporation or any of its affiliates.
- 5.3 Number and Quorum of Directors:** The number of directors of the Corporation shall be the number of directors as specified in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation shall be the number of directors determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the Board. Subject to the Act and the by-laws of the Corporation, the quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office or such greater number of directors as the Board may from time to time determine by resolution.
- 5.4 Election and Term:** Directors shall be elected to hold office for a term respectively expiring at the close of the next annual meeting of shareholders following their election or when their successors are duly elected or appointed.

- 5.5 Vacancies:** Notwithstanding vacancies but subject to the Act, the remaining directors may exercise all the powers of the Board as long as a quorum of the Board remains in office. Vacancies in the Board may be filled in accordance with the Act.
- 5.6 Calling Meetings:** Meetings of the Board shall be held from time to time at such places within or outside Ontario (or by such communication facilities as are permitted by the Act) on such days and at such times as any two directors or the Chairman of the Board or the Chief Executive Officer or any other officer designated by the Board may determine. In any financial year of the Corporation a majority of the meetings of the Board may be held within or outside Canada.
- 5.7 Notice:** Notice of the time and of the place or manner of participation for every meeting of the Board shall be sent to each director not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the meeting. A director may in any manner waive notice of or otherwise consent to a meeting of the Board. Reference is made to Sections 11.6 to 11.12.
- 5.8 First Meeting of New Board:** Each newly constituted Board may hold its first meeting without notice on the same day that such Board was formed.
- 5.9 Regular Meetings:** The Board may appoint a day or days in any month for regular meetings of the Board to be held at a place or by communications facilities and at an hour to be named. A copy of any resolution of the Board fixing the time and place or manner of participation for such regular meetings shall be sent to each director forthwith after being passed and to each director elected or appointed thereafter, but no other notice shall be required for any such regular meeting.
- 5.10 Chairman:** The Chairman of the Board, or in his/her absence the Chief Executive Officer, or in their absence the President, or in their absence a director designated by the Board, in their absence a director designated by the meeting shall be chairman of any meeting of the Board.
- 5.11 Voting:** At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a casting or second vote.
- 5.12 Signed Resolutions:** When there is a quorum of directors in office, a resolution in writing signed by all the directors entitled to vote thereon at a meeting of the Board or any committee thereof is as valid as if passed at such meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.
- 5.13 Remuneration:** Directors may be paid such remuneration for acting as directors and such sums in respect of their out-of-pocket expenses incurred in performing their duties as the Board may determine from time to time. Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.
- 5.14 Committees:** The Board shall establish an audit committee and from time to time may establish other committees of directors. The Board may appoint and remove the members of each committee subject to the requirements of the Act. Each committee shall have those powers and duties lawfully delegated to it by the Board or provided by the Act. Unless otherwise determined by the Board, each committee may fix its quorum, elect its chairman and adopt rules to regulate its procedure. Subject to the foregoing, the procedure of each committee shall be governed by the provisions of this by-law which govern proceedings of the Board so far as the same can apply except that a meeting of a committee may be called by any member thereof (or by any member, or the auditor,

in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor, in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his/her absence, some other member of the committee. The Corporate Secretary shall be the secretary of each committee (or such other person designated by the committee). Each committee shall keep records of its proceedings and transactions and shall report all such proceedings and transactions to the Board in a timely manner.

- 5.15 Participation in Meeting:** Directors may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.
- 5.16 Place of Meetings:** Subject to the articles, meetings of the Board of directors shall be held at such place within North America as the Board may determine from time to time.

ARTICLE VI OFFICERS AND EMPLOYEES

- 6.1 Appointment of Officers:** From time to time the Board may appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, an Executive Vice-President, one or more Senior Vice-Presidents and Vice Presidents, the Treasurer, the Corporate Secretary, the Controller and such other officers as the Board may determine (including one or more assistants to any of the officers so appointed), may designate one officer as Chief Executive Officer of the Corporation and one officer as Chief Financial Officer of the Corporation and may revoke any such designation. One person may hold more than one office. Except for the Chairman of the Board and the Vice-Chairman of the Board, the officers so appointed need not be directors.
- 6.2 Appointment of Non-Officers:** The Board may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the Board may determine from time to time.
- 6.3 Terms of Employment:** The Board may settle from time to time the terms of employment of the officers and other persons appointed by it and may remove at its pleasure any such person without prejudice to his/her rights, if any, to compensation under any employment contract.
- 6.4 Powers and Duties of Officers:** The Board may from time to time specify the duties of each officer, delegate to him or her powers to manage any business or affairs of the Corporation (including the power to sub-delegate) and change such duties and powers, all insofar as not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.
- 6.5 Incentive Plans:** For the purposes of enabling key officers and employees of the Corporation and its affiliates to participate in the growth of the Corporation and of providing effective incentives to such officers and employees, the Board may establish such plans (including stock option plans and stock purchase plans) and make such rules and regulations with respect thereto, and such changes in such plans, rules and regulations, as the Board may deem advisable from time to time. From time to time the Board may designate the key officers and employees entitled to participate in any such plan. For the purposes of any such plan the Corporation may provide such financial assistance by means of loan, guarantee or otherwise to key officers and employees as is permitted by the Act.

- 6.6** **Term of Office:** The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise, each officer appointed by the Board shall hold office until his successor is appointed.

ARTICLE VII CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

- 7.1** **Standard of Care:** Every director and officer of the Corporation in exercising his/her powers and discharging his/her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 7.2** **Disclosure of Interest:** A director or officer who now or in the future is a party to, or is a director or officer of or has a material interest in another person who is a party to, any existing or proposed material contract or transaction with the Corporation shall in accordance with the Act disclose in writing to the Corporation or request to have entered in the minutes of meetings of the Board the nature and extent of his/her interest. Except as permitted by the Act a director so interested shall not vote on any resolution to approve such contract or transaction. A general notice to the Board by a director or officer that he/she is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made or transaction entered into with that person is a sufficient disclosure of interest in relation to any contract or transaction so made or entered into.
- 7.3** **Indemnity:** Every person who at any time is or has been a director or officer of the Corporation or who at any time acts or has acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity of which the Corporation is or was a shareholder or creditor, and the heirs and legal representatives of every such person, shall at all times be indemnified by the Corporation in every circumstance where the Act so permits or requires. In addition and without prejudice to the foregoing and subject to the limitations in the Act regarding indemnities in respect of derivative actions, every person who at any time is or has been a director or officer, or in a similar capacity, of the Corporation or properly incurs or has properly incurred any liability on behalf of the Corporation or who at any time acts or has acted at the Corporation's request (in respect of the Corporation or any other entity), and his/her heirs and legal representatives, shall at all times be indemnified by the Corporation against all costs, charges and expenses, including an amount paid to settle an action or satisfy a fine or judgment, reasonably incurred by him in respect of or in connection with any civil, criminal or administrative action, proceeding or investigation (apprehended, threatened, pending, under way or completed) to which he/she is or may be made a party or in which he/she is or may become otherwise involved by reason of being or having been such a director or officer or by reason of so incurring or having so incurred such liability or by reason of so acting or having so acted (or by reason of anything alleged to have been done, omitted or acquiesced in by him in any such capacity or otherwise in respect of any of the foregoing), and all appeals therefrom, if:
- (a) he/she acted honestly and in good faith with a view to the best interests of the Corporation (or if applicable, in the best interest of the other entity for which the individual acted as a director, officer or in a similar capacity at the Corporation's request); and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he/she had reasonable grounds for believing his/her conduct was lawful.

Nothing in this section shall affect any other right to indemnity to which any person may be or

become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that a person did not meet a condition set out in clause (a) or (b) of this section or any corresponding condition in the Act. From time to time the Board may determine that this section shall also apply to the employees of the Corporation who are not directors or officers of the Corporation or to any particular one or more or class of such employees, either generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively. From time to time thereafter the Board may also revoke, limit or vary the continued application of this section to employees as provided in the previous sentence.

- 7.4** **Limitation of Liability:** So long as he/she acts honestly and in good faith with a view to the best interests of the Corporation (or of the entity for which the individual acted as a director, officer or in a similar capacity at the Corporation's request), no person referred to in Section 7.3 (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation, except where so required by the Act.
- 7.5** **Insurance:** Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in Section 7.3.

ARTICLE VIII DIVISIONS AND DEPARTMENTS

- 8.1** **Creation and Consolidation of Divisions:** The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided in sub-units and the business and operations of any such divisions or sub-units shall be consolidated upon such basis as the Board may consider appropriate in each case.
- 8.2** **Name of Division:** Subject to law, any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contract, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.
- 8.3** **Officers of Divisions:** From time to time the Board or, if authorized by the Board, the Chief Executive Officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the Chief Executive Officer, may remove at its or his pleasure any officer so appointed without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

ARTICLE IX SECURITIES

- 9.1** **Share Certificates:** Every shareholder of shares that are certificated securities under the Act, is entitled at his/her option to a share certificate that complies with the Act and states the number, class and series designation, if any, of shares held by him as appears on the records of the Corporation. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares held jointly by several persons, and delivery of such

certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgments shall be in such forms as the Board shall approve from time to time and, unless otherwise ordered by the Board, shall be signed in accordance with Section 11.1 and need not be under corporate seal. However, certificates representing shares in respect of which a transfer agent has been appointed shall be signed manually by or on behalf of such transfer agent and other share certificates and acknowledgments shall be signed manually by at least one signing officer.

9.2 Replacement of Share Certificates: The Corporate Secretary may prescribe either generally or in a particular case reasonable conditions, in addition to those provided in the Act, upon which a new share certificate may be issued in place of any share certificate which is claimed to have been lost destroyed or wrongfully taken, or which has become defaced.

9.3 Registration of Transfer: All transfers of securities of the Corporation shall be made in accordance with the Act and the Securities Transfer Act. Subject to the Act and the Securities Transfer Act, no transfer of shares (represented by a security certificate as defined in the Act) need to be recorded in the register of transfers except upon surrender of the certificate representing such shares endorsed by the appropriate person under the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with all other conditions set out in the Act.

9.4 Lien for Indebtedness: If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected, or by the cancellation by the Corporation of the shares thereby affected and the appropriate corresponding reduction of the stated capital account for said shares, or by any other action, suit remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

9.5 Joint Shareholders:

(a) If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

(b) Where a share is registered in the name of two or more persons as joint holders with rights of survivorship, upon satisfactory proof of the death of one joint holder and without the requirement of letters probate or letters of administration, the Corporation shall treat the surviving joint holder(s) as the sole owner(s) of the share effective as of the date of death of such joint holder and the Corporation shall make the appropriate entry in the securities register to reflect such ownership.

ARTICLE X INFORMATION AVAILABLE TO SHAREHOLDERS

10.1 Directors may Restrict Access: Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors would be inexpedient in the interests of the Corporation to

communicated to the public.

- 10.2 Directors to Determine Access:** The directors may, from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what circumstances or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting records of the Corporation except as conferred by statute or authorized by the Board of directors by a resolution of the shareholders.

ARTICLE XI MISCELLANEOUS

- 11.1 Execution of Documents:** Contracts, documents or instruments in writing requiring signature of the Corporation (except contracts, documents or instruments in writing arising in the ordinary course of the Corporation's business which may be signed by any officer or employee acting within his/her scope of authority, in accordance with the Corporation's policies) may be signed on behalf of the Corporation by any one director or officer of the Corporation, and contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any officer or officers or any person or persons or any legal entity on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation may when required be affixed to contracts, documents and instruments in writing signed as provided above or by any officer or officers, person or persons, appointed by resolution of the Board.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature(s) of any one director or officer of the Corporation and/or any other officer or officers, person or persons, appointed by resolution of the Board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or on behalf of the Corporation. All contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as provided above shall be so reproduced pursuant to special authorization by resolution of the Board, shall be deemed to have been signed manually by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

- 11.2 Electronic Signatures:** Any requirement under the Act or this by-law for a signature, or for a document to be executed, is satisfied by a signature or execution in electronic form if such is

permitted by law and all requirements prescribed by law are met.

11.3 Dividends:

- (a) Subject to the Act and the articles, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. A dividend payable to any shareholder in money may be paid by cheque payable to the order of the shareholder and shall be mailed to the shareholder by prepaid mail addressed to him/her at his/her recorded address unless he/she directs otherwise in writing. The mailing of a cheque as provided above, unless it is not paid on due presentation, shall discharge the Corporation's liability for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque sent is not received by the payee, the Corporation shall issue to such person a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Corporate Secretary may require.
- (b) The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of the dividend or to exercise the right to subscribe for those securities, and notice of any such record date shall be given not less than seven days before the record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be done at the date of the close of business on the day on which the resolution relating to the dividend or right to subscribe is passed by the Board.
- (c) Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

11.4 Commissions: The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

11.5 Dealings with Registered Shareholder: Subject to the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share and otherwise to exercise all the rights and powers of a holder of the share. The Corporation may, however, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes appropriate evidence to the Corporation establishing his/her authority to exercise the rights relating to a share of the Corporation.

11.6 Method of Giving Notices: Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Regulations, the articles, the by-laws or otherwise to a shareholder, director, officer or member of a committee of the Board or to the auditors shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to such person's recorded address or if mailed to such person at such person's recorded address by prepaid ordinary or air mail or if sent to such person at such person's recorded address by facsimile or if provided to such person by electronic means in accordance with

the *Electronic Commerce Act, 2002* (Ontario). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received by the addressee on the fifth day after mailing; and a notice so provided by electronic means (including by facsimile) shall be deemed to have been sent and received in the manner and at the time specified in the *Electronic Commerce Act, 2002* (Ontario). The Corporate Secretary of the Corporation may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by the Corporate Secretary to be reliable.

- 11.7 Proof of Service:** A certificate of any director or officer of the Corporation in office at the time of making of the certificate or of an agent of the Corporation as to facts in relation to the sending of any notice to any shareholder, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.
- 11.8 Changes in Recorded Address:** The Corporate Secretary may change the recorded address of any person in accordance with any information the Corporate Secretary believes to be reliable.
- 11.9 Computation of Days:** In computing any period of days or clear days under the by-laws or the Act, the period shall be deemed to commence on the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a holiday, the period shall end at midnight of the day next following that is not a holiday.
- 11.10 Undelivered Notices:** If any notice given to a shareholder pursuant to Section 11.6 is returned on two consecutive occasions because such shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until such shareholder informs the Corporation in writing of such shareholder's new address.
- 11.11 Omissions and Errors:** The accidental omission to give any notice to any person, or the non-receipt of any notice by any person or any immaterial error in any notice shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.
- 11.12 Waiver of Notice:** Any person entitled to attend a meeting of shareholders or directors or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder or his/her proxyholder or authorized representative or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws if all persons not receiving the notice to which they are entitled waive notice of or accept short notice of the holding of such meeting.
- 11.13 Transfer Agents and Registrars:** The Board may from time to time appoint one or more trust companies registered under the *Trust and Loan Companies Act* (Ontario) as its agent or agents to maintain the central securities register or registers, and an agent or agents to maintain branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be appointed both registrar and transfer agent. The Board may at any time terminate such appointment.

11.14 Registration for Transfer: Subject to the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board; upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in Section 9.4.

11.15 Non-recognition of Trusts: Subject to the provisions of the Act, the Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

The foregoing by-law was enacted by the directors of the Corporation in accordance with the provisions of the *Business Corporations Act* (Ontario) as of the [●]th day of [●, 2022.]

Dated as of the [●]th day of [●, 2022.]

SCHEDULE I

FORM OF OMNIBUS EQUITY COMPENSATION PLAN

ZYUS LIFE SCIENCES INC.

OMNIBUS EQUITY INCENTIVE PLAN

May 20, 2021

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ZYUS LIFE SCIENCES INC.

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

- (a) “**Affiliate**” means any entity that is an “**affiliate**” for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;
- (b) “**Award**” means any Option, Restricted Share Unit, Performance Share Unit, Deferred Share Unit or Share-Based Awards granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) “**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Sakatchewan are open for commercial business during normal banking hours;
- (f) “**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the *Tax Act*;
- (g) “**Cash Fees**” has the meaning set forth in Subsection 7.1(a);

- (h) “**Cashless Exercise**” has the meaning set forth in Subsection 4.5(b);
- (i) “**Cause**” means, with respect to a particular Participant:
 - (i) “cause”(or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
 - (iii) in the event neither (i) nor (ii) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant’s employment without notice or without pay in lieu thereof or other termination fee or damages, or (iii) the Corporation or any subsidiary thereof may terminate the Participant’s employment without providing the minimum entitlements to notice and, if applicable, severance pay under provincial employment standards legislation;
- (j) “**Change in Control**” means the occurrence of any one or more of the following events:
 - (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect “**beneficial ownership**” (as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids* of the Canadian Securities Administrators) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
 - (ii) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
 - (iii) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;

- (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
- (v) individuals who comprise the Board as of the date hereof (the "**Incumbent Board**") for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
- (vi) any other event which the Board determines to constitute a change in control of the Corporation;

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (i), (ii), (iii) or (iv) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (ii) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "**Change in Control**" to the "**Corporation**" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "**Board**" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any

Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code.

- (k) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;
- (l) “**Committee**” has the meaning set forth in Section 3.2;
- (m) “**Consultant**” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services; provided, however, that at the time any Consultant receives any offer of Award or executes any Award Agreement, such Consultant must be a natural person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (n) “**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:
 - (i) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
 - (ii) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
 - (iii) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, andthe words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;
- (o) “**Corporation**” means ZYUS Life Sciences Inc., or any successor entity thereof;
- (p) “**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

- (q) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;
- (r) “**Director**” means a director of the Corporation who is not an Employee;
- (s) “**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;
- (t) “**Disabled**” or “**Disability**” means, with respect to a particular Participant:
 - (i) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
 - (iii) in the event neither (i) or (ii) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;
- (u) “**Effective Date**” means the effective date of this Plan, being May 20, 2021, subject to the approval of the shareholders of the Corporation;
- (v) “**Elected Amount**” has the meaning set forth in Subsection 7.1(a);
- (w) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;
- (x) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);
- (y) “**Election Notice**” has the meaning set forth in Subsection 7.1(b);
- (z) “**Employee**” means an individual who:

- (i) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
 - (ii) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.
- (aa) **“Exchange”** means (a) the Toronto Stock Exchange, or (b) the primary exchange on which the Shares are then listed, as determined from by the Plan Administrator, if (i) the Toronto Stock Exchange is no longer the Corporation’s primary exchange, or (ii) the Shares are not listed on the Toronto Stock Exchange;
 - (bb) **“Exercise Notice”** means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;
 - (cc) **“Exercise Price”** means the price at which an Option Share may be purchased pursuant to the exercise of an Option;
 - (dd) **“Expiry Date”** means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;
 - (ee) **“In the Money Amount”** has the meaning given to it in Subsection 4.5(b);
 - (ff) **“Insider”** means an **“insider”** as defined in the rules of the Exchange from time to time;
 - (gg) **“Market Price”** at any date in respect of the Shares shall be the volume weighted average trading price of Shares on the Exchange for the five trading days immediately preceding the Date of Grant; provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Shares and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;
 - (hh) **“Option”** means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

- (ii) “**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;
- (jj) “**Participant**” means a Director, Employee or Consultant to whom an Award has been granted under this Plan;
- (kk) “**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;
- (ll) “**Performance Share Unit**” or “**PSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;
- (mm) “**Person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (nn) “**Plan**” means this Omnibus Equity Incentive Plan, as may be amended from time to time;
- (oo) “**Plan Administrator**” means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;
- (pp) “**PSU Service Year**” has the meaning given to it in Section 6.1;
- (qq) “**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;
- (rr) “**Retirement**” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at such retirement age to which the Plan Administrator has consented other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause and provided that for U.S. Taxpayers such Retirement also constitutes a Separation from Service within the meaning of Section 409A of the Code;
- (ss) “**RSU Service Year**” has the meaning given to it in Section 5.1.

- (tt) “**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;
- (uu) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;
- (vv) “**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (ww) “**Separation from Service**” means a separation from service within the meaning of Section 409A of the Code;
- (xx) “**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 12, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;
- (yy) “**Share-Based Award**” means other types of equity-based or equity-related Awards that may be authorized for issuance and issued pursuant to Article 8;
- (zz) “**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;
- (aaa) “**Tax Act**” has the meaning set forth in Section 4.5(d);
- (bbb) “**Termination Date**” means, subject to applicable law which cannot be waived:
 - (i) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the

case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;

- (ii) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (iii) in the case of a Director, the date such individual ceases to be a Director, in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a Separation from Service;

- (ccc) “**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (ddd) “**U.S. Person**” shall mean a “**U.S. person**” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned,

by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);

- (eee) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;
- (fff) **“U.S. Taxpayer”** shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, Performance Share Units or

Deferred Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:

- (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation, including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
 - (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
 - (e) construe and interpret this Plan and all Award Agreements;
 - (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
 - (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers

conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 10.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 11 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan and under any other Security Based Compensation

Arrangement shall not exceed 10% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been settled, exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.

- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the aggregate number of Shares:

- (a) issuable to Insiders at any time, under all of the Corporation's Security-Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares; and
- (b) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or

otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in

this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, a Participant may, but only if permitted by the Plan Administrator, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 9.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5
RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.

- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 12.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. Following the Date of Grant, the Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may

include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 12.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any

PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Granting of DSUs

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply; and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of **Schedule B**. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b),

all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule A is delivered.

- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs, as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

7.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

7.3 Vesting of DSUs

Except as otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, DSUs shall vest immediately upon grant.

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date or later than the end of the first calendar year commencing after the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “**separation from service**” (within the meaning of Section 409A)).

On the settlement date for any DSU, the Participant shall redeem each vested DSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
 - (i) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll or in such other manner as determined by the Corporation.

7.5 No Additional Amount or Benefit

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm's length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

ARTICLE 8 SHARE-BASED AWARDS

8.1 Share-Based Awards

The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions, including, but not limited to, being subject to performance criteria, or in satisfaction of such obligations, as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares.

ARTICLE 9 ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the

form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.

- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

9.2 Black-out Period

In the event that an Award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such Award will be the date that is 10 Business Days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation such amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

9.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other

written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES

10.1 Termination of Employee, Consultant or Director

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then any unvested Options or other Awards which would otherwise vest or become exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary on or prior to the date that is 90 days after the Termination Date shall immediately vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant who is not a U.S. Taxpayer, such Award will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's DSU Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 10.1(b) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;
- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at

any time until the Expiry Date of such Option. Any vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's DSU Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 10.1(c) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;

- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the date of death, vested DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 10.1(d) will be settled within 90 days after the date of death, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the death occurs;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary will become 100% vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or a subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant

commences (the “**Commencement Date**”) employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;

- (f) a Participant’s eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant’s employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death, Disability or Retirement of the Participant;
- (g) notwithstanding Subsection 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) for greater clarity, except as otherwise provided in an applicable Award Agreement or employment agreement, and notwithstanding any other provision of this Section 10.1, in the case of an Award (other than an Option or DSU) that is granted to a U.S. Taxpayer and that becomes vested (in whole or in part) pursuant to this Section 10.1 upon the Participant’s Termination Date, such Award will, subject to Section 12.6(d), be settled as soon as administratively practicable following the Participant’s Termination Date but in no event later than 90 days following the Participant’s Termination Date, provided that if such Award is a PSU, settlement will occur no later than March 15th of the year immediately following the calendar year in which the Termination Date occurs. In the case of an Award (other than an Option or DSU) granted to a U.S. Taxpayer that remains eligible to vest (in whole or in part) following a Participant’s termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the earlier of (i) the originally scheduled settlement date at the end of the performance period (to the extent Performance Goals are achieved) and (ii) the date on which performance vesting conditions are waived, or are deemed satisfied pursuant to the terms of the Applicable Award Agreement. DSUs will be settled in accordance with the U.S. Taxpayer’s DSU Election Notice (Schedule A hereto).

10.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator, taking into consideration the requirements of Section 409A of the Code, to the extent applicable, with respect to Awards of U.S. Taxpayers.

ARTICLE 11 EVENTS AFFECTING THE CORPORATION

11.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 11.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or

realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 11.2(a)) any property in connection with a Change in Control other than rights to acquire shares or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.

- (b) Notwithstanding Section 10.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:
 - (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.
- (c) Notwithstanding Subsection 11.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.

- (d) It is intended that any actions taken under this Section 11.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

11.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, provided that any such adjustments or acceleration of vesting undertaken pursuant to sections 11.3, 11.4 or 11.5 shall be undertaken only to the extent they will not result in adverse tax consequences under Section 409A of the Code.

11.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

11.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 11 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 12 U.S. TAXPAYERS

12.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non-qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “**service recipient stock**” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

12.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

12.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

12.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

12.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

12.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. Payment of any Award that is intended to be exempt from Section 409A of the Code as a short-term deferral shall in all events be paid by no later than March 15 of the year

following the year of the applicable vesting event. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

12.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

12.8 Application of Article 12 to U.S. Taxpayers

For greater certainty, the provisions of this Article 12 shall only apply to U.S. Taxpayers.

ARTICLE 13 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

13.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

13.2 Shareholder Approval

Notwithstanding Section 13.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 11 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Section 3.7;
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) permits Awards to be transferred to a Person in circumstances other than those specified under Section 3.9;
- (g) changes the eligible participants of the Plan; or

- (h) deletes or reduces the range of amendments which require approval of shareholders under this Section 13.2.

13.3 Permitted Amendments

Without limiting the generality of Section 13.1, but subject to Section 13.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 10;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 14 MISCELLANEOUS

14.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

14.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

14.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

14.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

14.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

14.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

14.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

14.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value

of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

14.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

14.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

14.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

14.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

14.13 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

ZYUS Life Sciences Inc.
407 Downey Road, Suite 204
Saskatoon, Saskatchewan S7N 4L8

Attention: Legal Affairs Department
Email: [REDACTED]

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

14.14 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

14.15 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Saskatchewan in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

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SCHEDULE A
ZYUS LIFE SCIENCES INC.

OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive ____% of my Cash Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) _____.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date:

(Name of Participant)

(Signature of Participant)

SCHEDULE B
ZYUS LIFE SCIENCES INC.

OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date:

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE C
ZYUS LIFE SCIENCES INC.

OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS
(U.S. TAXPAYERS)

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date:

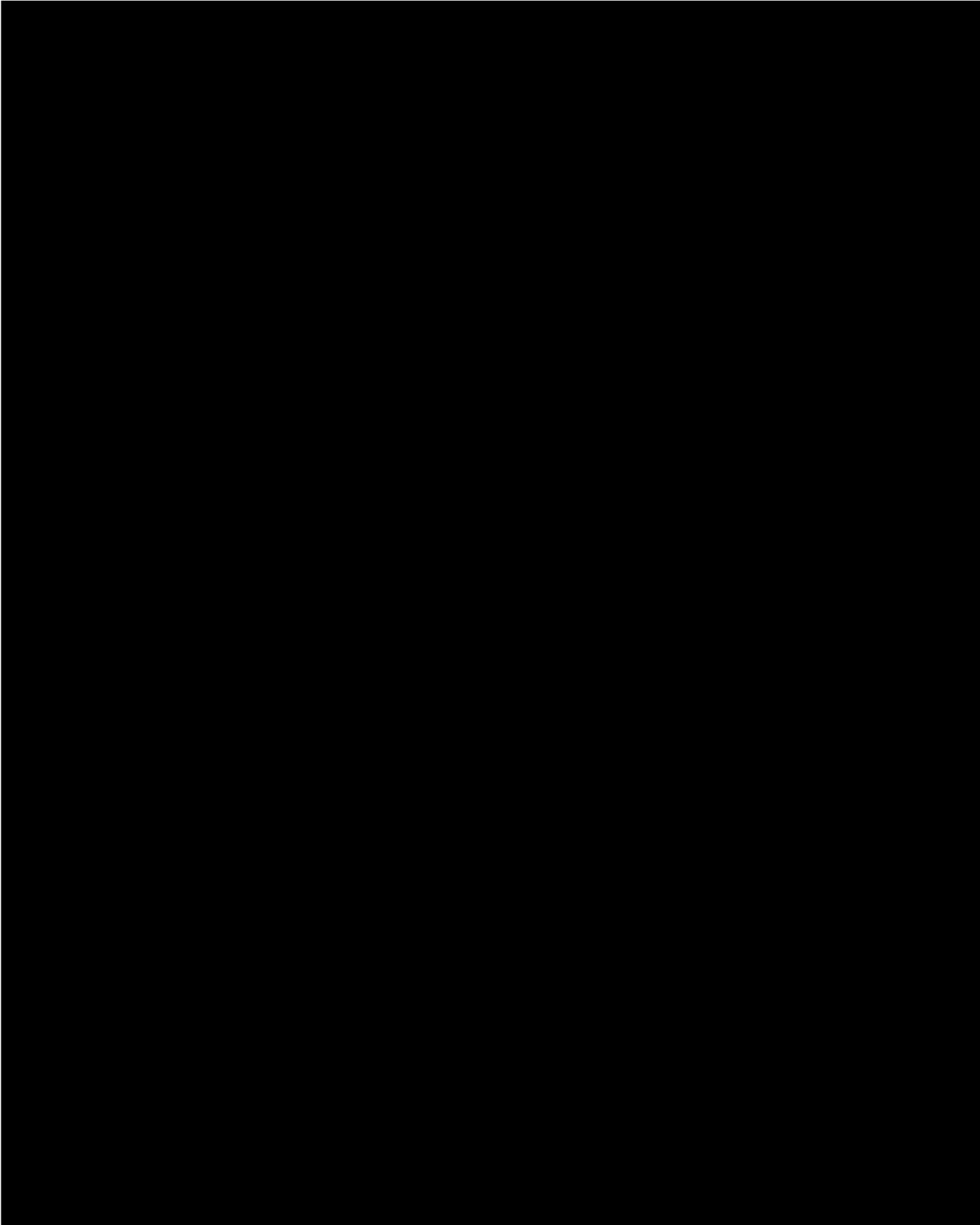
(Name of Participant)

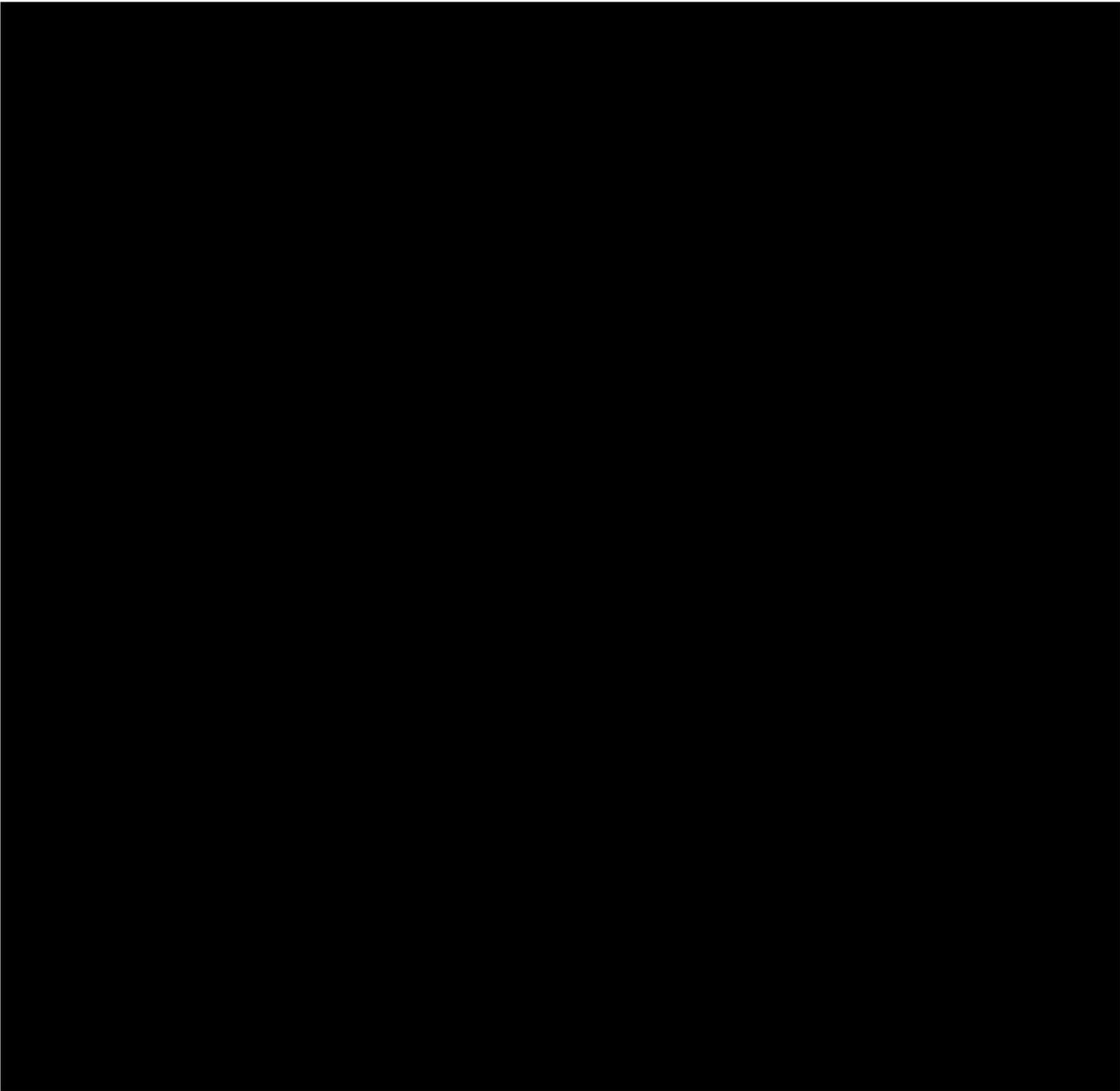
(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE J
EXCHANGE RATIO

SCHEDULE J
Phoenix / ZYUS Exchange Ratio
November 15, 2022





SCHEDULE K
WORKING CAPITAL

SCHEDULE K

Phoenix Working Capital Calculation

The following is a reproduction of the unaudited interim consolidated statement of financial position as published on SEDAR by Phoenix.

Phoenix Canada Oil Company Limited

Unaudited Condensed Interim Consolidated Statements of Financial Position

(Stated in Canadian Dollars)

As at March 31, 2022 and December 31, 2021

	March 31 2022	December 31 2021
ASSETS		
Current assets		
Cash	\$ 6,258,111	\$ 6,295,456
Short-term investments	2,452,375	2,297,110
Other receivables	28,961	43,781
	8,739,447	8,636,347
Interest in oil and gas properties <i>(note 3)</i>	1	1
	\$ 8,739,448	\$ 8,636,348
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities <i>(notes 3, 4)</i>	\$ 94,973	\$ 96,233
Equity		
Share capital <i>(note 5)</i>	4,662,742	4,662,742
Contributed surplus reserve <i>(note 6)</i>	453,189	453,189
Retained earnings	3,528,544	3,424,184
	8,644,475	8,540,115
	\$ 8,739,448	\$ 8,636,348

As at March 31, 2022 the Phoenix Working Capital would be computed as \$8,644,474 being the difference between the total current assets of \$8,739,447 and the total current liabilities of \$94,973. Similarly, as at December 31, 2021 the Phoenix Working Capital would be computed as \$8,540,114 being the difference between the total current assets of \$8,636,347 and the total current liabilities of \$96,233.

SCHEDULE L

DEFINITION OF ZYUS PHASE 1 CLINICAL TRIAL

“ZYUS Phase 1 Clinical Trial” means ZYUS’ phase 1 human osteoarthritis pain evaluation (HOPE) clinical trial conducted in Australia under the supervision of the Bellberry Limited Human Research Ethics Committee having registration number NCT04867057 and reported on clinicaltrials.gov at the following link:

<https://clinicaltrials.gov/ct2/show/study/NCT04867057?term=ZYUS&draw=2&rank=1>