# SITKA POWER INC.
# - and -
# SYNEX RENEWABLE ENERGY CORPORATION

# APPLICATION TO THE
# BRITISH COLUMBIA UTILITIES COMMISSION
# for
# Approval to Acquire a Reviewable Interest in
# Kyuquot Power Ltd.

**April 24, 2025**

**SITKA POWER INC.**
**- and -**
**SYNEX RENEWABLE ENERGY CORPORATION**

# Application to the British Columbia Utilities Commission for Approval to Acquire a Reviewable Interest in Kyuquot Power Ltd.

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**IN THE MATTER OF** the *Utilities Commission Act*, RSBC 1996, c 473, as amended;

**AND IN THE MATTER OF** an Application by Sitka Power Inc. and Synex Renewable Energy Corporation for Approval to acquire a reviewable interest in Kyuquot Power Ltd.

To: British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, British Columbia V6Z 2N3

## APPLICATION

1. Sitka Power Inc. ("**Sitka**" or the "**Purchaser**"), a privately held entity, and Synex Renewable Energy Corporation ("**Synex**"), an entity whose common shares are traded on the Toronto Stock Exchange ("**TSX**") ("**Common Shares**"), have entered into an arrangement agreement dated March 27, 2025, as amended on April 23, 2025 (the "**Arrangement Agreement**") whereby the Purchaser has agreed to purchase all of the issued and outstanding Common Shares ("**Share Transaction**"). The Purchaser and Synex hereby jointly apply to the British Columbia Utilities Commission ("**BCUC**" or "**Commission**"), pursuant to section 54 of the *Utilities Commission Act*[1] (British Columbia) ("**Act**"), for an order authorizing the Purchaser to acquire a "reviewable interest" in Kyuquot Power Ltd. ("**KPL**"), a wholly owned indirect subsidiary of Synex. KPL is a direct and wholly owned subsidiary of Synex Energy Resources Ltd. ("**SERL**") and SERL is a directly and wholly owned subsidiary of Synex.

### A. BACKGROUND

2. On March 27, 2025, the Purchaser and Synex entered into the Arrangement Agreement pursuant to which the Purchaser will acquire all of the issued and outstanding Common Shares for $2.40 in cash per Common Share (the "**Arrangement**"). The Arrangement will be carried out as a plan of arrangement under Division 5 of Part 9 of the *Business Corporations Act*[2] (British Columbia) ("**BCBCA**"), as further described below. The completion of the Arrangement will be subject to customary closing conditions for an arrangement transaction of this nature, including: approval of at least 66 ⅔% of votes cast by holders of Common Shares and approval by a simple majority of the votes cast by certain specified holders[3] of Common Shares, present in person or represented by proxy at a special meeting of such holders called to consider the Arrangement (the "**Meeting**"), in favour of the Arrangement ("**Shareholder Approval**"); approval from the Supreme Court of British Columbia (the "**Court**") ("**Court Approval**"); and approval of the Commission ("**BCUC Approval**").

3. KPL owns and operates a 52 kilometre overland and undersea 14.4 kV single phase electrical distribution system that interconnects Kyuquot British Columbia,[4] a settlement and First Nations community located on Kyuquot Sound on Vancouver Island ("**Kyuquot**"), with the British Columbia Hydro and Power Authority ("**BC Hydro**") transmission grid ("**KPL Facilities**"). The Kyuquot community primarily includes members of the Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations ("**KCFN**"). KPL is an indirectly owned subsidiary, through SERL, of Synex. KPL is a public utility under the Act

[1] RSBC 1996, c 473, as amended.
[2] SBC 2002, c 57, as amended.
[3] In accordance with section 8.1(2) of Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions*, February 1, 2008, as amended.
[4] The community of Kyuquot, includes the Village of Houpsitas.

and KPL and the KPL Facilities are regulated by the Commission. Synex and SERL are not public utilities under the Act, nor are they regulated by the Commission.

## B. SUMMARY OF TERMS OF THE SHARE TRANSACTION

4. The terms of the Share Transaction are set out in the Arrangement Agreement. A copy of the Arrangement Agreement is attached as Schedule "A" to this application (the "**Application**"). The principal terms of the Share Transaction are as follows:

   (a) Price: The purchase price under the Arrangement is $2.40 per Common Share, for a total of $12,017,474;

   (b) Closing Conditions: Completion of the Share Transaction is subject to certain conditions, including, among others: Shareholder Approval; Court Approval; and BCUC Approval; and

   (c) Effect of the Share Transaction: Upon closing of the Share Transaction, all of the Common Shares will be transferred to the Purchaser, resulting in KPL becoming an indirectly wholly owned subsidiary of the Purchaser through each of Synex and SERL, respectively.

5. The Purchaser will not seek to recover from KPL customers any acquisition premium, or any fees incurred in connection with the Share Transaction.

## C. COMPLETION OF THE SHARE TRANSACTION UNDER THE ARRANGEMENT

6. Under the Share Transaction, the Purchaser will acquire all of the Common Shares pursuant to the Arrangement. The following procedural steps must be taken to effect the Arrangement:

   (a) Shareholder Approval must be obtained, by having at least 66 ⅔% of votes cast by holders of Common Shares and approval by a simple majority of the votes cast by certain specified holders[5] of Common Shares, present in person or represented by proxy at the Meeting, in favour of the Arrangement;

   (b) Court Approval must be obtained through a final order approving the Arrangement; and

   (c) all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party.

7. The Purchaser will complete the Share Transaction using private equity funds provided by its sole participating shareholder, Long Life Capital Management – Canadian Infrastructure Fund I LP (the "**Fund**"), which is managed by Long Life Capital Holdings Inc. ("**LLCH**"). LLCH is a private equity manager. The Fund's sole limited partner is a Canadian public pension fund (the "**Pension Fund**").

8. No costs associated with the Share Transaction will be borne indirectly or directly by KPL or its customers.

[5] In accordance with section 8.1(2) of Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions*, February 1, 2008, as amended.

## D. SEQUENCE OF EVENTS FOR COMPLETING THE SHARE TRANSACTION

9. The following is the sequence of events for the completion of the Share Transaction:

   (a) an application to seek an interim order of the Court authorizing, among other things, the Meeting, was heard on April 24, 2025, and the Court issued that order on April 24, 2025 ("**Interim Court Order**");

   (b) having received the Interim Court Order, the Meeting to obtain Shareholder Approval has been scheduled to occur on May 27, 2025;

   (c) in anticipation of receiving Shareholder Approval, an application to the Court to obtain final Court Approval of the Arrangement has been scheduled for May 29, 2025; and

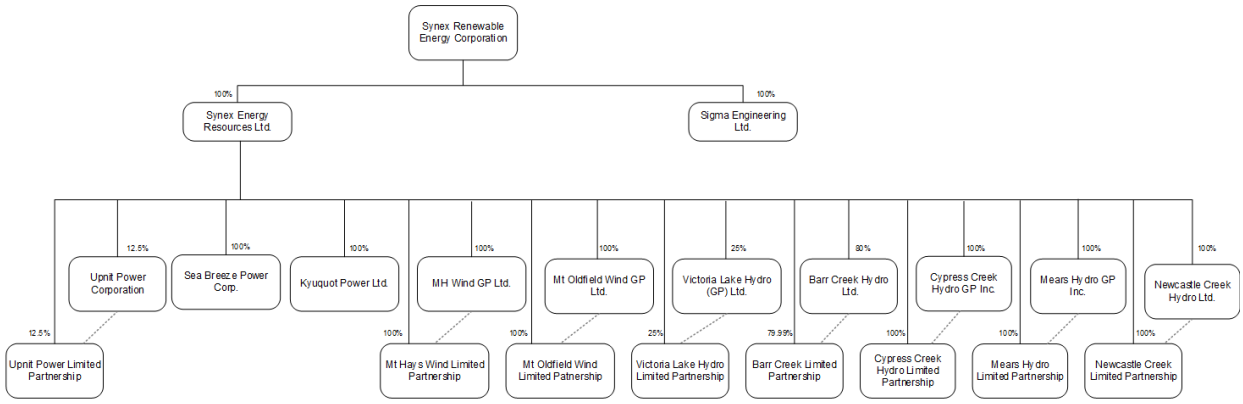
   (d) following receipt of Court Approval and the satisfaction or waiver of all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, the Share Transaction will close.

10. Following or concurrent with the Share Transaction closing, it is expected that the Purchaser will make application for the Common Shares to be delisted from the TSX.

## E. SYNEX'S CORPORATE STRUCTURE PRE-SHARE TRANSACTION

11. The current corporate structure of Synex and its subsidiaries (i.e. before the Share Transaction), including KPL, is shown in Figure 1 below.

**Figure 1: Current Corporate Structure of Synex and KPL**




(i) Synex

12. Synex was initially incorporated in 1982 under the *Company Act* (British Columbia) as Lancaster Resource Corporation and commenced a series of name changes in 1985 that concluded in 2022 to its present name Synex Renewable Energy Corporation. In 2004, Synex ultimately transitioned under the BCBCA. Synex's Common Shares are currently publicly listed and traded on the TSX.

13. Through its wholly owned subsidiary SERL, Synex is presently an energy infrastructure holding company focused on the development, ownership, operation and management of electrical energy

plants and related facilities in British Columbia.[6] As an energy infrastructure business, Synex has historically financed capital and operating expenditures for its subsidiaries through: (i) the issuance of equity (primarily to its directors and officers or entities controlled by them) ("**Director and Officer Equity**"); (ii) loans from a company controlled by a director and officer of Synex ("**Director and Officer Loans**") (Director and Officer Equity and Loans, collectively "**Director and Officer Financing**"); and (iii) debt financing provided by commercial lenders (the "**Credit Facilities**"). Following the closing of the Share Transaction, the Director and Officer Financing of Synex will be eliminated as a source of incremental financing, while the Credit Facilities will remain in place.

14. In addition to indirectly and wholly owning KPL, Synex, through SERL, owns, in whole or in part, a number of operating subsidiaries that in turn own,operate and develop various renewable electricity generation projects, facilities and assets, all of which are located in British Columbia (the "**Synex's Renewable Power Business**").

15. As of the closing of the TSX on March 27, 2025, the last trading day prior to the announcement of the Arrangement, Synex's market capitalization was approximately $7.6 million and its estimated asset value as at June 30, 2024, was approximately $18.7 million.

(i) Synex's Renewable Power Business

16. Synex's Renewable Power Business consists of: approximately 11 MW of hydroelectric generation from three facilities on Vancouver Island;[7] a minority ownership share in a 6.5 MW hydroelectric generation facility;[8] and a number of wind and hydro electricity projects that are under development.[9] All of Synex's hydroelectric generation is contracted under Electricity Purchase Agreements with BC Hydro.

(ii) KPL

17. KPL is directly and wholly owned by SERL. KPL owns and operates the KPL Facilities which consist of approximately 44 kilometres of overhead line and eight kilometres of submarine cable, all 14. kV single phase, serving approximately 45 residential or commercial customers, including the KCFN, in and around Fair Harbour, Chamiss Bay and Kyuquot, British Columbia. The KPL Facilities were first placed in service in 2006 and are interconnected to the BC Hydro transmission system at Ouclije, British Columbia. Most recently, any equity capital required by KPL was obtained through Director and Officer Financing, via Synex, and operating capital and expenses have been funded through operating cash flow and intercompany loans ("**Intercompany Loans**").[10]

18. Most recently, on January 27, 2025, in Order G-16-25, the BCUC approved KPL's current Rate Schedules.

## F. SYNEX'S CORPORATE STRUCTURE POST-SHARE TRANSACTION

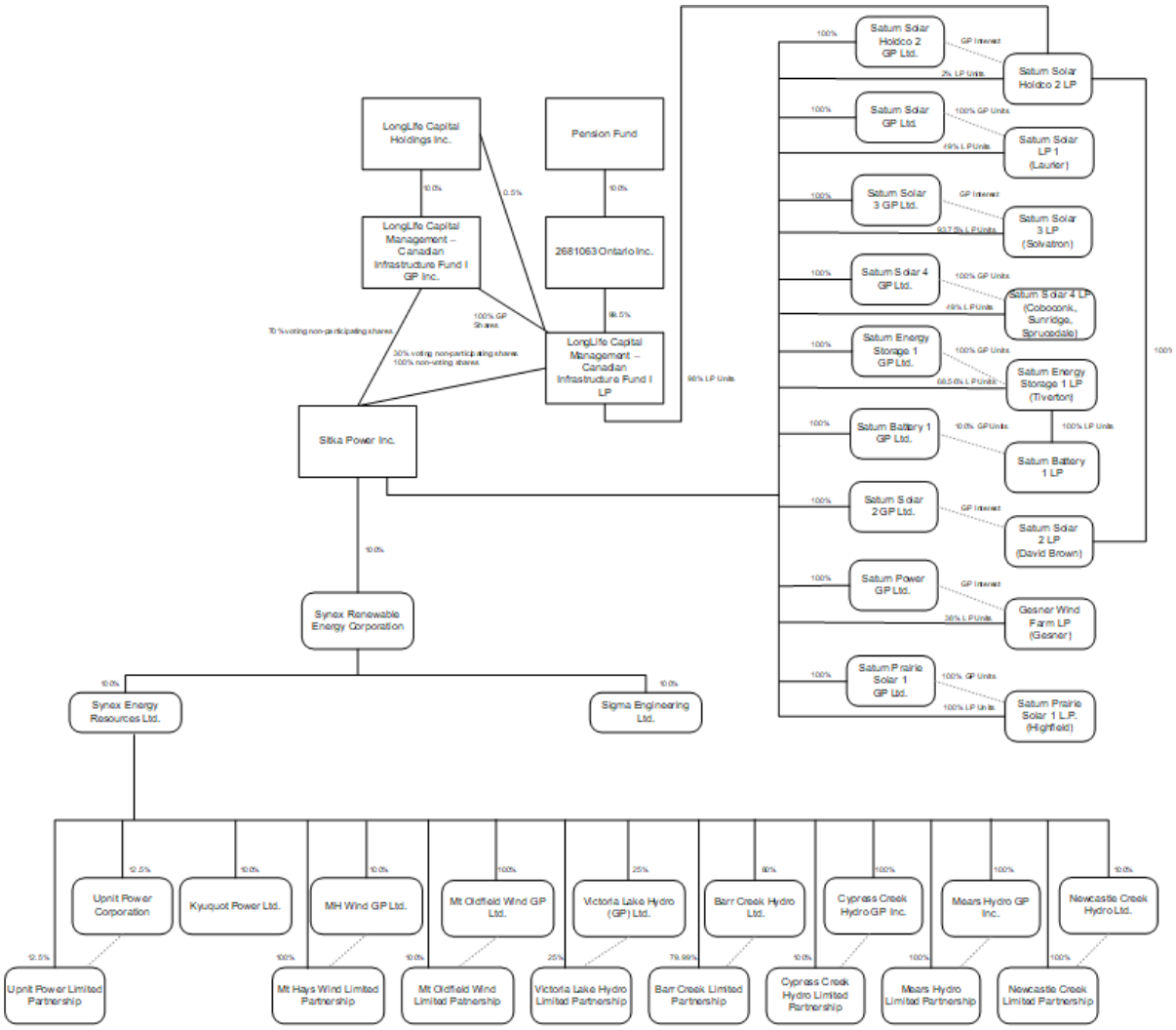
19. On the completion of the Share Transaction, the business and corporate structure of Synex will remain unaffected except that the Purchaser will be the sole shareholder of Synex. Synex will continue to indirectly own, through SERL, KPL. The Purchaser, facilitated through its ultimate

[6] Each of SERL and all of its direct and indirect subsidiaries are, as applicable, corporations incorporated under the BCBCA or limited partnerships existing under the laws of British Columbia.
[7] These facilities include the: Mears Creek Plant, the Cypress Creek Plant and the Barr Creek Plant. Each is a wholly owned subsidiary of SERL, with the exception of Barr Creek which is 80% owned by SERL.
[8] This facility is the China Creek Hydro Plant which is 12.5% owned by SERL.
[9] These development projects are either being developed by SERL directly or by Sea Breeze Power Corp., a directly and wholly owned subsidiary of SERL.
[10] BCUC Decision and Order G-53-24, Kyuquot Power Ltd. 2024 Revenue Requirements, February 29, 2024, at pages 14-15.

participating shareholder, the Fund, will have financing functions through the Fund that support KPL as an operating utility business.

20. The Share Transaction will result in KPL being an indirectly wholly owned subsidiary of the Purchaser through both Synex and SERL and the Purchaser will hold a "reviewable interest" in KPL, within the meaning of the Act. Figure 2 below shows the corporate structure of the Purchaser, Synex and KPL after the completion of the Share Transaction.

**Figure 2: Corporate Structure of LLCH, the Pension Fund, SITKA, SYNEX and KPL After Share Transaction**




(i) Purchaser

21. The Purchaser, a corporation incorporated under the *Business Corporations Act* (Alberta), has agreed to acquire all of the Common Shares. The principal business of the Purchaser is that of a small scale Canadian renewable energy developer and independent power producer, active in British Columbia, Alberta, Saskatchewan and Ontario. The Purchaser is focused on the acquisition, development, construction and operation of small-scale wind, solar, hydro and battery energy storage assets ("**Sitka's Renewable Power Generation and Development Business**").

22. As of March 27, 2025, the date of the Arrangement Agreement, Sitka's estimated asset value is approximately $33.1 million.[11]

23. Sitka's Renewable Power Generation and Development Business consists of: approximately 10 MW of solar generation in Saskatchewan and approximately 12 MW of solar generation in Ontario;[12] approximately 8 MW of wind in Ontario;[13] approximately 8.8 MW of battery energy storage systems in Ontario;[14] and approximately 100 MW of solar electricity generation projects under development.[15] All of Sitka's operating facilities are under long-term off-take contracts and its development portfolio is planned to be contracted under utility procurement streams.

(ii) Long Life Capital Management and the Pension Plan

24. The Purchaser's ultimate indirect shareholders are LLCH and the Pension Fund. LLCH is a private equity manager that is tasked with managing the Fund and the Pension Fund is a Canadian public pension fund which has made an aggregate $100 million commitment to the Fund. The Purchaser is the sole portfolio company of the Fund. Post closing of the Share Transaction, a majority of the Pension Plan's $100 million commitment will remain unallocated and available, and the Fund is expected to continue to fund all necessary equity capital requirements of the Purchaser.

## G. PROPOSED STAKEHOLDER CONSULTATION AND APPROVAL PROCESS

25. Concurrent with the filing of this Application, the Purchaser, Synex and KPL will provide notification of this Application to stakeholders who have previously participated or made submissions in recent KPL revenue requirement applications. Specifically, notice of the Application will be provided to the KCFN.

26. Following this notification, the Purchaser, Synex and KPL will address any stakeholder comments relating to the Application and the Share Transaction. In any event, the Purchaser, Synex and KPL will update the Commission in respect of any questions or concerns received from stakeholders about the Share Transaction or in respect of this Application by no later than May 22, 2025.

27. Section 86.2 of the Act provides that the Commission has jurisdiction to determine the process by which applications will be determined. Section 86.2 reads as follows:

> 86.2 (1) Despite any other provision of this Act, in any circumstance in which, under this Act, a hearing may or must be held, the commission may conduct a written hearing.
>
> (2) The commission may make rules respecting the circumstances in which and the process by which written hearings may be conducted and specifying the form and content of materials to be provided for written hearings.

28. The Purchaser and Synex submit that this Application should be reviewed by the Commission through written submissions. The Share Transaction will not change how utility service is provided by KPL to customers. KPL will continue to operate as a standalone business and operation

[11] For clarity, this asset value excludes Synex.
[12] These facilities include: the Highfield Solar facility in Swift Current Saskatchewan; the David Brown Solar facility in Ingleside Ontario (Sitka owns 2% and the Fund owns 98%); the Solvation Solar facility in Blind River Ontario, and the Sprucedale, Sundridge, and Coboconk solar facilities in southern Ontario. Each is an indirectly and wholly owned subsidiary of Sitka.
[13] This facility is the Gesner Wind Farm in Muirkirk Ontario.
[14] This facility is the Tiverton BESS located in Tiverton Ontario.
[15] These development projects include: the Chatsworth Solar, Durham Solar, Perth Solar, and Purdy Solar development projects located in southern Ontario.

following the Share Transaction. There will be no changes to the administrative and operational personnel of KPL or the operations of KPL following the completion of the Share Transaction. As such, there will be no detrimental effects on KPL customers arising from the Share Transaction. For these reasons, the Application should be considered by the Commission through a written proceeding. In this regard, the Purchaser and Synex respectfully request that the Commission review this Application in accordance with the following proposed Commission process schedule:

| **Date** | **Event** |
|---|---|
| April 24, 2025 | The Purchaser and Synex file Application and the Purchaser, Synex and KPL notify stakeholders. |
| May 22, 2025 | The Purchaser and Synex file summary of comments received from stakeholders, if any. |
| May 22, 2025 | Commission staff submit information requests to the Purchaser and Synex, if any. |
| June 5, 2025 | Intervener file information requests to the Purchaser and Synex, if any. |
| June 19, 2025 | The Purchaser and Synex file responses to the Commission and intervener information requests, if any. |
| To be determined | Further process, if required. |

## H. THE UTILITIES COMMISSION ACT

29. As indicated above, KPL is a public utility regulated by the Commission and the completion of the Share Transaction will cause the Purchaser to have a "reviewable interest", within the meaning of the Act, in KPL. Section 54 of the Act provides, in part, as follows:

> …
>
> 54(4) For the purpose of this section, a person has a reviewable interest in a public utility if,
>
> (a) the person owns or controls, or
>
> (b) the person and the person's associates own or control,
>
> In the aggregate more than 20% of the voting shares outstanding of any class of shares of the utility.
>
> …
>
> (7) A person must not acquire or acquire control of such numbers of any class of shares of a public utility as
>
> (a) in themselves, or
>
> (b) together with shares already owned or controlled by the person and the person's associates,

> cause the person to have a reviewable interest in a public utility unless the person has obtained the commission's approval.
>
> …
>
> (9) The commission may give its approval under this section subject to conditions and requirements it considers necessary to desirable in the public interest, but the commission must not give its approval under this section unless it considers that the public utility and the users of the service of the public utility will not be detrimentally affected.
>
> …

30. Section 54(4) of the Act provides that a person has a reviewable interest in a public utility if the person owns or controls, or if the person and the person's associates own or control, in the aggregate 20% of the voting shares outstanding of any class of shares of the public utility. Section 54(7) prohibits a person from acquiring a reviewable interest in a public utility unless the person has obtained the Commission's approval to do so. Section 54(9) of the Act provides that the Commission may give its approval under section 54 subject to such conditions and requirements it considers necessary and desirable in the public interest, but the Commission must not give its approval under section 54 "…unless it considers that the public utility and the users of the services of the public utility will not be detrimentally affected."

31. The Commission has previously indicated that the focus of its review of any acquisition of, or acquisition of control of, a public utility under section 54 of the Act should be on the effect of the acquisition upon the public utility, the customers of that utility and the regulation of the public utility by the Commission in the public interest.[16] The Commission has developed and used the following criteria for conducting reviews under section 54 of the Act:[17]

    (a) the utility's current and future ability to raise equity and debt financing should not be reduced or impaired;

    (b) there should be no violation of existing covenants that will be detrimental to utility customers;

    (c) the conduct of the utility's business, including the level of service, either now or in the future, will be maintained or enhanced;

    (d) the application is in compliance with appropriate enactments and/or regulations;

    (e) the structural integrity of the utility assets will be maintained in such a manner as to not impair utility service; and

    (f) the public interest will be preserved.

32. The reasons why the Share Transaction meets the above criteria and why the Commission should approve the Purchaser acquiring a "reviewable interest" in KPL are discussed in the next section of this Application.

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[16] See, for example, April 30, 2007, Commission Order No. G-49-07 Reasons for Decision page 7 (the "**Fortis Decision**").
[17] Fortis Decision, pages 7-8.

## I. REASONS FOR APPROVING THE PURCHASER REVIEWABLE INTEREST

33. Upon the completion of the Share Transaction, the Purchaser will have acquired all of the Common Shares, and will thereby indirectly wholly own, through Synex and SERL, KPL. Having regard to the criteria applied by the Commission in earlier decisions under section 54 of the Act, the Purchaser and Synex submit that the customers of KPL will not be detrimentally affected and that the public interest will be preserved by the Purchaser acquiring a reviewable interest in KPL through the completion of the Share Transaction.

34. In determining whether to approve the Purchaser acquiring a reviewable interest in KPL, the Purchaser and Synex submit that it is appropriate for the Commission to have regard to the following considerations:

    (a) Following the Share Transaction, the entirety of the Synex energy infrastructure business, including KPL, will continue and will be indirectly owned and controlled by a single shareholder versus being indirectly owned and controlled by a publicly traded entity. Any new equity capital required by KPL is expected to be obtained through the Fund instead of through Synex resulting in efficiencies in respect of both the ease and flexibility to which KPL can access capital, including the Purchaser having pre committed funds in place and not having to raise equity or debt through public markets and fragmented ownership.[18] In respect of existing operating capital and expenses, KPL will continue to use operating cash flow as it has done historically and will maintain the current Intercompany Loans.

    (b) Following the Share Transaction, the Purchaser intends to continue operating KPL on a stand-alone basis. There will be no changes to the administrative and operational personnel of KPL or the operations of KPL following the completion of the Share Transaction and all local and field contract personnel and relationships that support KPL operations, maintenance and capital projects will continue. That is, there will be no change to the operations of KPL as a result of the Share Transaction.

    (c) Following the Share Transaction, the Purchaser will support KPL as it continues to complete all capital projects that are underway.

    (i) <u>KPL Financing Capability Will Not be Reduced or Impaired</u>

35. In previous applications under section 54 of the Act, the Commission has found that the financing capability criterion is satisfied where the transferee's parent company has financial capacity, or access to significant financial resources, to ensure the transferee is adequately funded.[19]

36. Synex has historically been funded by Director and Officer Financing and Synex then in turn funded KPL. Following the Share Transaction, the existing Director and Officer Financing will be eliminated as a source of incremental financing and the Fund is expected to provide all necessary equity capital for the Purchaser and the Purchaser will in turn fund all necessary equity capital of KPL. The ability of KPL to access the Fund from time to time will result in efficiencies in respect of both the ease and flexibility to which KPL can access capital, including the Purchaser having pre committed funds in place and not having to raise equity or debt through public markets and fragmented ownership. Currently, KPL uses operating cash flow to fund operating capital and expenses and has the Intercompany Loan available. Following the Share Transaction, KPL's use of operating cash flow to fund operating capital and expenses is not expected to change and the

[18] As noted above, at paragraphs 13 and 17, Synex has historically been funded by Director and Officer Financing.
[19] March 16, 2016, Commission Order No. G-39-16, Reasons for Decision page 16 (the "**Fortis Midstream Decision**"); See also September 11, 2019, Commission Order No. G-220-19, Reasons for Decision page 4 (the "**Corix Decision**").

existing Intercompany Loans will continue. The Purchaser will ensure that KPL will be adequately funded in accordance with applicable Commission regulations. In keeping with this:

(a) the Share Transaction will not reduce or impair KPL's access to debt and equity capital, but instead will increase the access to new debt and equity capital beyond what KPL has had historically;

(b) KPL will not, as a result of the Share Transaction, seek to vary its current Commission deemed notional capital structure for rate making purposes of 50% equity and 50% debt;[20]

(c) KPL will not, as a result of the Share Transaction, seek to vary its current Commission approved return on equity;[21]

(d) KPL will not, as a result of the Share Transaction, seek to vary its current Commission deemed interest rate on notional debt;[22] and

(e) there are no covenants, agreements or legislative restrictions on the Purchaser that would reduce or impair the ability of KPL to access capital.

37. As is currently the case, following the Share Transaction the Commission will continue to have the ability to regulate the allowed return on equity and equity thickness of KPL for rate making purposes in the best interests of customers, investors and other stakeholders. Hence, KPL's access to financing will not be reduced or impaired by the Share Transaction, and the Share Transaction will not have a detrimental effect on KPL or its customers.

38. Given the above, the Purchaser and Synex submit that the Purchaser acquiring a reviewable interest in KPL will not reduce or impair KPL's access to debt and equity capital.

(ii) No Violation of Existing Covenants

39. In previous applications under section 54 of the Act, the Commission has found that the continuation of covenants by the utility will preserve the customers' interests and favours granting an approval.[23]

40. The Share Transaction is one under which the Purchaser will acquire indirect ownership of KPL through the acquisition of all of the Common Shares. Since the direct ownership of KPL by SERL will not change as a result of the Share Transaction, the Share Transaction will not affect any existing covenants given by KPL, whether financial, commercial or otherwise.

(iii) KPL Business Will be Maintained or Enhanced

41. In previous applications under section 54 of the Act, where the applicant demonstrated that agreements will remain in place, assets will not be impacted, office locations and technical staff will be unaffected, and service levels will be maintained, the Commission in those cases determined that this criterion supporting approval was met.[24]

42. As outlined above, following the Share Transaction there will be no changes to the administrative and operational personnel of KPL or the operations of KPL following the completion of the Share

[20] BCUC Order G-321-24.
[21] *Ibid.*
[22] BCUC Order G-16-25.
[23] May 26, 1993, Commission Order No. G-34-93, Reasons for Decision pages 12-13.
[24] Fortis Midstream Decision, page 16-17.

Transaction and all local and field contract personnel and relationships that support KPL operations, maintenance and capital projects will continue.

43. Given the above, the Purchaser and Synex submit that the Purchaser acquiring a reviewable interest in KPL will not impact the business and utility operations of KPL. The utility operations, and service to customers, of KPL will be maintained at the same level following the completion of the Share Transaction as existed prior to the Share Transaction.

(iv) Compliance with Statutory Requirements

44. In previous applications under section 54 of the Act, where an applicant has demonstrated how compliance with reporting and regulatory requirements will be met and maintained in the course of, and subsequent to the transfer, the Commission has found that this criterion is satisfied.[25]

45. As outlined above, completion of the Share Transaction will not impact KPL's business and utility operations and with this KPL will continue to remain compliant with, and subject to, the laws and regulations of British Columbia and all applicable BCUC orders and directions.

46. The Share Transaction will not close unless and until all required governmental and regulatory authorizations have been obtained. Consequently, at the time of closing, the Share Transaction will be in compliance with all applicable provincial and federal legislation and regulations, including the requirements of the Act. Moreover, there is nothing in the Share Transaction that detracts from the jurisdiction of the Commission to regulate KPL and the services it provides to customers. The Commission will continue to regulate the operations of KPL, including the rates and other terms and conditions of service of KPL's service to customers, as well as the construction of any new facilities by KPL. Specifically, the Commission will continue to have jurisdiction to regulate the following types of business transactions to the extent they may involve KPL:

(a) the disposition of any public utility property other than in the ordinary course of the business of the utility;[26]

(b) the issuance by a public utility of any debt and equity securities, other than debt maturing within one year of issue, and any material change in the terms and conditions of any such outstanding debt and equity securities issued by any of public utility;[27]

(c) any consolidation, merger or amalgamation of any of public utility with any other person;[28] and

(d) the subsequent acquisition by any person of a reviewable interest in any public utility.[29]

47. In addition to approval from this Commission of the Purchaser acquiring a reviewable interest under the Act as that interest relates to KPL, by virtue of the Share Transaction closing, the Purchaser and Synex require the following concurrent approvals to close the Share Transaction: Court Approval (Supreme Court of British Columbia).

48. In keeping with the above, the Purchaser and Synex submit that the Purchaser acquiring a reviewable interest in KPL and the approval of the Application will not detract from the Purchaser, Synex and KPL complying with all applicable statutory requirements.

[25] Fortis Midstream Decision, page 17.
[26] Section 52 of the Act.
[27] Section 50 of the Act.
[28] Section 53 of the Act.
[29] Section 54 of the Act.

(v) The Structural Integrity of the KPL Assets Will Be Maintained

49. The Commission has previously found this criterion is met for applications under section 54 of the Act where the applicant: demonstrates that the transfer will not result in a change to the operation of the regulated assets; and demonstrates how the applicant will continue to meet its obligations to maintain the integrity of the assets.[30]

50. As outlined above, the completion of the Share Transaction does not involve any change in the direct ownership or control of KPL. Similarly, the Share Transaction will not result in any change in the operations of KPL, nor will the Share Transaction result in any change to the assets owned and operated by KPL. KPL will continue to be operated on a stand-alone basis. Accordingly, the structural integrity of the assets of KPL will be preserved. Following the completion of the Share Transaction, the Commission's jurisdiction over KPL, its assets and operations will remain unchanged. Just as before the Share Transaction, no disposition of the assets of KPL, other than a disposition in the ordinary course of business, can be made without the approval of the Commission under the Act.

51. In addition,

(a) KPL has an obligation to provide safe, reliable and secure service to its customers under the jurisdiction of the Commission and this obligation will remain following the Share Transaction; and

(b) the operations of KPL will remain subject to the continuing oversight of the British Columbia Safety Authority and WorkSafeBC following the Share Transaction.

52. In keeping with the above, the Purchaser and Synex submit that the Purchaser acquiring a reviewable interest in KPL will not result in any change to the operation of the regulated assets of KPL and KPL will continue to meet its respective obligations to maintain the integrity of its assets in the same manner following the Share Transaction as it did prior to the Share Transaction.

## J. CONCLUSION

53. In all of the circumstances of this Application, following the Purchaser obtaining a reviewable interest in KPL through the completion of the Share Transaction:

(a) there will be no reduction or impairment to the ability of KPL to access capital or to raise equity and debt financing as a result of the Share Transaction;

(b) there will be no breach of existing covenants given by or in respect of KPL as a result of the Share Transaction;

(c) the conduct of KPL's business, including the level of service, either now or in the future, will not be impacted as a result of the Share Transaction and will be maintained through unaffected continuity in:

(i) administrative and operational personnel of KPL;

(ii) the utility services provided by KPL to its customers; and

(iii) the regulation of KPL and its services by the Commission under the Act;

[30] Corix Decision, page 6; Fortis Midstream Decision, pages 17-18.

(d) there will be compliance with applicable provincial and federal statutes and regulations;

(e) the structural integrity of the assets of KPL will be maintained and there will be no impairment to utility service as a result of the Share Transaction; and

(f) the public interest will be preserved.

54. The Purchaser and Synex submit that completion of the Share Transaction will not detrimentally affect KPL, or its users of the services of it provides, and upon the completion of the Share Transaction the jurisdiction of the Commission over KPL will continue unchanged.

55. The Purchaser and Synex respectfully submit the public interest will be preserved by the Commission approving this Application and the acquisition by the Purchaser of a reviewable interest, under section 54 of the Act, in KPL.

## K. ORDER SOUGHT

A draft of the form of order sought in this Application by the Purchaser and KPL is attached as Schedule "B".

ALL OF WHICH is respectfully submitted at Vancouver, British Columbia on April 24, 2025.

**SITKA POWER INC.**
by its legal counsel
**STIKEMAN ELLIOTT LLP**

Per: *< submitted electronically >*
Dennis P. Langen

and

**SYNEX RENEWABLE ENERGY CORPORATION**
by its legal counsel
**DENTONS CANADA LLP**

Per: *< submitted electronically >*
Andreas Kloppenborg

All notices and communications in connection with this Application should be directed to:

**Stikeman Elliott LLP**
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Calgary, AB T2P 5C5

**Attention: Dennis P. Langen**
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Toronto-Dominion Centre
Toronto, ON, M5K 0A1

**Attention: Andreas Kloppenborg**
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**Sitka Power Inc.**
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T2P 0M9

**Attention: Cory St. Croix**
phone: (587) 437-5869
e-mail: cstcroix@sitka-power.ca

**Synex Renewable Energy Corporation**
4248 Broughton Avenue
Niagara Falls, Ontario
L2E 3K6

**Attention: Daniel Russell**
phone : (905) 329-5000
e-mail: daniel.russell@synex.com

## SCHEDULE “A”

## ARRANGEMENT AGREEMENT

(See attached)

# ARRANGEMENT AGREEMENT

**SITKA POWER INC.**

**and**

**SYNEX RENEWABLE ENERGY CORPORATION**

**March 27, 2025**

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**ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** is dated March 27, 2025 between:

**SITKA POWER INC.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

- and -

**SYNEX RENEWABLE ENERGY CORPORATION**, a corporation existing under the laws of the Province of British Columbia (the **"Company**")

**WHEREAS** upon the unanimous recommendation of the Company Independent Committee, the Company Board has determined unanimously that it would be in the best interests of the Company to complete a transaction involving a sale of the Company and its business through an acquisition by the Purchaser of all the issued and outstanding Company Common Shares;

**AND WHEREAS** the Purchaser and the Company wish to carry out the transactions contemplated hereby by way of a plan of arrangement of the Company under the provisions of the BCBCA;

**AND WHEREAS** the Purchaser has entered into the Company Voting Agreements, each dated as of the date of this Agreement;

**AND WHEREAS** the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

**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 covenant and agree as follows:

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

In this Agreement:

"**Acquisition Proposal**" means any inquiry or the making of any proposal, whether or not in writing, to the Company, any of its Subsidiaries, a Person who is party of a Company Voting Agreement or all of the Company Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104), other than the Purchaser or any of its affiliates or any Person acting jointly or in concert with the Purchaser, and other than any transaction involving only the Company and/or one or

more of its Subsidiaries, or between one or more Subsidiaries, which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

(a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for such shares or interests) in the Company that, when taken together with the securities of the Company held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of the voting securities of the Company, or rights or interests therein and thereto;

(b) any direct or indirect acquisition of assets (or any lease, joint venture or other arrangement having the same economic effect as a purchase or sale of assets) of the Company or one or more of its Subsidiaries (including, for greater certainty, securities of any Subsidiary thereof) to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR+ by the Company);

(c) an amalgamation, arrangement, merger, business combination, or consolidation involving the Company or one or more of its Subsidiaries that collectively own assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR+ by the Company);

(d) any take-over bid, issuer bid, exchange offer, liquidation, dissolution, reorganization, recapitalization or similar transaction involving the Company or one or more of its Subsidiaries that, if consummated, would result in any Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR+ by the Company); or

(e) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**affiliate**" has the meaning set forth in the BCBCA;

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"**Arrangement**" means the arrangement under Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement or made at

the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

"**Arrangement Resolution**" means a special resolution of the Company Shareholders in respect of the Arrangement to be considered at the Company Shareholders' Meeting, substantially in the form of Schedule B hereto;

"**associate**" has the meaning set forth in the *Securities Act* (British Columbia);

"**Base Premium**" has the meaning ascribed thereto in Section 5.6(a);

"**BC Hydro**" means British Columbia Hydro and Power Authority;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BCUC**" means the British Columbia Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the UCA;

"**BCUC Approval**" means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the BCUC for the Purchaser to complete the Arrangement and the other transactions contemplated by this Agreement; or (b) the BCUC shall have issued an exemption or declaratory order or notice whereby the Arrangement and the other transactions contemplated by this Agreement are deemed to be exempt from requiring the approval of the BCUC, in each case pursuant to the UCA;

"**business day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Vancouver, British Columbia, Calgary, Alberta or Toronto, Ontario are not open for business;

"**Canadian Securities Administrators**" means the securities commission or other securities regulatory authority of each province and territory of Canada;

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

"**Change in Recommendation**" has the meaning ascribed thereto in Section 8.1(c)(ii);

"**Company**" has the meaning ascribed thereto in the recitals hereof;

"**Company Board**" means the board of directors of the Company;

"**Company Common Share Consideration**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Company Common Shares**" means the common shares in the capital of the Company;

"**Company Credit Facilities**" means the credit or other similar agreements of the Company or any of its Subsidiaries with third party lenders as described in the Company Disclosure Documents;

"**Company Disclosure Documents**" has the meaning ascribed thereto in paragraph (o) of Schedule D;

"**Company Disclosure Letter**" means the disclosure letter delivered by the Company to the Purchaser and dated the date hereof;

"**Company Employee Plans**" has the meaning ascribed thereto in paragraph (bb) of Schedule D;

"**Company Financial Advisor**" means Beacon Securities Limited, financial advisor to the Company Board;

"**Company Financial Advisor Opinion**" means an opinion from the Company Financial Advisor to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by the Company Shareholders pursuant to this Agreement is fair, from a financial point of view, to such holders;

"**Company Financial Statements**" has the meaning ascribed thereto in paragraph (p) of Schedule D;

"**Company Independent Committee**" means the independent committee of the Company Board comprised of independent directors (within the meaning of National Instrument 52-110 – *Audit Committees* and MI 61-101) of the Company;

"**Company Independent Committee Financial Advisor**" means MPA Morrison Park Advisors Inc., financial advisor to the Company Independent Committee;

"**Company Independent Committee Financial Advisor Opinion**" means an opinion from the Company Independent Committee Financial Advisor to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of the Company Common Shares pursuant to this Agreement is fair, from a financial point of view, to such holders;

"**Company Information Circular**" means the notice of the Company Shareholders' Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders' Meeting, together with any amendment thereto or supplements thereof;

"**Company Material Contract**" means any Contract: (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect; (b) relating directly or indirectly to the guarantee of any liabilities or obligations, or to indebtedness which exceeds $50,000, including the Company Credit Facilities; (c)

restricting the incurrence of indebtedness by the Company, any of the Subsidiaries or any of the Non-Controlled Entities (including by requiring the granting of an equal and rateable Encumbrance) or the incurrence of any Encumbrances on any properties or assets of the Company, any of the Subsidiaries or any of the Non-Controlled Entities, or restricting the payment of dividends by the Company, any of the Subsidiaries or any of the Non-Controlled Entities; (d) under which the Company, any of the Subsidiaries or any of the Non-Controlled Entities is obligated to make or expects to receive payments in excess of $50,000 over the remaining term; (e) providing for the establishment, investment in, organization or formation of any joint venture, limited liability company or partnership in which the interest of the Company, any of the Subsidiaries and/or any of the Non-Controlled Entities has a fair market value which exceeds $50,000; (f) that creates an exclusive dealing arrangement or right of first offer or refusal; (g) with a Governmental Entity, including any franchise agreement; (h) providing for employment, severance or change in control payments which could be triggered as a result of or related to the Arrangement; (i) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $50,000; (j) that limits or restricts (i) the ability of the Company, any of the Subsidiaries or any of the Non-Controlled Entities to engage in any line of business or carry on business in any geographic area, or (ii) the scope of Persons to whom the Company, any of the Subsidiaries or any of the Non-Controlled Entities may sell products or deliver services; (k) for the future purchase, exchange or sale of electric power or ancillary services, including any electricity purchase or power purchase agreement; (l) for the future transmission of electric power; (m) for the interconnection of electric generation facilities to third party transmission facilities; (n) with First Nations, other than confidentiality agreements; (o) with outstanding futures, swaps, collars, puts, calls, floors, caps or options that have underlying value and payment liability driven by or tied to fluctuations in the price of commodities, including electric power or securities; (p) providing for a warranty in favour of the Company, any of the Subsidiaries or any of the Non-Controlled Entities; (q) providing for servicing of the properties or assets of the Company, any of the Subsidiaries or any of the Non-Controlled Entities where the Company, any of the Subsidiaries or any of the Non-Controlled Entities has any liability or obligation in excess of $25,000; or (r) that is otherwise material to the Company, the Subsidiaries and the Non-Controlled Entities, taken as a whole;

"**Company Share Option Plans**" means, collectively, the 2010 Option Plan, the 2016 Option Plan and the 2021 Option Plan of the Company;

"**Company Share Options**" means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plans;

"**Company Shareholders**" means the holders of the Company Common Shares;

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, that is convened as provided by the Interim Order to consider, and if deemed advisable, approve the Arrangement Resolution;

"**Company Termination Fee**" and "**Company Termination Fee Event**" have the respective meanings ascribed thereto in Section 8.3(b);

"**Company Transaction Costs**" means, collectively, all costs of the Company and each of its Subsidiaries (where incurred, accrued or billed), excluding sales taxes, in connection with the Arrangement, including fees and expenses of financial advisors, legal advisors, auditors, engineers or other professionals or consultants, printing, mailing and other costs and expenses related to the Company Shareholders' Meeting and all change of control, termination and severance costs payable to Company Workers, but excluding any costs related to any (a) challenges to the Arrangement; (b) responses to an Acquisition Proposal or Superior Proposal received after the date hereof; (c) litigation or proceedings before the Court or any authorized authority other than in respect of the initial uncontested applications for, and receipt of, the Interim Order and the Final Order; and (d) any costs relating to proxy solicitation services firms appointed by the Company, at the request of the Purchaser;

"**Company Voting Agreements**" means the voting and support agreements entered into among the Purchaser, on the one hand, and (a) each of the directors of the Company; and (b) each of the Executive Officers, on the other hand, pursuant to which, among other things, such Persons have agreed to vote all Company Common Shares held by them in favour of the Arrangement;

"**Company Worker**" means the independent contractors, officers and other employees of the Company or of any of its Subsidiaries;

"**Competition Act**" means the *Competition Act* (Canada);

"**Contract**" means any legally binding agreement, commitment, engagement, contract, franchise, licence, obligation or undertaking (written or oral) to which the Company, any of the Subsidiaries or any of the Non-Controlled Entities, as the case may be, is a party or by which the Company, any of the Subsidiaries or any of the Non-Controlled Entities is bound or affected or to which any of their respective properties or assets is subject;

"**Court**" means the Supreme Court of British Columbia;

"**Data Room**" means the electronic data room, as existing as of the date of this Agreement, and made available by the Company to the Purchaser in connection with the Arrangement;

"**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary for the Arrangement, or such other Person as the Company and the Purchaser agree to engage as depositary for the Arrangement;

**"Dissent Rights**" means the rights of dissent provided for in Article 3 of the Plan of Arrangement;

"**Effective Date**" means the date on which the records, information or other documents required to be filed with the Registrar in connection with the Arrangement are filed pursuant to Section 2.7;

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

"**Employee Plans**" has the meaning ascribed thereto in paragraph (bb) of Schedule D;

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

"**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertakings, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertakings, including legislation governing the reduction of greenhouse gas emissions applicable to such jurisdiction and the use, transportation, storage, release and reclamation of Hazardous Substances;

"**Executive Officers**" has the meaning ascribed thereto in Section 1.9;

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, pursuant to Section 291 of the BCBCA, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal;

"**First Nations**" means any band, band council, tribal council, aboriginal treaty nation and/or other indigenous group or indigenous governing body, however organized and established by aboriginal or indigenous people within their traditional territory;

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, including the BCUC; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (d) the TSX; or (e) BC Hydro;

"**Governmental Licenses**" has the meaning ascribed thereto in paragraph (x) of Schedule D;

"**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as hazardous, radioactive, ignitable or toxic or a pollutant or a contaminant under or pursuant to any Environmental Laws;

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board including International Accounting Standards and the interpretations of the International Financial Reporting Interpretations Committee;

"**Intellectual Property**" has the meaning ascribed thereto in paragraph (ii) of Schedule D;

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, pursuant to Section 291 of the BCBCA, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably);

"**Investment Canada Act**" means the *Investment Canada Act* (Canada);

"**Key Consents**" means the:

(a) PPA Consents;

(b) Specified Lender Consents;

(c) consent of His Majesty the King in Right of the Province of British Columbia to the Arrangement, as required pursuant to the terms of the:

  (i) licence of occupation agreement dated March 31, 2011, as modified by a modification agreement dated July 24, 2013, between Kyuquot Power Ltd. and the Province of British Columbia;

  (ii) statutory right of way between Synex Energy Resources Ltd. and the Province of British Columbia and registered on March 14, 2008 under registration number FB155005, as assigned from Synex Energy Resources Ltd. to Mears Hydro Limited Partnership, by its general partner, Mears Hydro GP Inc., by an assignment and assumption agreement under registration number CB485015; and

  (iii) lease agreement between Synex Energy Resources Ltd. and the Province of British Columbia, registered in favour of Synex Energy Resources Ltd. on August 2, 2008 under registration number FB144472, as assigned from Synex Energy Resources Ltd. to Mears Hydro Limited Partnership, by its general partner, Mears Hydro GP Inc., by an assignment and assumption agreement under registration number CB484866;

(d) consent of 0881643 B.C. Ltd., as required pursuant to the terms of the Barr Creek Limited Partnership Agreement and the Barr Creek Hydro Ltd. Shareholders' Agreement, each dated September 27, 2010;

"**Key Regulatory Approvals**" means the BCUC Approval;

"**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

"**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to the Company and its Subsidiaries, taken as a whole, any fact or state of facts, circumstance, change, effect, occurrence or event which, either individually is or in the aggregate are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:

(a) any matter or prospective matter which has, at or prior to the date hereof, been expressly publicly disclosed by the Company or has been expressly disclosed in writing to the Purchaser or its Representatives in the Company Disclosure Letter or is expressly disclosed in a document made available in the Data Room, in each case, other than any disclosures that are cautionary in nature, such as risk factors (it being understood that any change relating to any matter so disclosed may be taken into account in determining whether a Material Adverse Effect has occurred);

(b) the failure of the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of this Agreement (provided, however, that the causes underlying such failure may be considered to determine whether a Material Adverse Effect has occurred);

(c) conditions affecting the business in which the Company operates, including (i) the electric power distribution and transmission industry, (ii) electric distribution and transmission systems, (iii) wholesale or retail markets for electric power, (iv) the engineering services industry, or (v) the power industry (including the development, ownership, management and operation of electrical power producing facilities) (together, the "**Relevant Business**");

(d) any adoption, proposal, implementation or change in Laws (including Tax Laws) or any adoption, proposal, implementation or change in IFRS or regulatory accounting requirements applicable to the Relevant Business;

(e) any change in (i) global, national or regional political conditions (including the outbreak of war or acts of terrorism), (ii) general economic, business, regulatory, banking or market conditions or (iii) national or global financial or capital markets or commodity markets (including interest rates, exchange rates or electricity rates);

(f) any natural disaster or weather event;

(g) any changes in the trading price or trading volumes of any listed securities of the Company or any credit rating downgrade, negative outlook, watch or similar event relating to the Company, any of its Subsidiaries or any of its securities (provided, however, that the causes underlying such change, downgrade, outlook watch or similar event may be considered to determine whether a Material Adverse Effect has occurred);

(h) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the Purchaser;

(i) the announcement of this Agreement or any action taken by the Company or any of its Subsidiaries that is required or explicitly permitted pursuant to this Agreement (including any steps taken pursuant to Section 5.4 to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business); or

(j) any epidemic, pandemic or outbreaks of illness or disease;

*provided*, however, that (i) with respect to paragraphs (c), (d), (e) and (f), such matter does not have a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, for the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (c), (d), (e) and (f) such matter shall be taken into account in determining whether a "Material Adverse Change" or "Material Adverse Effect" has occurred only to the extent such matter has a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, when compared to other participants in the Relevant Business, and (ii) references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*;

"**Misrepresentation**" means any untrue statement of a material fact or any omission to state a material fact required to be stated or necessary to make a statement, in light of the circumstances in which they are made, not misleading;

"**Money Laundering Laws**" has the meaning ascribed thereto in paragraph (ll)(ii) of Schedule D;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"**Non-Controlled Entities**" means Upnit Power Limited Partnership, and its general partner, Upnit Power Corporation and Victoria Lake Hydro Limited Partnership, and its general partner, Victoria Lake Hydro (GP) Ltd.;

"**Non-Disclosure Agreement**" means the Non-Disclosure Agreement dated December 10, 2024 between the Purchaser and the Company;

"**Outside Date**" means November 30, 2025, subject to the right of either Party to postpone the Outside Date for up to an additional 90 days (in 30-day increments) in aggregate for all extensions if a Key Regulatory Approval has not been obtained, by giving written notice to the other Party to such effect no later than 5:00 p.m. on the date that is not less than five days prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be agreed to in writing by the Parties; provided that, notwithstanding the foregoing, no Party shall be permitted to postpone the Outside Date if the failure to obtain a Key Regulatory Approval is primarily the result of such Party's failure to comply with its covenants with respect to obtaining such Key Regulatory Approval herein;

"**Parties**" means the Purchaser and the Company, and "**Party**" means either one of them;

"**Permitted Encumbrances**" means: (a) Encumbrances specifically disclosed in the Company Disclosure Letter; (b) Encumbrances which are registered on the date hereof at the applicable land registry office or land title office encumbering the real property interest forming part of the Purchased Business, easements, rights of way, servitudes, restrictions, licenses or other similar rights, including rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are not of such nature as to materially adversely affect the use of the property subject thereto; (c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy Taxes; (d) indigenous land claims (whether or not proven); (e) undetermined or inchoate Encumbrances incurred or created in the ordinary course of business as security for the Company's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time or are being contested in good faith, provided the same are not of such nature as to materially adversely affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the Relevant Business operations conducted on such properties or assets; (f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time or is being contested in good faith, provided the same are not of such nature as to materially adversely affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the Relevant Business operations conducted on such properties or assets; (g) Encumbrances granted in the ordinary course of business respecting operations pertaining to the Relevant Business, provided the same are not of such nature as to materially adversely affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the

Relevant Business operations conducted on such properties or assets; (h) Encumbrances for Taxes, assessments, reassessments and governmental charges that are not due and payable or delinquent or that are non-material amounts being contested in good faith and for which the Company or its applicable Subsidiary maintain adequate reserves reflected in such applicable entity's books and records and financial statements, consistent with the applicable entity's reporting standards in accordance with past practice; (i) terms and conditions of Company Material Contracts; (j) any Encumbrances under the Company Credit Facilities or other borrowing arrangements; (k) such other defects, encroachments, irregularities or imperfections of title or Encumbrances that do not materially affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the Relevant Business operations conducted on such properties; (l) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of land by a Governmental Entity and any statutory limitations, exceptions, reservations and qualifications with respect to any real property; and (m) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements relating to the property then being referred to that do not materially affect the use of such property including the posting of any required security for performance of obligations thereunder;

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"**Personal Information**" has the meaning ascribed thereto in Section 5.7(a)(iii);

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set forth in Schedule A hereto and any amendments or variations thereto made in accordance with Section 9.1 or Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Purchaser and the Company, each acting reasonably;

"**PPA Consents**" means the consent of BC Hydro to the Arrangement, as required pursuant to the terms of the following Electricity Purchase Agreements:

(a) the electricity purchase agreement dated May 31, 2023 by and between BC Hydro and Mears Hydro Limited Partnership;

(b) the electricity purchase agreement dated August 31, 2006, as amended, by and between BC Hydro and Synex Energy Resources Ltd. for the Barr Creek project as assigned from Synex Energy Resources Ltd. to Barr Creek Hydro Limited Partnership pursuant to an assignment and assumption agreement dated February 17, 2011; and

(c) the electricity purchase agreement dated January 21, 2009, by and between BC Hydro and Synex Energy Resources Ltd. for the Cypress Creek project;

"**Pre-Acquisition Reorganization**" has the meaning ascribed thereto in Section 5.9(a);

"**Purchased Business**" means the business and operations (including undertakings, property, assets, rights and interests) of: (a) the Company, Sigma Engineering Ltd., Synex Energy Resources Ltd., Kyuquot Power Ltd., Sea Breeze Power Corp., Barr Creek Hydro Ltd., Cypress Creek Hydro GP Inc., Mears Hydro GP Inc., Newcastle Creek Hydro Ltd., Mt Oldfield Wind GP Ltd. and MH Wind GP Ltd., each a corporation existing under the BCBCA; and (b) Barr Creek Limited Partnership, Cypress Creek Hydro Limited Partnership, Mears Hydro Limited Partnership, Newcastle Creek Limited Partnership, Mt Oldfield Wind Limited Partnership and Mt Hays Wind Limited Partnership, each a limited partnership existing under the laws of British Columbia;

"**Purchaser**" has the meaning ascribed thereto in the recitals hereof;

"**Purchaser Information**" means the information regarding the Purchaser required to be included in the Company Information Circular, or included in the Company Information Circular at the written request of the Purchaser;

"**Receiving Party**" has the meaning ascribed thereto in Section 6.4;

"**Registrar**" has the meaning ascribed to such term in the BCBCA;

"**Regulatory Approvals**" means the Key Regulatory Approvals and any other permit, license, approval, certificate, consent, order, grant, authorization, waiver, permission, exemption, review or decision, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws or that the Parties agree to obtain in connection with the Arrangement;

"**Relevant Business**" has the meaning set forth in the definitions of "Material Adverse Change" and "Material Adverse Effect" in this Agreement;

"**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

"**Required Shareholder Approval**" has the meaning ascribed thereto in Section 2.4(b);

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + described in National Instrument 13-103 – *System for Electronic Data Analysis and Retrieval* and available for public view at www.sedarplus.ca;

"**Specified Lender Consent**" has the meaning ascribed thereto in Section 5.4(a)(i);

"**Subsidiary**" means, with respect to a specified entity, any: (a) corporation of which issued and outstanding voting securities of such corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation (whether or not shares of any other class or classes will or might be entitled to vote upon the happening

of any event or contingency) are owned by such specified entity and the votes attached to those voting securities are sufficient, if exercised, to elect a majority of the directors of such corporation; (b) partnership, unlimited liability company, joint venture or other similar entity in which such specified entity has more than 50% of the equity interests and the power to direct the policies, management and affairs thereof; and (c) a subsidiary (as defined in clauses (a) and (b) above) of any subsidiary (as so defined) of such specified entity;

"**Superior Proposal**" means an unsolicited written bona fide Acquisition Proposal made after the date hereof by a Person (other than the Purchaser or its affiliates) to acquire not less than all of the Company Common Shares or not less than all or substantially all of the consolidated assets of the Company:

(a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1 or a breach of the Company Voting Agreements;

(a) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Company Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel), that any funds or other consideration necessary to complete such Acquisition Proposal have been obtained or are reasonably likely to be obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein;

(b) that is not subject to a due diligence or access condition;

(c) in respect of which the Company Board (or any relevant committee thereof) has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for the Company Shareholders than the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c)); and

(d) that the Company Board (or any relevant committee thereof) has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably capable of being completed at the time and on the terms proposed, without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, the BCUC Approval and any approval required under the Investment Canada Act to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal;

"**Tax**" or "**Taxes**" means all taxes (including duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of a similar nature), together with any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including federal, provincial, territorial and state

income taxes), capital taxes, payroll and employee withholding taxes, gasoline and fuel taxes, carbon taxes and charges, output-based pricing system charges, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes (including goods and services, harmonized sales and provincial or territorial sales tax), *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, carbon taxes, transfer taxes, workers' compensation premiums or charges, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which one of the Parties or any of its Subsidiaries is required to pay, withhold or collect;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Returns**" means any and all reports, estimates, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed or provided to any Governmental Entity in connection with any Taxes (including any attached schedules), including amendment thereof, and whether in tangible or electronic form;

"**Termination Notice**" and "**Terminating Party**" have the respective meanings ascribed thereto in Section 6.4;

"**Third Party Beneficiaries**" has the meaning ascribed thereto in Section 9.9;

"**TSX**" means The Toronto Stock Exchange;

"**UCA**" means the *Utilities Commission Act* (British Columbia); and

"**Working Capital**" means current assets less current liabilities.

**1.2 Interpretation Not Affected by Headings**

The division of this Agreement into Articles, Sections, subsections, paragraphs and other portions 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.

**1.3 Article References**

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

**1.4 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 shall include all genders.

**1.5 Date for Any Action**

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

**1.6 Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

**1.7 Schedules**

The following Schedules annexed to this Agreement, being:

| | | |
|---|---|---|
| Schedule A | - | Plan of Arrangement |
| Schedule B | - | Form of Arrangement Resolution |
| Schedule C | - | Representations and Warranties of the Purchaser |
| Schedule D | - | Representations and Warranties of the Company |

are incorporated by reference into this Agreement and form a part hereof.

**1.8 Accounting Matters**

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

**1.9 Knowledge**

In this Agreement, references to "to the knowledge of" means the actual knowledge of the Executive Officers of the Company after reasonable inquiry. For purposes of this Section 1.9, "**Executive Officers**" means the Company's President and Chief Executive Officer, the Company's Chief Financial Officer and the Company's Chair and Corporate Secretary.

**1.10 Non-Controlled Entities**

Notwithstanding any other provision of this Agreement:

(a) the representations and warranties contained in this Agreement with respect to the Non-Controlled Entities are given by the Company only to the actual knowledge of the Executive Officers, except for the representations and warranties given respecting the Company's direct or indirect ownership and the Company's rights and obligations in respect of the applicable Non-Controlled Entities; and

(b) the covenants of the Company contained in this Agreement shall not extend to the Non-Controlled Entities; provided, however, except as expressly stated in this Agreement, that if an issue, event or circumstance relating to any of the Non-Controlled Entities arises, which issue would be the subject matter of any of the

covenants contained in this Agreement but for the fact that the covenants do not extend to the Non-Controlled Entities, then, subject to any applicable Laws, applicable fiduciary duties or contractual obligations (other than under this Agreement), the Company or its applicable Subsidiary (which, for greater certainty, does not include the Non-Controlled Entities in this context) shall use commercially reasonable efforts (consistent with being a minority shareholder) to comply with such covenant, including by voting its voting interests in the relevant Non-Controlled Entity in respect of such issue, event or circumstance consistent with complying with the relevant covenant as though such covenant did extend to the relevant Non-Controlled Entity.

**1.11 Other Definitional and Interpretive Provisions**

(a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

(b) A reference to time in this Agreement shall be to Vancouver time, unless otherwise specified; and Vancouver time shall refer to Pacific Standard Time or Pacific Daylight Savings Time during the respective intervals in which each is in force in British Columbia.

(c) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.

(d) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.

(e) Where a term is defined herein, a capitalized derivative of that term shall have a corresponding meaning unless the context otherwise requires.

(f) References to a statute or Law shall be a reference to: (i) that statute or Law as amended or re-enacted from time to time and every statute or Law that may be substituted therefor; and (ii) the rules, regulations, bylaws, other subsidiary legislation and published policies or notices made pursuant to that statute or Law.

(g) The term "made available" means that copies of the subject materials were included in the Data Room at 8:00 a.m. on the day that immediately precedes the date of this Agreement, and an index of the contents of the Data Room at such time shall be appended to the Company Disclosure Letter.

## ARTICLE 2
## THE ARRANGEMENT

### 2.1 The Arrangement

The Purchaser and the Company shall proceed to effect a plan of arrangement under Part 9, Division 5 of the BCBCA pursuant to which, on the Effective Date, on the terms contained in the Plan of Arrangement and among other things, each holder of Company Common Shares (other than those Company Common Shares in respect of which the holder thereof has validly exercised Dissent Rights) shall receive, for each Company Common Share, a cash amount equal to the Company Common Share Consideration.

### 2.2 Company Approval

The Company represents and warrants to the Purchaser that:

(a) based in part on the unanimous recommendation of the Company Independent Committee, the Company Board has unanimously determined that:

(i) the Arrangement is fair to the Company Shareholders from a financial point of view;

(ii) the Arrangement and entry into this Agreement are in the best interests of the Company; and

(iii) it will unanimously recommend that the Company Shareholders vote in favour of the Arrangement; and

(b) the Company Board has received the Company Financial Advisor Opinion and the Company Independent Committee has received the Company Independent Committee Financial Advisor Opinion.

### 2.3 Obligations of the Company

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, the Company shall take all actions and do all things necessary or desirable, in accordance with all applicable Laws, to:

(a) as soon as reasonably practicable, make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;

(b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the Company Shareholders' Meeting as promptly as practicable, and in any event not later than May 30, 2025 and with a record date as soon as reasonably practicable after the date hereof, to hold a vote upon the Arrangement Resolution and any other matters as may be properly brought before such meeting;

(c) consult with the Purchaser in fixing the date of the Company Shareholders' Meeting and the record date for the Company Shareholders' Meeting, and give notice to the Purchaser of the Company Shareholders' Meeting and allow the Purchaser's Representatives and legal counsel to attend the Company Shareholders' Meeting;

(d) use commercially reasonable efforts to solicit proxies of the Company Shareholders in favour of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, at the Purchaser's expense, using proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;

(e) permit the Purchaser to, at the Purchaser's expense, directly or through a proxy solicitation services firm, actively solicit proxies in favour of the Arrangement on behalf of management of the Company in compliance with applicable Law, and disclose in the Company Information Circular that the Purchaser may make such solicitations; and

(f) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable (and in any event within three business days of obtaining the approvals).

Subject to receipt of the Purchaser Information, the Company shall prepare the Company Information Circular and related materials as soon as practicable following the date of this Agreement, and shall print and mail, directly and indirectly, the Company Information Circular to the Company Shareholders as soon as practicable following the receipt of the Interim Order. The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on the drafts of the Company Information Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel relating to the disclosure contained therein, and agrees that all Purchaser Information included in the Company Information Circular must be in content satisfactory to the Purchaser, acting reasonably. As of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Company Information Circular shall (a) be complete and correct in all material respects and not contain any Misrepresentations (other than with respect to the Purchaser Information), (b) contain the unanimous recommendation of the Company Board that the Company Shareholders vote in favour of the Arrangement Resolution, and (c) comply in all material respects with the Interim Order and all applicable Laws. The Company agrees to promptly correct any information (other than the Purchaser Information) in the Company Information Circular which shall have become false or misleading at any time prior to the Company Shareholders' Meeting. Without limiting the generality of the foregoing, the Company shall ensure that the Company Information Circular provides the Company Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Company Shareholders' Meeting, including (a) the unanimous recommendation of the Company Board that

the Company Shareholders vote in favour of the Arrangement Resolution, (b) a copy of the Company Independent Committee Financial Advisor Opinion, (c) a copy of the Company Financial Advisor Opinion, and (d) a statement that each director and each of the Executive Officers (and each other officer that has signed a Company Voting Agreement) intends, in accordance with the Company Voting Agreements, to vote all of the Company Common Shares beneficially owned, or over which control or direction is exercised, by such individual in favour of the Arrangement Resolution and against any resolution submitted by any Company Shareholder that is inconsistent with the Arrangement.

**2.4 Interim Order**

The application referred to in Section 2.3(a) shall request that the Interim Order provide, among other things:

(a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Shareholders' Meeting and for the manner in which such notice is to be provided;

(b) that the requisite approval for the Arrangement Resolution to be placed before the Company Shareholders shall be: (i) 66 2/3% of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or by proxy at the Company Shareholders' Meeting, and (ii) a simple majority of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or by proxy at the Company Shareholders' Meeting, excluding for this purpose votes attached to Company Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101 (together, with any other vote required under the Interim Order, the "**Required Shareholder Approval**");

(c) for the grant of Dissent Rights, as set forth in the Plan of Arrangement;

(d) that the Company Shareholders' Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;

(e) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Shareholders' Meeting will not change in respect of any adjournment(s) or postponement(s) of the Company Shareholders' Meeting, unless required by Law;

(f) that, in all other material respects, the terms, restrictions and conditions of the constating documents of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Shareholders' Meeting;

(g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and

(h) for such other matters as the Parties may agree in writing, each acting reasonably.

**2.5 Conduct of the Company Shareholders' Meeting**

(a) Subject to the terms of this Agreement and the Interim Order, the Company agrees to convene and conduct the Company Shareholders' Meeting in accordance with its constating documents and applicable Laws and the Interim Order, and agrees not to propose to adjourn or postpone the meeting without the prior consent of the Purchaser, acting reasonably, except:

(i) as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;

(ii) as permitted under Section 6.4 or Section 7.1(c); or

(iii) for an adjournment, with prior consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed) for the purpose of attempting to obtain the requisite approval for the Arrangement Resolution.

(b) Notwithstanding the receipt by the Company of a Superior Proposal in accordance with Section 7.1, unless otherwise agreed to in writing by the Purchaser or this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, the Company shall continue to take all steps reasonably necessary to hold the Company Shareholders' Meeting and to cause the Arrangement Resolution to be voted on at the Company Shareholders' Meeting and shall not propose to adjourn or postpone the Company Shareholders' Meeting other than as contemplated by Section 2.5(a).

(c) The Company shall advise the Purchaser as reasonably requested, and on a daily basis on each of the last seven business days prior to the date of the Company Shareholders' Meeting, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.

(d) The Company shall advise the Purchaser of any communication (written or oral) received after the date of this Agreement from any securityholder of the Company or other Person in opposition to the Arrangement Resolution or any written notice of dissent, purported dissent exercise or withdrawal of Dissent Rights by a holder of the Company Common Shares, and written communications sent by or on behalf of the Company to any such holder exercising or purporting to exercise Dissent Rights.

(e) The Company shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to the Dissent Rights without the prior written consent of the Purchaser, acting reasonably.

**2.6 Court Proceedings**

The Company will provide the Purchaser and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by the Purchaser for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of the Purchaser and its legal counsel with respect to any such information required to be supplied by the Purchaser and included in such material and any other matters contained therein. The Company will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Purchaser making submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Interim Order or Final Order or any appeal therefrom. Subject to applicable Laws, the Company will not file any material with, or make any submissions to, 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 the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require the Purchaser to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations set forth in any such filed or served materials or under this Agreement. The Company shall oppose any proposal from any Person that would result in the Interim Order or Final Order containing any provision that is inconsistent with this Agreement or the Plan of Arrangement. Subject to the terms of this Agreement, the Purchaser shall use commercially reasonable efforts to cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing to the Company, on a timely basis, any information reasonably required to be supplied by the Purchaser in connection therewith.

**2.7 Effective Date**

The Arrangement shall become effective at the Effective Time. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 6, each of the Parties shall, as soon as practicable, execute and deliver such closing documents and instruments and the Company shall proceed to file with the Registrar any records, information or other documents required to be filed with the Registrar in connection with the Arrangement, if any, no later than the fifth business day following the satisfaction or waiver of such conditions precedent (other than the conditions precedent that by their terms are to be satisfied as of the Effective Date) or such other date as agreed to in writing by the Purchaser and the Company, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

**2.8 Tax Matters**

The Purchaser and the Company shall be entitled to deduct and withhold from any amount otherwise payable to any Person under this Arrangement Agreement or the Plan of Arrangement (including any Company securityholder and, for greater certainty, from any amount payable to a Company Shareholder who has validly exercised, and not withdrawn, Dissent Rights, as the case may be, under the Plan of Arrangement) such amounts as the Purchaser or the Company, as the case may be, is required or reasonably believes is required to deduct and withhold from such payment in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the amount otherwise payable pursuant to the Arrangement Agreement or the Plan of Arrangement and shall be treated for all purposes 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 Governmental Entity.

**2.9 Shareholder Communications**

Each Party agrees to co-operate with the other Party and, if requested by the other Party, participate in presentations to securityholders of the Company or other stakeholders of the Company, as applicable, regarding the Arrangement. Each Party shall seek prior consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, prior to the making of any presentations regarding the Arrangement and shall promptly advise, consult and co-operate with the other Party in issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity or with any stock exchange, including the TSX, with respect thereto. Each Party shall use commercially reasonable efforts to enable the other Party to review and comment on all such press releases and filings prior to the release or filing thereof; provided, however, that the foregoing shall be subject to such Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, such Party shall use commercially reasonable efforts to, if legally permissible, give prior oral or written notice to the other Party, and if such prior notice is not possible, to, if legally permissible, give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, nothing in this Section 2.9 shall require a notice by the Company or its affiliates to the Purchaser or the Purchaser's prior consent in connection with, or prevent the Company or any of its affiliates from, (a) issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement, or (b) making internal announcements or presentations to employees and having discussions with their respective securityholders, financial analysts or other stakeholders, in each case so long as such statements and announcements are consistent with the press releases, public disclosures or public statements previously made by the Parties.

**2.10 Payment of Consideration**

The Purchaser shall, following receipt of the Final Order and by no later than one Business Day prior to the Closing, transfer or cause to be transferred to the Depositary sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company, the Depositary and the Purchaser, each acting reasonably) in order to satisfy the aggregate amount

equal to the payments required of the Purchaser on the Effective Date under the Plan of Arrangement.

## ARTICLE 3
## REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

### 3.1 Representations and Warranties

The Purchaser hereby makes to the Company the representations and warranties set forth in Schedule C hereto and acknowledges that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

### 3.2 Survival of Representations and Warranties

The representations and warranties of the Purchaser contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

### 3.3 Disclaimer of Additional Representations and Warranties

The Company agrees and acknowledges that, except as expressly set forth in Schedule C, neither the Purchaser nor any other Persons on behalf of the Purchaser makes any representation or warranty, express or implied, at Law or in equity, with respect to the Purchaser and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Purchaser expressly disclaims any representation or warranty that is not set forth in Schedule C.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES OF THE COMPANY

### 4.1 Representations and Warranties

Except as disclosed in the applicable section or subsection of the Company Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the representation and warranty set forth in this Agreement to which it corresponds in number and each other representation and warranty set forth in Schedule D hereto for which it is reasonably apparent on its face that such information is relevant to such other section), the Company hereby makes to the Purchaser the representations and warranties set forth in Schedule D hereto and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

### 4.2 Survival of Representations and Warranties

The representations and warranties of the Company contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this

Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

### 4.3 Disclaimer of Additional Representations and Warranties

The Purchaser agrees and acknowledges that, except as expressly set forth in Schedule D, neither the Company nor any other Persons on behalf of the Company makes any representation or warranty, express or implied, at Law or in equity, with respect to the Company and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Company expressly disclaims any representation or warranty that is not set forth in Schedule D.

## ARTICLE 5
## COVENANTS AND ADDITIONAL AGREEMENTS

### 5.1 Covenants of the Purchaser

The Purchaser 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, unless otherwise: (i) consented to in writing by the Company (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) disclosed to the Company in writing on or prior to the date hereof:

(a) subject to Section 5.4 which shall govern in respect of the Regulatory Approvals, the Purchaser will make all necessary filings and applications under applicable Laws, including Canadian Securities Laws, required to be made on the part of the Purchaser in connection with the transactions contemplated herein and shall take all reasonable actions necessary to be in compliance with such applicable Laws; and

(b) the Purchaser shall prepare and furnish to the Company the Purchaser Information and shall ensure that, as of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Purchaser Information shall (i) be complete and correct in all material respects and not contain any Misrepresentations, and (ii) comply in all material respects with all applicable Laws. The Purchaser shall promptly correct any Purchaser Information which shall have become false or misleading at any time prior to the Company Shareholders' Meeting.

### 5.2 Covenants of the Company

The Company 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, unless otherwise: (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically

contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter:

(a) except as may be necessary in situations of emergency to preserve life, property or the environment, the business of the Company and its Subsidiaries shall be conducted only in, and the Company and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice, the Company shall use all commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, assets, employees, advantageous business relationships and relationships with other stakeholders, and the Company shall undertake any actions agreed to in writing with the Purchaser;

(b) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) amend the Company's constating documents or the constating documents (including any joint venture, partnership agreement or similar Contract in respect thereof) of any of its Subsidiaries;

(ii) declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its securities owned by any Person, except in relation to internal transactions solely involving the Company and its Subsidiaries or among such Subsidiaries in the ordinary course of business and consistent with past practice;

(iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares or securities of the Company or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or securities of the Company or any of its Subsidiaries, except the issuance of securities solely among the Company's wholly-owned Subsidiaries in the ordinary course of business and consistent with past practice;

(iv) split, consolidate, redeem, purchase or otherwise acquire any of the outstanding shares or other securities of the Company or any of its Subsidiaries;

(v) amend the terms of any of the securities of the Company or any of its Subsidiaries;

(vi) reduce the stated capital of any of the issued and outstanding shares of the Company or any of its Subsidiaries;

(vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, arrangement, amalgamation, consolidation or reorganization of the Company or any of its Subsidiaries;

(viii) complete any reorganization of the corporate structure, business, operations or assets of the Company or any of its Subsidiaries, except for the transactions contemplated by the Plan of Arrangement; or

(ix) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any Contract, commitment or arrangement with respect to any of the foregoing, except as permitted above;

(c) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) sell, pledge, dispose of or encumber any assets of the Company or any of its Subsidiaries with a value individually or in the aggregate exceeding $25,000;

(ii) acquire (by merger, amalgamation, consolidation, acquisition of shares or assets or otherwise) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries of the Company) or purchase of any property or assets of any other individual or entity, except with a value individually or in the aggregate not exceeding $25,000;

(iii) incur any indebtedness for borrowed money or any other liability or obligation, issue any debt or hybrid securities, assume, guarantee, endorse or otherwise become responsible for, the obligations of any other Person, or make any loans or advances, or any capital contribution, to any Person, except for travel advances and other advances which arise in the ordinary course of business consistent with past practice;

(iv) extend the maturity of any indebtedness for borrowed money or any other liability or obligation, including bankers' acceptances, except those which are not material or which arise in the ordinary course of business consistent with past practice;

(v) grant any general increase in the rate of wages, salaries, bonuses or other remuneration of Company Workers or make any bonus or profit sharing distribution or similar payment of any kind, or adopt or otherwise implement any employee or executive bonus or retention plan or program;

(vi) amend or modify, or terminate or waive any right under, any Company Material Contract or enter into any contract or agreement that would be a Company Material Contract if in effect on the date hereof;

(vii) settle, pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are (A) material to the Purchased Business, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities

reflected or reserved against in the Company's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice, or (B) brought by any present, former or purported holder of its securities (in such Person's capacity as such) in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date;

(viii) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the Purchased Business;

(ix) waive, release, grant or transfer any rights of material value, or enter into, modify, amend or change any existing license, lease, Contract or other document which is material to the Purchased Business (including, for greater certainty, any joint venture, partnership agreement or similar Contract in respect thereof), other than in the ordinary course of business consistent with past practice;

(x) enter into or modify any Contract, commitment or arrangement with any First Nations, BC Hydro or any other Governmental Entity;

(xi) enter into any Contract, commitment or arrangement with any person acting at non-arm's length within the meaning of such term for purposes of the Tax Act;

(xii) enter into or amend the terms of any transaction or Contract with a "related party", as such term is defined in MI 61-101;

(xiii) hire or terminate any officer, executive, contractor or consultant of the Company;

(xiv) cancel, waive, release, assign, settle or compromise any material claims or rights;

(xv) compromise or settle any litigation, proceeding or governmental investigation relating to the assets or the business of the Company or any of its Subsidiaries;

(xvi) abandon or fail to diligently pursue any application for any material licences, permits, authorizations or registrations;

(xvii) enter into or terminate any hedges, swaps or other financial instruments or similar transaction, except those entered into or terminated in the ordinary course of business consistent with past practice; or

(xviii) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any Contract, commitment or arrangement to do any of the foregoing;

(d) except for capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property, or threats to human safety or the environment, the Company and its Subsidiaries shall not, prior to the Effective Date, incur or commit to incur capital expenditures with a value individually or in the aggregate exceeding $25,000;

(e) the Company shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its and its Subsidiaries' current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to the Company or any of its Subsidiaries taken as a whole, 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;

(f) the Company will deliver to the Purchaser, as soon as they become available, true and complete copies of any Company Disclosure Document required to be filed by the Company or any of its Subsidiaries with any Governmental Entity subsequent to the date hereof;

(g) the Company shall not, and shall not permit any of its Subsidiaries to:

(i) file any amended Tax Returns;

(ii) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending June 30, 2024, except as may be required by applicable Law;

(iii) make, rescind, amend or revoke any material election relating to Taxes;

(iv) settle (or offer to settle) any claim, inquiry, audit, reassessment, action, suit, litigation, proceeding, arbitration, investigation, or controversy relating to a material amount of Taxes, or otherwise compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to the Company;

(v) unless required to do so under applicable Law, file any Tax Return other than in accordance with past practice;

(vi) reduce the amount, or amend the characterization, of any of its individual categories of tax pools or any other tax attributes, other than as a result of

transactions in the ordinary course of business or as required by applicable Law;

(vii) enter into any Tax sharing, Tax allocation or Tax indemnification agreement;

(viii) consent to any extension or waiver of any limitation period with respect to Taxes;

(ix) make a request for a Tax ruling or enter into any agreement with any Governmental Entity relating to Taxes; or

(x) enter into any transactions or arrangements which may be notifiable or reportable under sections 237.3, 237.4 or 237.5 of the Tax Act.

(h) the Company shall continue to withhold from each payment to be made to any of its present or former employees (which includes officers) and directors and to all other Persons including all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld by any applicable Laws and the Company shall remit such withheld amounts to the proper Governmental Entity within the times prescribed by such applicable Laws;

(i) subject to compliance with the Competition Act, the Company shall conduct itself so as to keep the Purchaser informed as to the material decisions or actions required or required to be made with respect to the operations of the Purchased Business; provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party or otherwise prevented by applicable Law or is in respect to customer-specific or competitively sensitive information;

(j) subject to compliance with the Competition Act, the Company shall promptly notify the Purchaser in writing of any material change in the business operations, results of operations, properties, assets, liabilities, or financial condition of the Purchased Business;

(k) the Company will make all necessary filings and applications under applicable Laws, including applicable Canadian Securities Laws, required to be made on the part of the Company in connection with the transactions contemplated herein and shall take all commercially reasonable action necessary to be in compliance with such applicable Laws;

(l) until June 30, 2025, the Company shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 8.5, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required; and

(m) the Company shall not agree, resolve, commit or undertake, or enter into or modify any Contract, commitment or arrangement to, do any of the matters prohibited in this Section 5.2.

Nothing in this Agreement is intended to or shall result in the Purchaser exercising material influence over the operations of the Company or any of its Subsidiaries, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

**5.3 Covenants Regarding Employment and Benefits Matters**

The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter, the Company shall not, and shall cause each of its Subsidiaries not to:

(a) issue, award or grant any Company Share Options or any securities or other instruments or equity-based compensation providing similar benefits;

(b) except as may be required pursuant to existing employment, collective bargaining, pension, supplemental pension or termination policies or agreements (each of which are in writing and copies of which have been provided to the Purchaser prior to the date hereof), (i) grant, accelerate, increase or otherwise amend any payment, award, compensation or other benefit payable in any form to (A) any officer or director, (B) any consultant or employee with base compensation in excess of $75,000, or (C) unless such grant, acceleration, increase or amendment is made in the ordinary course of business and consistent with past practice, any consultant or employee with base compensation equal to or less than $75,000, (ii) make or agree to make any loan to any officer, director, consultant or employee, other than travel advances and other advances made in the ordinary course of its business, (iii) grant, accelerate, increase or otherwise amend the amount, value or terms of any change of control, severance, separation, retention or termination pay to, or enter into any employment, change of control, severance, retention or termination agreement with any officer, director, consultant or employee of the Company or any of its Subsidiaries, or (iv) take or propose any action to effect any of the foregoing; or

(c) grant any general salary increases, except as may be required pursuant to the terms of an existing employment agreement or collective bargaining agreement.

**5.4 Mutual Covenants**

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

(a) subject to the terms and conditions of this Agreement (including Section 5.4(d)), it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use their commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 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 and in accordance with all applicable Laws to complete and give effect to the Arrangement as soon as reasonably practicable, including using its commercially reasonable efforts to promptly:

(i) obtain all waivers, consents and approvals required to be obtained by it from parties to loan agreements, leases and other contracts in order to maintain such loan agreements, leases and other contracts in full force and effect following completion of the Arrangement, including obtaining consent to the Arrangement together with certain waivers and amendments, as applicable, from the agent(s) and the lender(s) under:

(A) the Credit Agreement dated April 29, 2021, among, *inter alios*, Synex Energy Resources Ltd., Cypress Creek Hydro Limited Partnership, Mears Hydro Limited Partnership (collectively as borrowers), the Equitable Life Insurance Company of Canada, the Empire Life Insurance Company (collectively as lenders), and Selkirk Advisory Group Inc. (as administrative agent and collateral agent for the lenders);

(B) the Credit Agreement dated June 16, 2021, among, *inter alios*, Barr Creek Limited Partnership (as borrower), the Equitable Life Insurance Company of Canada, Empire Life Insurance Company (collectively as lenders), and Selkirk Advisory Group Inc. (as administrative agent and collateral agent for the lenders); and

(C) the Credit Agreement dated June 16, 2021, among, *inter alios*, Synex Energy Resources Ltd. (as borrower), the Equitable Life Insurance Company of Canada (as lender), and Selkirk Advisory Group Inc. (as administrative agent and collateral agent for the lender),

(each, a "**Specified Lender Consent**"), and fulfill all conditions and satisfy all provisions of such consents, waivers and amendments, in each case as soon as reasonably practicable following the date of this Agreement and on terms that are satisfactory to the Purchaser, acting reasonably, and, in the case of the Company, without paying, and without committing the Company or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed; provided that, unless otherwise consented to by the Purchaser in writing, the Specified Lender Consents shall be substantially the same in form and substance as, and in any case no less favourable to the Purchaser, the Company or its Subsidiaries than, the draft forms of Specified Lender Consents exchanged by counsel to each of the Purchaser and the Company on March 27, 2025;

(ii) obtain all necessary material exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws, including, without duplication of 5.4(a)(i), the Key Consents;

(iii) defend all lawsuits or other legal, regulatory or other proceedings against it (or if applicable, its directors or officers) challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement, provided that neither the Company nor any of its Subsidiaries will consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed;

(iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and

(v) carry out the terms of the Interim Order and the Final Order applicable to it and comply with all requirements imposed by applicable Laws on it or its Subsidiaries with respect to this Agreement or the Arrangement;

(b) it shall cooperate with the other Party in connection with the performance by it and its Subsidiaries of their obligations under this Section 5.4, including providing regular status updates on its progress in obtaining any Regulatory Approval to the other Party as and when requested by the other Party, and permitting the other Party and its legal counsel a reasonable opportunity to review in advance, and to provide comments on, any proposed communications of any nature with a Governmental Entity, which comments shall be considered and given due regard;

(c) it shall use commercially reasonable efforts to, and shall cause its Subsidiaries to use commercially reasonable efforts to, satisfy (or cause the satisfaction of) the condition precedent set forth in Section 6.1(d) and Section 6.2(e), including, subject to Section 5.4(d), using commercially reasonable efforts to:

(i) obtain all Regulatory Approvals;

(ii) cooperate fully with the other Party and such other Party's legal counsel, recognizing that certain competitively sensitive information may be exchanged only on an external counsel-only basis and in accordance with the Non-Disclosure Agreement and any other subsequent written agreement that addresses confidentiality between the Parties;

(iii) as promptly as possible, but in any event within 30 business days of the date hereof, unless otherwise mutually agreed to in writing, make all necessary notifications or applications in respect of Regulatory Approvals, including the application for approval pursuant to section 54 of the UCA to the BCUC, and the Parties shall supply as promptly as practicable any

additional information or documentary materials that may be required or as the Parties or their legal counsel agree may be advisable pursuant to the BCUC Approval or any similar Laws;

(iv) respond promptly to all requests for information made by a Governmental Entity in respect of obtaining a Regulatory Approval; and

(v) prepare and file, as promptly as practicable, all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, and authorizations in respect of the Regulatory Approvals;

(d) in connection with obtaining the Key Regulatory Approvals by no later than the Outside Date, Section 5.4(a) and Section 5.4(c) shall require the Purchaser and its Subsidiaries to take all reasonable measures to obtain the Key Regulatory Approvals;

(e) except as required by Law, it shall not engage in any meetings or material communications with any Governmental Entity in relation to the Key Regulatory Approvals or the Arrangement, without legal counsel for the other Party being advised of same, and having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's legal counsel of any communications to or from a Governmental Entity in relation to the Arrangement;

(f) subject to Section 5.4(d), it shall not, directly or indirectly, wilfully or intentionally take any action, refrain from taking any action or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would or would reasonably be expected to cause any condition set forth in Article 6 not to be satisfied or otherwise significantly impede the consummation of the Arrangement, or that will have, or which would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals;

(g) except for non-substantive communications with securityholders or documents filed by the Company on SEDAR+, and subject to its obligations under Section 2.9, it shall furnish promptly to the other Party or its legal counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby; and

(h) it shall promptly notify the other Party in writing of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) by any Governmental Entity or third party relating to the transactions contemplated herein.

**5.5 Access to Information; Confidentiality**

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, the Company shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and any confidentiality obligations owed by the Company to a third party or in respect to customer-specific or competitively sensitive information and in accordance with the Non-Disclosure Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, afford to the Purchaser and the Representatives of the Purchaser reasonable access at all reasonable times to their officers, employees, agents, properties, books, records and contracts (but which shall not include any right of the Purchaser's Representatives to attend the Company's regular operations meetings), and shall furnish the Purchaser with all data and information as the Purchaser may reasonably request, subject to any confidentiality obligations owed by the Company to a third party, in respect to customer-specific or competitively sensitive information, the conditions contained in the Non-Disclosure Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, in order to permit the Purchaser to be in a position to expeditiously and efficiently continue the businesses and operations of the Purchaser and its Subsidiaries and the Company and its Subsidiaries immediately upon, but not prior to, the Effective Date.

**5.6 Insurance and Indemnification**

(a) The Purchaser agrees that it will maintain in effect, or will cause the Company or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the current protection provided by the policies maintained by the Company and its Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of the Company with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, prior to the Effective Time, the Company may, in the alternative, with the consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time; provided that the cost of such policies shall not exceed 275% (such amount, the "**Base Premium**") of the Company's current annual aggregate premium for policies currently maintained by the Company or its Subsidiaries; provided further, however, that if such insurance can only be obtained at a premium in excess of the Base Premium, the Company may purchase the most advantageous policies of directors' and officers' liability insurance reasonably available for an annual premium not to exceed the Base Premium, and the Purchaser shall, or shall cause the Company and its Subsidiaries to, maintain such coverage for six years from the Effective Date, and in such event none of the Purchaser, the Company or any successor of the Company will have any further obligation under this Section 5.6(a).

(b) The Purchaser agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Company shall survive completion of the Arrangement and shall continue in full force and effect for a

period of not less than six years from the Effective Date. Any right to indemnification pursuant to this Section 5.6 shall not be amended, repealed or otherwise modified at any time in a manner that would adversely affect the rights of such present and former officers and directors of the Company as provided herein.

**5.7 Privacy Issues**

(a) For the purposes of this Section 5.7, the following definitions shall apply:

(i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;

(ii) "**applicable privacy laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Disclosed Personal Information in all applicable jurisdictions, including, as applicable, the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable federal or provincial law including the *Personal Information Protection Act* (British Columbia); and

(iii) "**Disclosed Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual ("**Personal Information**") disclosed or transferred to the Purchaser by the Company in accordance with this Agreement and/or as a condition of the Arrangement.

(b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws as such pertain to the collection, use or disclosure of Disclosed Personal Information.

(c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law without notice to, or consent from, such individual.

(d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed

with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.

(e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or representatives responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or representatives of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.

(g) Should the Arrangement not proceed, the Purchaser shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the Company or, at the Company's request, destroy in a secured manner, in accordance with applicable law, the Disclosed Personal Information (and any copies thereof) in its possession.

(h) Company shall, within a reasonable time after Closing, notify its employees, customers, directors, officers and shareholders whose Personal Information is part of the Disclosed Personal Information that the transactions have taken place, and the Personal Information about them has been disclosed to Purchaser.

**5.8 Financing Assistance**

(a) Provided that the Specified Lender Consents have not been obtained (or have been withdrawn once obtained), the Company shall, and shall cause each of its Subsidiaries to, and each shall use commercially reasonable efforts to cause its Representatives to, provide such cooperation to the Purchaser and its affiliates as they may reasonably request in connection with the arrangements by the Purchaser to obtain, syndicate, market or arrange the closing and funding of any potential debt financing for an amount not to exceed the aggregate amount outstanding (in the case of any term facilities) or available (under any revolving facilities) under any arrangement(s) to which a Specified Lender Consent has become incapable of being obtained (provided that such request is made on reasonable notice), including, as so requested:

(i) participating in a reasonable number of meetings and due diligence sessions;

(ii) cooperating with the Purchaser and its affiliates in connection with applications to obtain such consents, approvals or authorizations from any Governmental Entity which may be reasonably necessary in connection with such potential debt financing and, including, promptly upon request and furnishing at least three business days prior to the Effective Date all documentation and other information required in connection with applicable "know your customer" and anti-money laundering and proceeds of crime Laws (provided that such request is reasonably requested at least 15 business days prior to the Effective Date);

(iii) executing and delivering any guarantees and other loan documents, indentures or other definitive financing documents and customary closing deliverables as may be reasonably requested by the Purchaser or its affiliates, provided that any obligations contained in such documents shall be effective no earlier than as of the Effective Time;

(iv) obtaining payout letters and guarantee releases, in each case, which are required as conditions precedent to the debt financing or the definitive agreement related thereto, with evidence of such payoff and release, as applicable, in a form satisfactory to the Purchaser, acting reasonably;

(v) furnishing to the Purchaser as promptly as reasonably practicable all available financial and other reasonably required or customary information regarding the Company, any of its Subsidiaries or any combination of such Persons;

(vi) assisting the Purchaser in the preparation of reasonably required authorization letters with respect to information memoranda and packages and lender and investor presentations in connection with such potential debt financing and participate in a customary and reasonable number of presentations, road shows and similar sessions in connection with such potential debt financing; and

(vii) using reasonable efforts to cause the Company's independent auditors to cooperate with such potential debt financing, including by providing required accountant's comfort letters in customary form (including "negative assurance") and any required consents from the Company's independent auditors,

in any case so long as:

(viii) it is acknowledged and agreed by the Purchaser that in no event shall the receipt or availability of any debt financing be a condition to completing the Arrangement or any of the obligations of Purchaser hereunder;

(ix) such requested cooperation or financing does not unreasonably interfere with or disrupt the ongoing operations of the Company and its Subsidiaries;

(x) such requested cooperation or potential debt financing does not impair, delay or prevent the satisfaction of any conditions set forth in Article 6;

(xi) such requested cooperation or potential debt financing does not impair, delay or prevent the consummation of the transactions contemplated by this Agreement;

(xii) such requested cooperation or potential debt financing does not require the Company to obtain the approval of the Company Shareholders or any other securityholders of the Company;

(xiii) the Company shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment by the Company or any of its Subsidiaries, which commitment is not conditional on the completion of the Arrangement and does not terminate without liability to the Company or its Subsidiaries upon the termination of this Agreement;

(xiv) the Purchaser reimburses the Company for all reasonable documented out-of-pocket costs incurred by the Company or any of its Subsidiaries in connection with any such cooperation undertaken at the request of the Purchaser and indemnifies the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgments and penalties that are suffered or incurred as a consequence of any such cooperation undertaken at the request of the Purchaser;

(xv) such requested cooperation or potential debt financing does not require the Company to assume liability for any offering memorandum, private placement memorandum or similar offering document;

(xvi) such requested cooperation or potential debt financing does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer or employee;

(xvii) such requested cooperation or potential debt financing does not require the Company or any of its Subsidiaries to disclose any information that in their reasonable judgment would violate any of their obligations or any other Persons obligations with respect to confidentiality; and

(xviii) such requested cooperation does not require the Company or any of its Subsidiaries to take any action that would reasonably be expected to conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, the certificate of incorporation or by-laws or other comparable organizational documents of Company or any of its Subsidiaries or any applicable Laws.

**5.9 Pre-Acquisition Reorganization**

(a) Subject to Section 5.9(b), the Company agrees that, upon request of the Purchaser, the Company shall use commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser may request, acting reasonably (each, a "**Pre-Acquisition Reorganization**"), and (ii) cooperate with the Purchaser and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; provided that any costs, fees or expenses associated with the foregoing shall be at the Purchaser's sole expense in the manner contemplated by Section 5.9(d).

(b) The Company will not be obligated to participate in any Pre-Acquisition Reorganization under Section 5.9(a) unless such Pre-Acquisition Reorganization:

(i) is not prejudicial to, nor does it otherwise adversely affect the interests of, the Company or the Company Shareholders or any other securityholder of the Company, in each case, in any material respect;

(ii) does not impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 6 or the ability of the Company or the Purchaser to consummate, and will not delay the consummation of, the Arrangement;

(iii) can be effected as close as reasonably practicable prior to the Effective Time and, in any event, following receipt of the Key Regulatory Approvals;

(iv) other than in connection with an amalgamation of Synex Energy Resources Ltd. and Sea Breeze Power Corp., will not require approval from any Governmental Entity or the Company Shareholders;

(v) does not require the Company or any of its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, the Company Shareholders or any other securityholder of the Company incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to Section 5.9(a);

(vi) does not result in any breach by the Company or any of its Subsidiaries of any Company Material Contract or any breach by the Company or any of its Subsidiaries of their respective constating documents, organizational documents or Law;

(vii) does not, in the opinion of the Company, acting reasonably, interfere with the ongoing operations of the Company or any of its Subsidiaries;

(viii) will not have an adverse effect on the Company or any of its Subsidiaries or their respective businesses or assets in any material respect;

(ix) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and

(x) does not become effective unless the Purchaser has waived or confirmed in writing the satisfaction of all conditions in its favour under Article 6 and shall have confirmed in writing that each of them is prepared to promptly and without condition (other than compliance with Section 5.9(a)) proceed to effect the Arrangement.

(c) The Purchaser must provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least 15 business days prior to the Effective Date. Upon receipt of such notice, the Company and the Purchaser shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company to obtain approval of the Company Shareholders or any other securityholder of the Company).

(d) If the Arrangement is not completed, other than due to a breach by the Company of the terms and conditions of this Agreement, the Purchaser shall (i) forthwith reimburse the Company for all reasonable out-of-pocket costs and expenses incurred in connection with any proposed Pre-Acquisition Reorganization, including any reasonable costs incurred by the Company in order to restore the organizational structure of the Company to a substantially identical structure of the Company as at the date hereof; and (ii) indemnify the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization (other than those costs and expenses reimbursed in accordance with the foregoing).

(e) The Purchaser agrees that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of the Company under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a contract).

## ARTICLE 6
## CONDITIONS

### 6.1 Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the

Effective Time or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(b) the Required Shareholder Approval shall have been obtained in accordance with the Interim Order;

(c) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(d) all Regulatory Approvals (other than the Key Regulatory Approvals) required to be obtained, shall have been made, given, obtained or occurred, as the case may be, on terms and conditions acceptable to the Parties, each acting reasonably, and such Regulatory Approvals shall be in full force and effect, and all applicable domestic and foreign statutory and regulatory waiting periods necessary to complete the Arrangement shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect;

(e) no Law (whether temporary, preliminary or permanent), regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Purchaser or the Company from consummating the Arrangement; and

(f) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered, threatened or promulgated by any Governmental Entity, whether or not having the force of Law, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Purchaser or the Company from consummating the Arrangement or that would be reasonably expected to have a Material Adverse Effect.

**6.2 Purchaser Conditions**

The obligation of the Purchaser to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

(a) the representations and warranties made by the Company:

(i) in paragraphs (a), (b), (d)(i)(B)-(D) and (ii), (i), (j), (s) and (oo) of Schedule D shall be true and correct (other than *de minimis* inaccuracies) as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date);

(ii) in paragraphs (e)(ii)(A)(1), (e)(iii), (r) and (nn) of Schedule D shall be true and correct in all material respects as of the Effective Date as if made on such date (and for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored); and

(iii) in the remainder of Schedule D shall be true and correct as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result in a Material Adverse Change (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored);

and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on the Company's behalf and without personal liability) certifying the foregoing on the Effective Date;

(b) the Company shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on behalf of the Company and without personal liability) certifying compliance with such covenants on the Effective Date;

(c) holders of less than 10% of the outstanding Company Common Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(d) each of the Key Consents has been given or obtained on terms acceptable to the Purchaser, acting reasonably;

(e) the Key Regulatory Approvals shall have been made, given, obtained or occurred, as the case may be, and each such approvals shall be in full force and effect, shall not have been modified or invalidated in any manner and shall be acceptable to the Purchaser, subject to the Purchaser's obligations under Section 5.4;

(f) the Company shall have received effective releases from each of the directors of the Company and each of the Executive Officers, effective as of the Effective Date, in a form acceptable to the Purchaser, acting reasonably;

(g) the employee stock ownership plan shall have been terminated in accordance with its terms;

(h) the Company Transaction Costs do not exceed $2,108,000; and

(i) there shall not be a Material Adverse Effect.

The conditions set forth in this Section 6.2 are for the exclusive benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances or may be waived in writing by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

**6.3 Company Conditions**

The obligation of the Company to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

(a) the representations and warranties made by the Purchaser in Schedule C shall be true and correct as of the Effective Date as if made on such date, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede or delay the completion of the Arrangement, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on the Purchaser's behalf and without personal liability) certifying the foregoing on the Effective Date;

(b) the Purchaser shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on behalf of Purchaser and without personal liability) certifying compliance with such covenants on the Effective Date; and

(c) subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained herein in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), the Purchaser has deposited or caused to be deposited with the Depositary in escrow the funds required to be deposited under Section 2.10.

The conditions set forth in this Section 6.3 are for the exclusive benefit of the Company and may be asserted by the Company regardless of the circumstances or may be waived by the Company, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Company may have.

### 6.4 Notice and Cure Provisions

Each Party will give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which would, or would reasonably be expected to:

(a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate; 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,

and it shall in good faith discuss with the other Party any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Party pursuant to this Section 6.4. The delivery of any notice pursuant to this Section 6.4 shall not limit or otherwise affect the representations, warranties, covenants, conditions or agreements of the Parties under this Agreement or any remedies available pursuant to this Agreement with respect thereto to the Party receiving that notice.

Neither Party may elect to terminate this Agreement pursuant to Section 8.1(b)(iii) *[Failure to Satisfy Mutual Conditions]*, Section 8.1(c)(i) *[Company Reps and Warranties and Covenants Condition]*, Section 8.1(c)(iv) *[Material Adverse Effect]* or Section 8.1(d)(i) *[Purchaser Reps and Warranties and Covenants Condition]*, as applicable, unless promptly, the Party intending to terminate this Agreement (the "**Terminating Party**") has delivered a written notice (a "**Termination Notice**") to the other Party (the "**Receiving Party**") specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties, inability to satisfy conditions or other matters which the Terminating Party is asserting as the basis for termination. If any Termination Notice is delivered: (a) if such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination until the earlier of (i) the expiration of a period of 30 business days from the date of receipt of the Termination Notice by the Receiving Party, and (ii) the Outside Date, if such matter has not been cured by such date; and (b) if such matter is incapable of being cured prior to the Outside Date, the Terminating Party must exercise such termination not later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under Section 8.1(b)(iii) *[Failure to Satisfy Mutual Conditions]*, Section 8.1(c)(i) *[Company Reps and Warranties and Covenants Condition]*, Section 8.1(c)(iv) *[Material Adverse Effect]* or Section 8.1(d)(i) *[Purchaser Reps and Warranties and Covenants Condition]*, as applicable, in respect of the breach or failure of condition to which such Termination Notice relates. If a Termination Notice has been delivered to the Company within 10 business days prior to the date of the Company Shareholders' Meeting, the Company may elect to postpone the Company Shareholders Meeting until the expiry of such period.

### 6.5 Frustration of Conditions

Neither the Purchaser nor the Company may rely, either as a basis for not consummating the conditions contemplated by this Agreement or terminating this Agreement and abandoning

the Arrangement, on the failure of any condition set forth in Sections 6.1, 6.2 or 6.3, as the case may be, to be satisfied if such failure was primarily caused by, or primarily resulted from, such Party's failure to perform any of its covenants or agreements under this Agreement.

### 6.6 Merger of Conditions

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

## ARTICLE 7
## ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

### 7.1 Company Covenant Regarding Non-Solicitation

(a) The Company shall immediately cease and cause to be terminated all existing solicitations, discussions or negotiations (including through any Representatives on its behalf), if any, with any Person (other than the Purchaser and its Representatives) with respect to any Acquisition Proposal and, in connection therewith, the Company shall discontinue access to any of its confidential information (including any data room), and shall promptly request the return or destruction of all information respecting the Company or any of its Subsidiaries provided to any Person (other than the Purchaser or its Representatives) who has entered into a confidentiality agreement with the Company or any of its Subsidiaries relating to an Acquisition Proposal in the last 24 months. The Company and its Subsidiaries shall take commercially reasonable actions to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that the Company or any of its Subsidiaries has entered into and that the Company enters into after the date of this Agreement in accordance with and subject to the terms of this Agreement (it being acknowledged by the Purchaser that the Company shall not be obligated to enforce any standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that are automatically terminated or released as a result of entering into and announcing this Agreement).

(b) Except as provided in this Article 7, the Company shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

(i) solicit, initiate or knowingly encourage or otherwise knowingly facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;

(ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any other Person any information with respect to its or any of its Subsidiaries businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort

or attempt of any other Person to do or seek to do any of the foregoing; provided that the Company may (A) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, (B) advise any Person of the restrictions of this Agreement, and (C) advise any Person making an Acquisition Proposal that the Company Board has determined that such Acquisition Proposal does not constitute a Superior Proposal;

(iii) waive, terminate, amend, modify or release any third party or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from any rights or other benefits under confidentiality and/or standstill agreements relating to an Acquisition Proposal entered into in the last 24 months (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);

(iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days will not be considered to be in violation of this Section 7.1(b)(iv)); or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement contemplated under Section 7.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, the Company and its Representatives may, prior to the Required Shareholder Approval:

(vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and that, without any solicitation, initiation or knowing encouragement or facilitation, directly or indirectly, after the date of this Agreement, by the Company or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement in favour of the Company that is on terms that the Company Board determines in good faith are no less favourable to the Company than those found in the Non-Disclosure Agreement (provided that such confidentiality agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the Purchaser as set out below, (B) allow disclosure to the Purchaser of the making and terms of any Acquisition Proposal made by the third party as contemplated herein, and

(C) not contain any provision restricting the Company from complying with this Section 7.1) may furnish to such third party any information concerning the Company and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 7.1 or a breach of the Company Voting Agreements, and in respect of which the Company Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or could reasonably be expected to lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence or access condition to which such Acquisition Proposal is subject); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, the Company shall:

(1) provide prompt notice to the Purchaser to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to the Purchaser, copies of all information provided to such third party concurrently with the provision of such information to such third party;

(2) promptly notify the Purchaser, at first orally, and then as soon as practicable (and in any event within 24 hours) in writing, of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include the identity of the Person making it and a summary of the material terms of such proposal (and any amendments or supplements thereto)) and shall include copies of any such inquiries, offers or proposals made in writing and any amendments to any of the foregoing; and

(3) keep the Purchaser promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer the Purchaser's reasonable questions with respect thereto; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party or make a Change in Recommendation, but only if prior to such acceptance, recommendation, approval or implementation or making such Change in Recommendation, the Company (A) complies with its obligations set forth in this Section 7.1,

(B) terminates this Agreement in accordance with Section 8.1(d)(ii), and (C) concurrently therewith pays the amount required by Section 8.3(b)(ii) to the Purchaser.

(c) Following determination by the Company Board that an Acquisition Proposal constitutes a Superior Proposal, the Company shall give the Purchaser, orally and in writing, at least five business days advance notice of any decision by the Company Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal or to make a Change in Recommendation, which notice shall confirm that the Company Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal and the Company shall provide the Purchaser with a true and complete copy thereof and the agreement to implement the Superior Proposal and any amendments thereto, as well as notice as to the value in financial terms that the Company Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal. During such five business day period, the Company agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not make a Change in Recommendation. In addition, during such five business day period the Company shall, and shall cause its financial and legal advisors to, negotiate in good faith with the Purchaser and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable the Company to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the Purchaser proposes to amend this Agreement and the Arrangement on a basis such that the Company Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the board of directors of the Purchaser prior to the expiry of such five business day period, the Company Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not make a Change in Recommendation. In the event that the Company provides the notice contemplated by this Section 7.1(c) on a date which is less than five business days prior to the Company Shareholders' Meeting, the Company may, and the Purchaser shall be entitled to require the Company to adjourn or postpone the Company Shareholders' Meeting to a date that is not more than 10 business days after the date of such notice.

(d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or condition thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c), and the Purchaser shall be afforded a new five business day period from the date on which the Purchaser received all of the materials set forth in Section 7.1(c) with respect to the new Superior Proposal from the Company.

(e) The Company shall ensure that its affiliates and Representatives are aware of the provisions of this Section 7.1. The Company shall be responsible for any breach of this Section 7.1 by the Company's affiliates or the Company's Representatives.

(f) Nothing in this Agreement shall prohibit the Company, the Company Board or the Company Independent Committee from complying with Part 2 – Division 3 of NI 62-104 and making appropriate disclosure with respect thereto to the Company's securityholders.

## ARTICLE 8
## TERMINATION AND FEES AND EXPENSES

### 8.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written agreement of the Purchaser and the Company;

(b) by either the Purchaser or the Company if:

(i) the Arrangement Resolution shall have failed to obtain the Required Shareholder Approval at the Company Shareholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;

(ii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(ii) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or

(iii) any condition in Section 6.1 (other than the condition in Section 6.1(b) *[Arrangement Resolution Passed]*) becomes incapable of being satisfied by the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iii) (A) must be exercised by the Terminating Party no later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under this Section 8.1(b)(iii) in respect of the matter specified in such Termination Notice that causes the inability to satisfy the applicable condition, and (B) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;

(c) by the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement occurs that would cause the condition in Section 6.2(a) *[Company Reps and Warranties Condition]* or Section 6.2(b) *[Company Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Purchaser is not then in breach of this Agreement so as to cause any condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and (C) any termination pursuant to this Section 8.1(c)(i) is subject to and satisfies the provisions of Section 6.4;

(ii) (A) the Company Board or any committee of the Company Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendations or determinations referred to in Section 2.2(a) in a manner adverse to the Purchaser or shall have resolved to do so prior to the Effective Date, (B) the Company Board or any committee of the Company Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or publicly takes no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five business days (any action set forth in subclauses (A) or (B) of this Section 8.1(c)(ii), a "**Change in Recommendation**"), (C) the Company Board or any committee of the Company Board accepts or enters into or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)); (D) the Company Board or any committee of the Company Board fails to publicly reconfirm the recommendations or determinations referred to in Section 2.2(a) upon the reasonable request of the Purchaser prior to the earlier of five business days following such request or five business days prior to the Company Shareholders' Meeting or (E) the Company breaches Article 7 in any material respect;

(iii) any event occurs as a result of which the conditions set forth in Section 6.1(d)*[Regulatory Approvals]*, 6.2(c) *[Dissent Right Threshold]*, Section 6.2(d) *[Key Consents]* or Section 6.2(e) *[BCUC Approval]* or are not capable of being satisfied by the Outside Date; or

(iv) there has occurred a Material Adverse Effect.

(d) by the Company if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement occurs that would cause the condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Company is not then in breach of this Agreement so as to cause any condition in Section 6.2(a) *[Company Reps and Warranties Condition]* or Section 6.2(b) *[Company Covenants Condition]* not to be satisfied, and (C) any termination pursuant to this Section 8.1(d)(i) is subject to and satisfies the provisions of Section 6.4; or

(ii) prior to the Required Shareholder Approval, the Company Board authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)) with respect to, or the Company accepts, recommends or enters into any agreement to implement, a Superior Proposal in accordance with Section 7.1, provided the Company is then in compliance with Section 7.1 and that prior to or concurrent with such termination the Company pays the amount required pursuant to and in accordance with Section 8.3(b)(ii).

**8.2 Term and Effect of Termination**

(a) This Agreement shall be effective from the date hereof until the earlier of (i) the Effective Time, and (ii) the termination of this Agreement in accordance with its terms.

(b) In the event of the termination of this Agreement pursuant to Section 8.1 or Section 8.2(a) as a result of the Effective Date occurring, this Agreement shall forthwith become void and have no further force or effect, and neither Party (nor its Representatives or securityholders) shall have any liability or further obligation to the other Party hereunder, except:

(i) in the event of termination pursuant to Section 8.1, the provisions and obligations set forth in Section 5.7, Section 5.8(a)(xiv), Section 5.9(d), this Section 8.2, Section 8.3, Section 8.4 and Section 8.5 (in each case to the extent applicable) and Article 9 shall survive any termination; and

(ii) in the event of the Effective Date occurring, the provisions and obligations set forth in Section 5.6, Section 5.7 and Article 9 shall survive any termination.

(c) For greater certainty and notwithstanding anything in this Agreement to the contrary other than being subject to Section 8.4, nothing contained in this Section 8.2 shall relieve either Party from liability for (i) failure to consummate the Arrangement when required pursuant to this Agreement, or (ii) fraud or any wilful or intentional breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Non-Disclosure Agreement or any other subsequent written agreement that addresses confidentiality between the Parties, except to the extent specified therein.

**8.3 Company Termination Fee**

(a) Despite any other provision in this Agreement (other than Section 2.8) relating to the payment of fees and expenses, if a Company Termination Fee Event occurs, the Company shall pay the Purchaser the Company Termination Fee in accordance with Section 8.3(c).

(b) For the purposes of this Agreement, "**Company Termination Fee**" means $600,000, and "**Company Termination Fee Event**" means the termination of this Agreement:

(i) by the Purchaser, pursuant to Section 8.1(c)(ii) *[Change in Recommendation]*;

(ii) by the Company, pursuant to Section 8.1(d)(ii) *[To enter into a Superior Proposal]*;

(iii) by the Purchaser or the Company pursuant to Section 8.1(b)(i) *[Failure of the Company Shareholders to Approve]* or Section 8.1(b)(ii) [*Effective Time not prior to Outside Date*] if:

(A) at any time after the execution of this Agreement and prior to such termination, an Acquisition Proposal is publicly made, proposed, offered, announced or otherwise publicly disclosed by any Person (other than the Purchaser or its affiliates) or any Person (other than the Purchaser or its affiliates) shall have publicly announced an intention to make an Acquisition Proposal and such Acquisition Proposal has not been withdrawn; and

(B) within 12 months following the date of such termination (1) an Acquisition Proposal is consummated or effected (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above), or (2) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more of the voting securities of the Company" shall be deemed to be references to "50% or more", and "20% or more" in relation to the Company's revenues or earnings on a consolidated basis shall instead be construed to refer to "50% or more".

(c) If a Company Termination Fee is payable pursuant to Section 8.3(b)(i), the Company Termination Fee shall be paid within three business days following such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(ii), the Company Termination Fee shall be paid prior to or concurrently with the occurrence of such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(iii), the Company Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Company Termination Fee shall be paid by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by the Purchaser.

**8.4 Liquidated Damages**

(a) The Parties acknowledge that the agreements contained in Section 8.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Purchaser would not enter into this Agreement, and that the Company Termination Fee represents liquidated damages which is a genuine pre-estimate of the damages, including opportunity costs, which the Purchaser will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties or are any form of refund, inducement, reimbursement or other form of assistance to the Purchaser. The Company irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

(b) The Purchaser agrees that the payment of the Company Termination Fee in the manner provided in Section 8.3 is the sole monetary remedy of the Purchaser in respect of the event giving rise to such payment; provided that this limitation shall not (i) apply in the event of fraud or wilful or intentional breach of this Agreement by the Company as set forth in Section 8.2, and (ii) prior to any termination of this Agreement, preclude the Purchaser from seeking injunctive relief to restrain any breach or threatened breach by the Company of its covenants in this Agreement, or otherwise obtain specific performance of any of such covenants in accordance with Section 9.8.

(c) For the avoidance of doubt, in no event shall the Company be obligated to pay the Company Termination Fee more than once.

**8.5 Fees and Expenses**

(a) Subject to Section 8.5(b) and Section 8.5(c), each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement; provided that the Purchaser and the Company shall share equally any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made in respect of any regulatory process in respect of the transactions contemplated by the Arrangement, including under the Key Regulatory Approvals.

(b) In addition to the rights of the Purchaser in Section 8.3 if this Agreement is terminated by the Purchaser pursuant to Section 8.1(b)(i) [*Failure of the Company Shareholders to Approve*] or Section 8.1(c)(i) [*Company Reps and Warranties and Covenants Condition*], then the Company shall, within two business days of such termination, pay or cause to be paid to the Purchaser by wire transfer of immediately available funds an expense reimbursement fee of $250,000.

(c) If this Agreement is terminated by the Company pursuant to Section 8.1(d)(i) [*Purchaser Reps and Warranties and Covenants Condition*], then the Purchaser shall, within two business days of such termination, pay or cause to be paid to the Company by wire transfer of immediately available funds an expense reimbursement fee of $250,000.

## ARTICLE 9
## GENERAL PROVISIONS

**9.1 Amendment**

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Shareholders' Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order, the Final Order and applicable Laws.

**9.2 Waiver**

Either Party may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) 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 such waiver shall apply only to the specific matters identified in such instrument.

**9.3 Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email, or as of the following business day if sent by prepaid overnight

courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other Party given in accordance with these provisions):

(a) if to the Purchaser:

Sitka Power Inc.
Suite 1050
639 5th Avenue SW
Calgary, Alberta T2P 0M9

Attention: [*Redacted: Name*]
Email: [*Redacted: Email Address*]

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

Stikeman Elliott LLP
4200 Bankers Hall West
888 - 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Patrick McNally
Telephone: (403) 266-9080
Email: pmcnally@stikeman.com

(b) if to the Company:

Synex Renewable Energy Corporation
4248 Broughton Ave.
Niagara Falls, Ontario L2E 0A4

Attention: [*Redacted: Name*]
Email: [*Redacted: Email Address*]

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

Dentons Canada LLP
77 King Street West
Suite 400
Toronto, Ontario M5K 0A1

Attention: Andreas Kloppenborg
Telephone: (416) 862-3465
Email: andreas.kloppenborg@dentons.com

**9.4 Entire Agreement; Binding Effect**

This Agreement: (a) together with the Non-Disclosure Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, constitutes the

entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; and (b) shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

**9.5 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party. Notwithstanding the forgoing, the Parties agree that the Purchaser may assign this Agreement to an affiliate provided that the Purchaser agrees to remain bound by the terms of this Agreement.

**9.6 Time of Essence**

Time shall be of the essence in this Agreement.

**9.7 Further Assurances**

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

**9.8 Specific Performance**

The Purchaser and the Company 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 or the Non-Disclosure Agreement or any other subsequent written agreement that addresses confidentiality between the Parties were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or the Non-Disclosure Agreement or any other subsequent written agreement that addresses confidentiality between the Parties or to otherwise obtain specific performance of any such provisions, 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.

**9.9 Third Party Beneficiaries**

The provisions of Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d): (a) are intended for the irrevocable benefit of the Persons referenced therein, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and the Purchaser shall hold the rights and benefits of Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d) in trust for and on behalf of the Third Party Beneficiaries and the Purchaser hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by

contract or otherwise. Except as provided in this Section 9.9, this Agreement shall not: (a) confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns; (b) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment; or (c) be construed to establish, amend, or modify any Company Employee Plan, Employee Plan or any other benefit or compensation plan, program, agreement or arrangement.

**9.10 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

**9.11 No Liability**

No director or officer of the Purchaser shall have any personal liability whatsoever to the Company under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Company shall have any personal liability whatsoever to the Purchaser under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

**9.12 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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.

**9.13 Counterparts**

This Agreement may be executed by electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

*[The remainder of this page is left blank intentionally]*

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**SITKA POWER INC.**

By: *"Trevor White"*
Name: Trevor White
Title: Chief Executive Officer

**SYNEX RENEWABLE ENERGY CORPORATION**

By: *"Daniel Russell"*
Name: Daniel Russell
Title:

By: *"Tanya DeAngelis"*
Name: Tanya DeAngelis
Title: Corporate Secretary

**SCHEDULE A**
**PLAN OF ARRANGEMENT**
**PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9**
**OF THE *BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)***

## ARTICLE 1
## INTERPRETATION

### 1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Part 9, Division 5 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Section 5.1, in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of March 27, 2025 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Shareholders' Meeting by Company Shareholders, substantially in the form attached as Schedule B to the Arrangement Agreement.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Vancouver, British Columbia, Calgary, Alberta or Toronto, Ontario are not open for business.

"**Company**" means Synex Renewable Energy Corporation, a corporation incorporated under the laws of British Columbia.

"**Company Common Share Consideration**" means $2.40 in cash per Company Common Share.

"**Company Common Shares**" means the common shares in the capital of the Company.

"**Company Shareholders**" means the registered and/or beneficial holders of Company Common Shares, as the context requires.

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

"**Court**" means the Supreme Court of British Columbia.

"**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary for the Arrangement, or such other Person as the Company and the Purchaser agree to engage as depositary for the Arrangement.

"**Dissent Rights**" has the meaning ascribed thereto in Section 3.1.

"**Dissenting Holder**" means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"**Effective Date**" means the date upon which the Arrangement becomes effective as set out in the Arrangement Agreement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

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

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, pursuant to Section 291 of the BCBCA approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, pursuant to Section 291 of the BCBCA, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other

requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of transmittal sent to holders of Company Common Shares for use in connection with the Arrangement.

"**Parties**" means the Company and the Purchaser and "**Party**" means any one of them.

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 291 of the BCBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Purchaser**" means **[Sitka Power Inc., a corporation incorporated under the laws of the Province of Alberta OR [●], a corporation incorporated under the laws of the Province of [●], to which the Arrangement Agreement was assigned in accordance with the terms thereof]**.

"**TSX**" means The Toronto Stock Exchange.

**1.2 Certain Rules of Interpretation**

In this Plan of Arrangement, unless otherwise specified:

(a) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(b) **Currency.** All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article" and "Section" followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.

(e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person 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.

(g) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Vancouver, British Columbia.

## ARTICLE 2
## THE ARRANGEMENT

### 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and subject to the terms of, the Arrangement Agreement.

### 2.2 Binding Effect

At the Effective Time, this Plan of Arrangement and the Arrangement will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Common Shares, including Dissenting Holders, the transfer agent and registrar of the Company and the Depositary, at and after, the Effective Time without any further act or formality required on the part of any Person.

### 2.3 Arrangement

At the Effective Time, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting immediately following the Effective Time:

(a) each Company Common Share held by Dissenting Holders in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn shall, without any further action by or on behalf of the Dissenting Holder, be deemed to have been assigned and transferred by such Dissenting Holder to the Purchaser (free and clear of all Encumbrances) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:

(i) such Dissenting Holders shall cease to be the holders of such Company Common Shares and to have any rights as holders of such Company

Common Shares other than the right to be paid fair value for such Company Common Shares as set out in Section 3.1;

(ii) such Dissenting Holders' names shall be removed as the holders of such Company Common Shares from the register of Company Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of Company Common Shares maintained by or on behalf of the Company; and

(b) each Company Common Share outstanding immediately prior to the Effective Time, other than Company Common Shares held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn, shall, without any further action by or on behalf of the holder of the Company Common Share, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Encumbrances) in exchange for the Company Common Share Consideration for each Company Common Share held, and:

(i) the holders of such Company Common Shares shall cease to be the holders thereof and to have any rights as holders of such Company Common Shares other than the right to be paid the Company Common Share Consideration for each Company Common Share formerly held in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Company Common Shares maintained by or on behalf of the Company.

## ARTICLE 3
## RIGHTS OF DISSENT

### 3.1 Rights of Dissent

Registered Company Shareholders may exercise dissent rights with respect to the Company Common Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Division 2 of Part 8 of the BCBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding Section 242(1)(a) of the BCBCA, the written objection to the Arrangement Resolution referred to in Section 242(1)(a) must be received by the Company at its registered office not later than 5:00 p.m. two Business Days immediately preceding the date of the Company Shareholders' Meeting. Dissenting Holders shall be deemed to have transferred the Company Common

Shares held by them in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn to the Purchaser free and clear of all Encumbrances, as provided in Section 2.3(a) and if they:

(a) ultimately are entitled to be paid fair value for such Company Common Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(a)); (ii) will be entitled to be paid the fair value of such Company Common Shares by the Purchaser which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be determined as of the close of business on the day before 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 had such holders not exercised their Dissent Rights in respect of such Company Common Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Company Common Shares shall be deemed to have participated in the Arrangement on the same basis as a Company Shareholder that is not a Dissenting Holder and shall be entitled only to receive the consideration contemplated in Section 2.3(b)Schedule A2.3(b).

**3.2 Recognition of Dissenting Holders**

(a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Common Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn after the completion of the transfer under Section 2.3(a) and the names of such Dissenting Holders shall be removed from the register of the Company Common Shares, in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn at the same time as the event described in Section 2.3(a) occurs. In addition to any other restrictions under Division 2 of Part 8 of the BCBCA, Company Shareholders who vote or have instructed a proxyholder to vote any Company Common Shares in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights.

## ARTICLE 4
## CERTIFICATES AND PAYMENTS

**4.1 Payment of Company Common Share Consideration**

(a) Following receipt of the Final Order and at least one Business Day prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of former holders of Company Common Shares if the Arrangement is

completed, cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Company Common Share, in respect of which Dissent Rights have been exercised being deemed to be the Company Common Share Consideration, for this purpose, net of applicable withholdings. The cash deposited with the Depositary by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

(b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that were transferred pursuant to Section 2.3(b), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the former Company Shareholder surrendering such certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such former Company Shareholder, the cash which such former Company Shareholder has the right to receive under the Arrangement for the Company Common Shares formerly represented by such certificate, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(c) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Common Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Common Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(d) Any payment made by way of cheque by the Depositary (or the Company or the Purchaser, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company or the Purchaser), in each case, on or before (or that otherwise remains unclaimed on) the second anniversary of the Effective Date, and any right or claim to payment hereunder that remains outstanding on the second anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Common Shares pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

(e) No holder of Company Common Shares shall be entitled to receive any consideration with respect to such Company Common Shares other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

**4.2 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the register of holders of Company Common Shares maintained by or on behalf of the Company, the Depositary will deliver in exchange for the Company Common Shares previously represented by such lost, stolen or destroyed certificate, the cash payable pursuant to Section 2.3 in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Depositary, the Purchaser and the Company in a manner satisfactory to the Depositary, the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Depositary, the Purchaser or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

**4.3 Withholding Rights**

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1 and Section 4.1), such amounts as the Purchaser, the Company or the Depositary, as the case may be, is required or reasonably believes is required to deduct and withhold from such payment in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the amount otherwise payable pursuant to this Plan of Arrangement and shall be treated for all purposes as having been paid to the Person in respect of which such deduction and withholding was made, provided that such amounts are actually remitted to the appropriate Governmental Entity.

**4.4 No Encumbrances**

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

**4.5 Paramountcy**

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Common Shares issued or outstanding prior to the Effective Time; (b) the rights and obligations of the holders of Company Common Shares, the

Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, 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 any Company Common Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

**4.6 Calculations**

All aggregate amounts of cash consideration to be received under this Plan of Arrangement will be calculated to the nearest cent ($0.01). All calculations and determinations made in good faith by the Purchaser, the Company or the Depositary, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final and binding.

## ARTICLE 5
## AMENDMENTS

**5.1 Amendments to Plan of Arrangement**

(a) The Company and the Purchaser may amend, modify and/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 and/or supplement must be: (i) set out in writing; (ii) approved by the Company and the Purchaser, each acting reasonably; (iii) filed with the Court and, if made following the Company Shareholders' Meeting, approved by the Court; and (iv) communicated to the Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to or at the Company Shareholders' Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto in writing, acting reasonably) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Shareholders' 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 or directed by the Court following the Company Shareholders' Meeting shall be effective only if: (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval, provided that it concerns a matter which, in the reasonable opinion of the Parties, each acting reasonably, is of an administrative nature required to

better give effect to the implementation of this Plan of Arrangement and is not adverse to the interests of any Company Shareholder.

(e) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the interests of any Company Shareholder.

## ARTICLE 6
## FURTHER ASSURANCES

### 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement 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 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 to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

**SCHEDULE B**
**FORM OF ARRANGEMENT RESOLUTION**

**BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

(1) The arrangement (the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving Synex Renewable Energy Corporation (the "**Company**"), as more particularly described and set forth in the management information circular of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the "**Plan of Arrangement**") involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of March 27, 2025 between Sitka Power Inc. and the Company (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.

(4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the Company Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, to disregard the Company Shareholders' approval and not proceed with the Arrangement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(6) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, 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**
**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

(a) Organization and Qualification. The Purchaser (i) is an entity duly existing under the Laws of the Province of Alberta, (ii) has all necessary corporate power and authority to own its properties and carry on its business as presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(b) Authority Relative to this Agreement. The Purchaser has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Purchaser in the Arrangement contemplated hereby have been duly authorized by the board of directors of the Purchaser and no other corporate proceedings on the part of the Purchaser (including any vote or approval by or on behalf of any class of securities of the Purchaser) are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against it 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) No Violation; Absence of Defaults.

(i) Neither the Purchaser nor any of its Subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser 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 the Purchaser or any of its Subsidiaries is bound, except for such violations or defaults which would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement;

(ii) neither the execution and delivery of this Agreement by the Purchaser nor the consummation of the Arrangement contemplated hereby nor compliance by the Purchaser with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of (1) the Purchaser's or any of its Subsidiaries' constating documents, or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser 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 the Purchaser or any of its Subsidiaries is

bound; or (B) subject to compliance with the statutes and regulations referred to below and receipt of the Regulatory Approvals, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Purchaser, any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement; and

(iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the applicable business corporations act of the Purchaser's jurisdiction of incorporation**,** the BCUC Approval, the Key Consents, the terms of the Interim Order and the Final Order in respect of the Arrangement, (A) there is no legal impediment to the Purchaser's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Purchaser in connection with the consummation of the Arrangement.

(d) Compliance with Laws. The Purchaser and its Subsidiaries have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in aggregate, prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(e) Investigation. The Purchaser hereby acknowledges and affirms that (i) the Purchaser (directly or through its Representatives) has completed its own independent investigation, analysis and evaluation of the Company, its Subsidiaries and the Non-Controlled Entities, made all such reviews and inspections of the Purchased Business, assets, results of operations, condition (financial or otherwise) and prospects of the Company, its Subsidiaries and the Non-Controlled Entities as the Purchaser has deemed necessary or appropriate and acknowledges that it has been provided access to the personnel, properties, premises and records of the Company and its Subsidiaries for such purpose, and (ii) in making its decision to enter into this Agreement, it has relied solely on the representations and warranties of the Company set forth in Schedule D of this Agreement and the Purchaser's own independent investigation, analysis and evaluation.

(f) Funds Available. The Purchaser has sufficient funds on hand, or funds available under committed financing arrangements, that will be sufficient to pay the aggregate Company Common Share Consideration pursuant to the Arrangement at the Effective Time.

(g) Litigation. There is no litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the Purchaser's knowledge, threatened (and the Purchaser does not know of any reasonable basis therefor) against, or involving, the Purchaser or any of its Subsidiaries, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, which would, individually or in the aggregate, (i) challenge the

validity or enforceability of the Purchaser's obligations under this Agreement, or (ii) seek to prevent or delay, or otherwise would prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(h) Investment Canada Act. The Purchaser is not a non-Canadian within the meaning of the Investment Canada Act.

**SCHEDULE D**
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

(a) Organization and Qualification. Each of the Company, its Subsidiaries and the Non-Controlled Entities (i) is an entity duly existing under the Laws of its jurisdiction, (ii) has all necessary corporate or partnership, as applicable, power and authority to own its respective properties and carry on the business as respectively presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not reasonably be expected to result in a Material Adverse Effect. Copies of the constating documents of the Company and its Subsidiaries, together with all amendments to the date hereof, have been provided to the Purchaser and are accurate and complete in all material respects as of the date hereof and have not been amended or superseded.

(b) Authority Relative to this Agreement. The Company has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Company in the Arrangement contemplated hereby have been duly authorized by the Company Board and, subject to such approval of the Company Shareholders as is stipulated by the Court in the Interim Order, no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it 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) Subsidiaries. (i) Except as disclosed in the Company Disclosure Letter, the Company does not have any Subsidiaries; and (ii) the Company is not, directly or indirectly, "affiliated" with or any other "corporation" (within the meaning of those terms in the BCBCA) and, except in relation to the Non-Controlled Entities and as disclosed in the Company Disclosure Letter, the Company is not, directly or indirectly, a partner of any partnerships, limited partnerships or joint ventures. Other than as contemplated in this Agreement (including in the Company Disclosure Letter) or as provided in the constating documents of the applicable Subsidiary, none of the Company's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to the Company or any of its Subsidiaries, from making any other distribution on such Subsidiary's securities or other ownership interests, or from repaying to the Company or any of its Subsidiaries any loans or advances to such Subsidiary from the Company or any of its Subsidiaries.

(d) Ownership of Subsidiaries and Non-Controlled Entities.

(i) The following information with respect to each Subsidiary of the Company and Non-Controlled Entity is accurately set out in the Company Disclosure Letter: (A) its name; (B) the authorized share capital or other equity interests of such entity; (C) the percentage of shares or other equity interests owned directly or indirectly by the Company and/or any of its Subsidiaries; (D) the percentage of shares or other equity interests owned by registered holders of capital stock or other equity interests if other than the Company and/or any of its Subsidiaries; and (E) its jurisdiction of incorporation, organization or formation.

(ii) The Company is the beneficial direct or indirect owner of all of the outstanding securities and other ownership interests of the Company's Subsidiaries and the beneficial direct or indirect owner of the securities of Upnit Power Limited Partnership, Upnit Power Corporation, Victoria Lake Hydro Limited Partnership and Victoria Lake Hydro (GP) Ltd. as disclosed in the Company Disclosure Letter, in each case with good title thereto free and clear of any and all Encumbrances (other than Permitted Encumbrances). Except as disclosed in the Company Disclosure Letter, no Person has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company, directly or indirectly, of any securities of any of the Company's Subsidiaries and none of the outstanding securities of the Company's Subsidiaries were issued in violation of or subject to the pre-emptive or similar rights of any Person. All outstanding securities or other ownership interests of the Company's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive right.

(e) No Violation; Absence of Defaults.

(i) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, Encumbrance, Contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is bound, except for such violations or defaults which would not result in a Material Adverse Effect;

(ii) except as disclosed in the Company Disclosure Letter, neither the execution and delivery of this Agreement by the Company nor the consummation of the Arrangement contemplated hereby nor compliance by the Company with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the properties or assets of the Company, any of its Subsidiaries or any of the Non-Controlled Entities or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective constating documents (including any applicable partnership, shareholder or operating agreements), or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, Encumbrance, Contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any

of its Subsidiaries or any of the Non-Controlled Entities is bound; or (B) subject to compliance with the statutes and regulations referred to below, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Company, any of its Subsidiaries or any of the Non-Controlled Entities or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, termination, acceleration, creations of Encumbrances, suspensions or revocations which, or any consents, approvals or notices which, if not given or received, would not, individually or in the aggregate, have a Material Adverse Effect or prevent, enjoin or materially delay the Company from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement; and

(iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the BCBCA, the Required Shareholder Approval, the BCUC Approval, the Key Consents, the terms of the Interim Order and the Final Order in respect of the Arrangement, (A) there is no legal impediment to the Company's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Company in connection with the consummation of the Arrangement.

(f) Litigation. (i) There is no litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the knowledge of the Company, threatened (and the Company does not know of any reasonable basis therefor) against, or involving, the Company, any of its Subsidiaries or any of the Non-Controlled Entities, and (ii) there are no matters under discussion with any Governmental Entity relating to material Taxes, governmental charges, orders or assessments asserted by any such authority involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities.

(g) Taxes.

(i) Except as disclosed in the Company Disclosure Letter, all Tax Returns required to be filed by the Company, any of its Subsidiaries or any of the Non-Controlled Entities have been filed and are true and correct in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such Tax Returns is in effect or has been requested in the past seven years or, in respect of any Subsidiary acquired less than seven years ago, since the date such Subsidiary was acquired by the Company.

(ii) Except as disclosed in the Company Disclosure Letter, all Taxes of the Company, any of its Subsidiaries or any of the Non-Controlled Entities that are due and payable, have been timely paid in full by the applicable entity, whether or not assessed by the appropriate Governmental Entity, other than non-material amounts or those being contested in good faith and for which the Company or its applicable Subsidiary believes adequate reserves have been provided.

(iii) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is a party to any agreement, waiver or arrangement with any Governmental Entity which relates to any extension of time with respect to the filing of any Tax Returns, any payment of Taxes or any audit, inquiry, investigation, assessment, reassessment, dispute or collection thereof.

(iv) Except as disclosed in the Company Disclosure Letter, each of the Company, its Subsidiaries and the Non-Controlled Entities has timely collected and remitted to the appropriate Governmental Entity in full all amounts on account of sales or transfer Taxes required by Law to be collected and remitted by it on any sale, supply or delivery made by it, if any, and has timely collected and remitted to the appropriate Governmental Entity any such amounts required to be collected and remitted by it, if any, and is validly registered with the relevant Governmental Entity for the collection of such Taxes. All material amounts of input tax credits, refunds, rebates and similar adjustments of such Taxes claimed by each of the Company and its Subsidiaries has been validly claimed and correctly calculated as required by applicable Law and each of the Company and its Subsidiaries has retained all documentation prescribed by applicable Law to support such claims. Where applicable, each of the Company and its Subsidiaries: (A) has obtained all required information and documentation to support any zero-rating treatment of its supplies; and (B) has been furnished with valid exemption certificates or their equivalent and has retained all such records and supporting documents in the manner required by applicable Law.

(v) There are no audits, investigations, assessments or reassessments in progress, pending or, to the knowledge of the Company, threatened, against the Company, any of its Subsidiaries or any of the Non-Controlled Entities in respect of Taxes.

(vi) There are no Encumbrances for Taxes, except for Taxes not yet due and payable, upon any of the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets.

(vii) Except as disclosed in the Company Disclosure Letter, each of the Company and its Subsidiaries has: (A) withheld from each payment made to any Person, including any of its present or former employees, officers or directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by applicable Law to be withheld, including all amounts of provincial pension plan contributions; and (B) has remitted such amounts to the proper Governmental Entity within the time required by applicable Law.

(viii) Neither the Company nor any of its Subsidiaries have applied for, claimed or received a material refund of Tax (or material amount that is deemed for purposes of the Tax Act to be an overpayment of Tax) to which it was not entitled pursuant to applicable Law.

(ix) Each of the Company and its Subsidiaries is not a non-resident of Canada or is a Canadian partnership, each for purposes of the Tax Act, and the Company and

each Subsidiary that is a corporation or company has, at all relevant times, been and is a "taxable Canadian corporation" within the meaning of the Tax Act.

(x) No claim in respect of Taxes has ever been received by the Company nor any of its Subsidiaries from a Governmental Entity in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to Tax in such jurisdiction or that a Tax Return is required to be filed by the Company or any of its Subsidiaries in such jurisdiction.

(xi) Neither the Company nor any of its Subsidiaries have made or obtained records or documents that meet the requirements of paragraph 247(4)(a) to (c) of the Tax Act with respect to all material transactions between it and any non-resident of Canada (for purposes of the Tax Act) with whom it was not dealing at arm's length (for purposes of the Tax Act).

(xii) Neither the Company nor any of its Subsidiaries is party to or bound by any tax sharing agreement, tax allocation agreement or tax indemnity agreement in favour of any Person with respect to Taxes.

(xiii) Neither the Company nor any of its Subsidiaries will be required to include in a taxable 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) that accrued in a taxable period prior to the Effective Date but was not included for Tax purposes in such prior taxable period.

(xiv) Except as disclosed in the Company Disclosure Letter, there are no transactions or events that have resulted, and no circumstances existing, which could result in the application to the Company or any of its Subsidiaries of sections 15, 17, 79, 80, 80.01, 80.02, 80.03, 80.04 of the Tax Act or any analogous provision of any comparable applicable Law of any province or territory of Canada.

(xv) Neither the Company nor any of its Subsidiaries have incurred any deductible outlay or expense owing to a Person not dealing at arm's length (for purposes of the Tax Act) with the Company or any of its Subsidiaries the amount of which would, in the absence of an agreement filed under paragraph 78(1)(b) of the Tax Act, be included in the relevant entity's income for Canadian income tax purposes, as the case may be, 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 applicable Law of any province or territory of Canada.

(xvi) All transactions between the Company or any of its Subsidiaries (as the case may be), on the one hand, and any Person with whom the Company or any of its Subsidiaries (as the case may be) was not dealing at arm's length (for purposes of the Tax Act) during a taxation year ending before the Effective Date, on the other hand, were priced in all material respects in accordance with the provisions of section 69 and section 247 of the Tax Act, as applicable, or any analogous provision of any comparable Applicable Law of any province or territory of Canada.

(xvii) Neither the Company nor any of its Subsidiaries have acquired property from a Person not dealing at arm's length (for purposes of the Tax Act) with it in circumstances that would result in the Company or any of its Subsidiaries (as the case may be) becoming liable to pay Taxes of such Person under section 160 of the Tax Act or any analogous provision of any comparable applicable Law of any province or territory of Canada.

(xviii) Neither the Company nor any of its Subsidiaries has entered into any agreements, transactions or arrangements which may be notifiable or reportable under sections 237.3, 237.4 or 237.5 of the Tax Act and none of the Company or its Subsidiaries has been required to make any notifications to any Governmental Entity under sections 237.3, 237.4 or 237.5 of the Tax Act.

(h) Status. The Company is a reporting issuer (where such concept exists) in the Provinces of British Columbia and Ontario and is in material compliance with all applicable Canadian Securities Laws therein. The Company Common Shares are listed and posted for trading on the TSX, and the Company is in material compliance with the rules of the TSX.

(i) Capitalization. The Company has authorized share capital consisting of 100,000,000 Company Common Shares, of which 5,007,281 Company Common Shares are issued and outstanding as of the date hereof. There are no outstanding Company Share Options or other options, warrants or rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any securities of the Company or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of the Company. All outstanding Company Common Shares have been duly authorized and validly issued, are fully paid and non-assessable (in respect only of the Company Common Shares) and are not subject to, nor were they issued in violation of, any pre-emptive rights.

(j) Equity Monetization Plans. There are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer, employee or consultant of the Company, its Subsidiaries or the Non-Controlled Entities and which are based upon the share price, revenue, value, income or any other attribute of the Company, its Subsidiaries or the Non-Controlled Entities.

(k) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Company Common Shares or any other securities of the Company has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of the Company, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(l) Company Material Contracts.

(i) The Company Disclosure Letter sets out a complete and accurate list of all Company Material Contracts.

(ii) Each Company Material Contract is legal, valid, binding and in full force and effect and is enforceable by the Company, a Subsidiary of the Company or a Non-

Controlled Entity, as applicable, in accordance with its terms (subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally, and to general principles of equity).

(iii) The Company, each of its Subsidiaries and each of the Non-Controlled Entities have performed in all material respects all respective obligations required to be performed by them to date under the Company Material Contracts and neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is in material breach or default under any Company Material Contracts, nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default.

(iv) None of the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities knows of, or has received any notice (whether written or oral) of, any material breach or default under nor, to the knowledge of the Company, does there exist any condition which with the passage of time or the giving of notice or both would result in such a material breach or default under any such Company Material Contract by any other party to a Company Material Contract.

(v) The Company has not received any notice (whether written or oral), that any party to a Company Material Contract intends to cancel, terminate or otherwise modify or not renew its relationship with the Company, any of the Subsidiaries or any of the Non-Controlled Entities, and, to the knowledge of the Company, no such action has been threatened.

(m) Non-Competition Agreements. Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is a party to or bound by any non-competition agreement, exclusivity agreement or any other Contract, commitment, understanding or obligation which purports to limit the manner or the localities or regions in which all or any portion of the Purchased Business is or is reasonably expected to be conducted following completion of the Arrangement, and the execution, delivery and performance of this Agreement and the completion of the Arrangement does not and will not result in the restriction of the Company or any of its Subsidiaries from engaging in their business or from competing with any Person as described above following completion of the Arrangement.

(n) Books and Records. The records and minute books of the Company and its Subsidiaries and their respective predecessors have been maintained in accordance with all applicable Laws in all material respects and are complete and accurate in all material respects and have been provided to the Purchaser, in their entirety, prior to the date hereof.

(o) Reports. Since June 30, 2023, the Company has filed with the Canadian Securities Administrators, a true and complete copy of all financial statements, annual information forms, material change reports, news releases, and other material forms, reports, schedules, statements, certifications and other documents required to be filed by it under applicable Laws (collectively, the "**Company Disclosure Documents**"). The Company Disclosure Documents filed since June 30, 2023, as of their respective dates or if amended, as of the date of such amendment, did not contain any Misrepresentation and complied in all material respects with all applicable Laws. The Company has not filed any material change reports which continue to be confidential.

(p) Financial Statements. The Company's audited consolidated financial statements as at and for the fiscal years ended June 30, 2024 and 2023 and unaudited condensed interim consolidated financial statements as at and for the three and six months ended December 31, 2024 (together, the "**Company Financial Statements**") have been prepared in conformity with IFRS (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited financial statements, in the related report of the Company's independent auditors or (ii) in the case of unaudited interim statements, to the extent they are subject to normal year-end adjustments) applied on a consistent basis throughout the periods involved and present fairly in all material respects and as applicable: (A) the financial position, changes in shareholders' equity, results of operations and cash flows of the Company as at the dates of and for the periods referred to in such statements, and (B) the financial position of the Company as at the date referred to in the balance sheet of the Company, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements.

(q) Internal Controls. The Company has in place, as required under applicable Canadian Securities Laws, processes to provide the Chief Executive Officer and Chief Financial Officer with sufficient knowledge to support the certifications required to be made under the Canadian Securities Laws and is in compliance therewith.

(r) Absence of Undisclosed Liabilities.

(i) The Company has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent) that would be required to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with IFRS or the notes thereto, other than:

(A) those set forth or adequately provided for in the balance sheet included in the Company Financial Statements, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements;

(B) those which are incurred in the ordinary course of business and not required to be set forth in the Company Financial Statements;

(C) those incurred in the ordinary course of business since the date of the Company Financial Statements as at and for the period ended December 31, 2024 and consistent with past practice; and

(D) those incurred in connection with the execution of this Agreement.

(ii) The principal amount of all indebtedness for borrowed money, as of the date hereof, of the Company, its Subsidiaries and the Non-Controlled Entities, including capital leases, is disclosed in the Company Disclosure Letter.

(s) Absence of Certain Changes. Since December 31, 2024:

(i) there has not occurred any Material Adverse Change; and

(ii) the Company, its Subsidiaries and the Non-Controlled Entities have carried on their businesses in all material respects in the ordinary and normal course.

(t) Environmental.

(i) (A) None of the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of any Environmental Laws in any material respect; (B) each of the Company, its Subsidiaries and the Non-Controlled Entities has all material permits, authorizations and approvals required under any applicable Environmental Laws to operate the Purchased Business as presently conducted or for the ownership and use of the assets forming part of the Purchased Business in material compliance with all applicable Environmental Laws and are in material compliance with their requirements; and (C) there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company, any of its Subsidiaries or any of the Non-Controlled Entities that would be material to the Purchased Business and the Company has reasonably concluded that there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings, that would have a Material Adverse Effect.

(ii) The Company has made available to the Purchaser all material environmental reports, assessments, audits and similar documents pertaining to the Purchased Business and the Company in its possession.

(u) Title. (i) The Company, its Subsidiaries and the Non-Controlled Entities have good and sufficient title (subject to the Permitted Encumbrances) to their material personal property and real property interests, including, as applicable, a fee simple estate of and in real property, a leasehold estate of and in real property, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by the Company, its Subsidiaries and the Non-Controlled Entities necessary to permit the operation of their respective businesses as presently owned and conducted, and (ii) to the knowledge of the Company, there are no material defects, failures or impairments in the title of, or adverse claims against the title, including expropriation proceedings, (subject to the Permitted Encumbrances) of, the Company, its Subsidiaries or the Non-Controlled Entities to their assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party.

(v) Facilities. To the knowledge of the Company, the material equipment, facilities, buildings, structures, improvements and other appurtenances on or under real property owned or used by the Company, its Subsidiaries or the Non-Controlled Entities, are in good operating condition and in a good state of maintenance and repair, each has been constructed and operated and

maintained in accordance with good industry practice, each is adequate and suitable for the purpose for which it is currently being used and in the ordinary course of business, and (subject to the Permitted Encumbrances) none thereof, nor the operations or maintenance thereof, violates, in any way so as to cause a Material Adverse Effect, any restrictive covenant or any applicable Law or encroaches on any property owned by the others.

(w) No Encumbrances. (i) Except for Encumbrances which are not material in the aggregate, the properties and assets of the Company, its Subsidiaries and the Non-Controlled Entities are free and clear of all Encumbrances other than the Permitted Encumbrances, and (ii) neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has done any act or suffered or permitted any action whereby any Person has acquired or may acquire an interest in or to the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets, nor has it done any act, omitted to do any act or permitted any act to be done that would materially adversely affect or defeat its title to any of such assets.

(x) Licenses. Each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such permits, licenses, approvals, certificates, consents, orders, grants and other authorizations (collectively, "**Governmental Licenses**"), and each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such Governmental Licenses, in each case issued by Governmental Entities necessary to conduct the Purchased Business and the business of the Non-Controlled Entities as presently conducted or for the ownership and use of the assets forming part of the Purchased Business and the business of the Non-Controlled Entities in compliance with all applicable Laws, except in each case where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect, and all such Governmental Licenses are valid and existing and in good standing except where the failure to be valid and existing and in good standing would not, individually or in the aggregate have a Material Adverse Effect. Each of the Company, its Subsidiaries and the Non-Controlled Entities, as applicable, is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect.

(y) Pre-emptive Rights. There are no outstanding rights of first refusal, rights of first offer, pre-emptive rights of purchase, consents to transfer, recall rights or other pre-emptive rights or similar rights of purchase which entitle any Person to acquire any of the material rights, title, interests, property, licenses or assets of the Company or its Subsidiaries, or to the knowledge of the Company, that will be triggered or accelerated by the Arrangement.

(z) Compliance with Laws. The Company, its Subsidiaries and the Non-Controlled Entities have materially complied with and are not in material violation of any applicable Laws.

(aa) Long-Term and Derivative Transactions. Except as disclosed in the Company Financial Statements, the Company and its Subsidiaries have no material obligations or liabilities, direct or indirect, vested or contingent in respect of any financial hedging agreement or any other similar derivative transaction (including any option with respect to any of these transactions or any combination of these transactions).

(bb) Employee Benefit Plans. The Company has made available to the Purchaser copies of each material health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share

purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and each other employee or director compensation or benefit plan, agreement or arrangement whether written or unwritten, tax-qualified or non-qualified, funded or unfunded, for the benefit of officers, directors, consultants or employees (or former officers, directors, consultants or employees) of the Company and/or its Subsidiaries, which are: (i) sponsored or maintained by the Company or any of its Subsidiaries (collectively, the "**Company Employee Plans**") or (ii) contributed to by the Company or any of its Subsidiaries, or in respect of which the Company or any of its Subsidiaries has any actual or potential liability, whether or not sponsored or maintained by the Company or any of its Subsidiaries (collectively, the "**Employee Plans**") and:

(i) each Company Employee Plan has been established, maintained, registered (where required by applicable Laws) and administered in material compliance with its terms and in accordance with applicable Laws;

(ii) all required employer contributions or premiums under any Company Employee Plan or Employee Plan have been made by the Company and any of its applicable Subsidiaries in material compliance with the terms thereof, any applicable collective bargaining agreement and applicable Laws;

(iii) to the knowledge of the Company, there are no material claims, suits, actions or other litigation or proceedings in existence or threatened against or otherwise involving any of the Company Employee Plans (excluding claims for benefits incurred in the ordinary course of the Company Employee Plan activities);

(iv) no Company Employee Plan is a "registered pension plan" or a "retirement compensation arrangement", each as defined in subsection 248(1) of the Tax Act; and

(v) all contributions, reserves or premium payments required to be made to the Company Employee Plans have been made or accrued for in the books and records of the Company or its Subsidiaries, as applicable, in all material respects.

(cc) Employment Agreements and Collective Agreements.

(i) Except as disclosed in the Company Disclosure Letter, neither the Company nor any Subsidiary of the Company is a party to any Contract with any Company Worker or any written Contract or policy providing for severance, termination or change of control payments to any Company Worker upon the consummation of, or relating to the transactions contemplated by this Agreement, including a change of control of the Company or any of its Subsidiaries.

(ii) The Company or any Subsidiary (A) has not paid in the three years prior to Closing nor will be required to pay any retention bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages, compensation, or bonuses paid or payable in the ordinary course of business in accordance with current compensation levels, employment agreements, and practices), (B) has not forgiven in the three years prior to Closing nor will it be required to forgive any

indebtedness to any person, (C) has not increased nor will it be required to increase any benefits otherwise payable by the Company or any Subsidiary, as a result of the transactions contemplated in this Agreement, or (D) is not party to any Contract which provides a length of notice or severance payment required to terminate a Company Worker's employment or engagement, other than such as results by Law from the employment of an employee without an agreement as to notice or severance.

(iii) Neither the Company nor any of its Subsidiaries is a party to, or is bound by, any collective bargaining or other union or employee association agreement, any actual or, to the knowledge of the Company, threatened application for certification or bargaining rights or letter of understanding, with respect to any current or former employee of the Company or any of its Subsidiaries; and to the knowledge of the Company no trade union, council of trade unions, labor union, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Company or any of its Subsidiaries employees by way of certification, interim certification, voluntary recognition, or succession rights.

(iv) To the knowledge of the Company, as of the date of this Agreement, there has been no labour strike, dispute, lock-out, work slowdown or stoppage and no such labour strike, dispute, lock out, work slowdown or stoppage is pending to the knowledge of the Company, threatened against the Company or any of its Subsidiaries. To the knowledge of the Company, no trade union has applied to have the Company or any of its Subsidiaries declared a related successor, or common employer pursuant to the *Labour Relations Code* (British Columbia) or any similar legislation in any jurisdiction in which the Company or any of its Subsidiaries carries on business.

(v) The Company is in material compliance with all terms and conditions of employment and all Laws respecting employment and labour, including pay equity, human rights, immigration, privacy, employment standards, workers' compensation and occupational health and safety, and there are no outstanding actual or threatened claims, complaints, investigations or orders under any such Laws.

(vi) The Company and its Subsidiaries are, where required by applicable workers' compensation legislation, properly registered with the applicable workers' compensation board. There are no material outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing by the Company or any of its Subsidiaries pursuant to any workers' compensation legislation and none of the Company nor any of its Subsidiaries has been reassessed under such legislation in the past three years and, to the knowledge of the Company, no audit of any of the Company or any of its Subsidiaries is currently being performed pursuant to any applicable worker's compensation Laws.

(vii) There are no pending, or to the knowledge of the Company, threatened charges against the Company or any Subsidiary nor have there been any fatal or critical

accidents which have occurred which might lead to charges under any applicable occupational health and safety Laws.

(viii) All amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay, sick days, termination and severance pay and benefits under Company Employee Plans and other similar accruals have either been paid or properly accrued and are accurately reflected in the books and records of the Company or the applicable Subsidiary in all material respects.

(ix) All individuals who have provided services to the Company or any of its Subsidiaries as consultants, independent contractors, leased employees or in a similar non-employee capacity, in the three years prior to Closing, have been properly classified and compensated as non-employees for purposes of all applicable Laws and neither the Company nor any Subsidiary has received, nor are there any pending or, to the knowledge of the Company, threatened notices from any Person disputing such classification.

(dd) Insurance. The Company has made available to the Purchaser prior to the date hereof copies of policies of insurance naming the Company or its applicable Subsidiary as an insured with respect to the Purchased Business, and such policies are in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement, other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect.

(ee) Warranties. All of the material warranties regarding the assets or properties of the Company, its Subsidiaries or the Non-Controlled Entities are disclosed in the Company Disclosure Letter and each of the Company, its Subsidiaries and the Non-Controlled Entities has the benefit of all such warranties. All such warranties are in full force and effect and are enforceable in accordance with their terms. To the knowledge of the Company, none of the providers of such warranties is bankrupt or insolvent or subject to any bankruptcy, insolvency, reorganization or arrangement or proceeding. Except as set forth in the Company Disclosure Letter, no claim has been made under any such warranty, no claim has been rejected or dishonored by the provider of any such warranty and there are currently no ongoing disputes between the Company, any of its Subsidiaries or any of the Non-Controlled Entities and the provider of any such warranty. To the knowledge of the Company and except as set forth in the Company Disclosure Letter, no event or circumstance has occurred or exists that could reasonably be expected to result in a valid material claim by the Company, any of its Subsidiaries or any of the Non-Controlled Entities under any such warranty.

(ff) First Nations. There are no First Nations, other than as set forth in the Company Disclosure Letter, with respect to whom the Company, any of its Subsidiaries or any of the Non-Controlled Entities have received a notice expressing a potential aboriginal interest, right or claim to their properties or assets. None of the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has received notice of any actual or threatened claim by one or more First Nations with respect to its properties or assets or any Company Material Contract. Except as set forth in the Company Disclosure Letter (i) none of the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is a party to or bound by any Company Material Contract in

force with any First Nations to provide benefits, pecuniary or otherwise, with respect to its properties or assets, and (ii) none of the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has offered any First Nations any benefits with respect to any of its properties or assets.

(gg) Indebtedness To and By Officers, Directors and Others. Except as disclosed in the Company Disclosure Letter, none of the Company nor any of its Subsidiaries is indebted to any of the officers, directors, consultants, or employees of the Company or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to the Company or any of its Subsidiaries, except for amounts due as compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to the Company.

(hh) Customers and Suppliers. Except for such matters as would not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect:

(i) none of the Company nor any of its Subsidiaries has received notice of, and there is not, to the knowledge of the Company, any intention on the part of any principal customer to cease doing business with the Company or any of its Subsidiaries or to modify or change in any material manner any existing arrangement with the Company or any of its Subsidiaries for the purchase or supply of any products or services;

(ii) the relationships of the Company and its Subsidiaries with their principal suppliers and customers are satisfactory;

(iii) since June 30, 2024, there has been no modification or change in the business relationship of the Company or any of its Subsidiaries with any principal customer; and

(iv) the Company has no reason to believe that the benefits of any relationship with any of the principal customers or suppliers of the Company or any of its Subsidiaries will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement.

(ii) Possession of Intellectual Property. Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company and its Subsidiaries collectively own all rights in or have obtained valid and enforceable licenses or other rights to use the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") which is necessary for the conduct of the Purchased Business as presently conducted or for the use of the assets forming part of the Purchased Business in compliance with applicable Laws, free and clear of any Encumbrances other than Permitted Encumbrances or other adverse claims or interest of any kind or nature affecting the assets of the Company or any of its Subsidiaries; (ii) to the knowledge of the Company, there is no infringement by third parties of any Intellectual Property to be then owned, licensed or commercialized by the Company or any of its Subsidiaries; and (iii) neither the Company nor any of its Subsidiaries has received any written notice or claim challenging the Company or its Subsidiaries respecting the validity of, use

of or ownership of the processes and technology forming part of the Intellectual Property, and to the knowledge of the Company, there are no facts upon which such a challenge could be made.

(jj) Funds Available. The Company has sufficient funds available to pay the amounts that may be payable pursuant to Section 8.5 of this Agreement.

(kk) Working Capital. As at the date of this Agreement, the Company has Working Capital of -$1,159,632, including at least $322,075 of cash.

(ll) Corrupt Practices Legislation.

(i) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction or any official of any public international organization, or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Criminal Code* (Canada) or the rules and regulations promulgated thereunder.

(ii) During the periods of the Company Financial Statements, the operations of the Company, its Subsidiaries and the Non-Controlled Entities are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"). To the knowledge of the Company, no action, suit or proceeding by or before any court or Governmental Entity or body or any arbitrator involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities with respect to the Money Laundering Laws is pending or threatened.

(iii) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company, any of its Subsidiaries or any of the Non-Controlled Entities has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department imposed upon such Person; and neither the Company, nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of any of the economic sanctions of the United States administered by OFAC or any Law or executive order relating thereto.

(mm) Off-Balance Sheet Arrangements. Neither the Company nor any of its Subsidiaries has any off-balance sheet arrangements except for those disclosed in the Company Disclosure Documents.

(nn) MI 61-101. Except as disclosed in the Company Disclosure Letter, the Arrangement and the transactions contemplated by this Agreement are not a "business combination" (within the meaning of MI 61-101) and accordingly the provisions of MI 61-101 are not applicable to the Arrangement and the transactions contemplated by this Agreement.

(oo) Financial Advisor. Except for the Company Financial Advisor and the Company Independent Committee Financial Advisor, no financial advisor, broker, finder or investment banker has been retained by the Company or any of its Subsidiaries that is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Arrangement. The Company has provided to the Purchaser prior to the date hereof a correct and complete copy of all agreements relating to the arrangements between it and its financial advisors as are in existence (whether in connection with the Arrangement or otherwise) as of the date hereof.

**AMENDING AGREEMENT**

**THIS AMENDING AGREEMENT** is dated April 23, 2025 between:

**SITKA POWER INC.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

- and -

**SYNEX RENEWABLE ENERGY CORPORATION.**, a corporation existing under the laws of the Province of British Columbia (the "**Company**")

**WHEREAS** the Purchaser and the Company (together, the "**Parties**" and each a "**Party**") have entered into an arrangement agreement dated March 27, 2025 (the "**Arrangement Agreement**");

**AND WHEREAS** Section 9.1 of the Arrangement Agreement allows the Parties to amend the Arrangement Agreement at any time and from time to time before or after the holding of the Company Shareholders' Meeting but not later than the Effective Time, in accordance with the terms and conditions set forth therein;

**AND WHEREAS** the Parties wish to amend the Arrangement Agreement as provided in this Amending Agreement;

**NOW THEREFORE THIS AMENDING 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 covenant and agree as follows:

## ARTICLE 1
## AMENDMENTS

### 1.1 Amendment

Section 1.1 *[Definitions]* of the Arrangement Agreement is hereby amended by (i) deleting the definition of "Effective Date", and (ii) replacing such definition with the following words:

> "**Effective Date**" means the date that is the fifth business day following the satisfaction or waiver of all of the conditions precedent in Article 6 (other than those conditions precedent that by their terms are to be satisfied as of the Effective Date, but subject to the satisfaction or waiver of such conditions precedent and the delivery of all documents agreed to be delivered hereunder, in each case, as set forth in this Agreement), or such other date as the Purchaser and the Company may agree in writing.

### 1.2 Reference to and Effect on the Arrangement Agreement

On and after the date of this Amending Agreement, any reference to "this Agreement" in the Arrangement Agreement and any reference to the Arrangement Agreement in any other agreements, exhibits or schedules thereto will mean the Arrangement Agreement as amended by

this Amending Agreement. Except as specifically amended by this Amending Agreement, there are no other amendments and all other provisions of the Arrangement Agreement remain in full force and effect.

## ARTICLE 2
## GENERAL PROVISIONS

### 2.1 Definitions

All capitalized terms used but not otherwise defined in this Amending Agreement shall have the respective meanings ascribed to them in the Arrangement Agreement.

### 2.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

### 2.3 Application of Arrangement General Provisions

The provisions of Article 9 *[General Provisions]* of the Arrangement Agreement shall apply, *mutatis mutandis*, to this Amending Agreement.

*[The remainder of this page is left blank intentionally]*

**IN WITNESS WHEREOF** the Parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

**SITKA POWER INC.**

By: ***(signed) Trevor White***
Name: Trevor White
Title: President & Chief Executive Officer

**SYNEX RENEWABLE ENERGY CORPORATION**

By: ***(signed) Daniel J. Russell***
Name: Daniel J. Russell
Title: President & Chief Executive Officer

**SCHEDULE "B"**

**DRAFT ORDER**

(See attached)

**DRAFT**

**ORDER NUMBER**
**G-●-25**

IN THE MATTER OF
the *Utilities Commission Act*, R.S.B.C. 1996, Chapter 473

and

Sitka Power Inc. and Synex Renewable Energy Corporation
Application to Acquire a Reviewable Interest in Kyuquot Power Ltd.

**BEFORE:**
●, Commissioner

●●, 2025

**O R D E R**

**WHEREAS:**

A. On [●], 2025, the British Columbia Utilities Commission (BCUC) received joint application from Sitka Power Inc. (Sitka) and Synex Renewable Energy Corporation (Synex), pursuant to section 54 of the *Utilities Commission Act* (UCA), for Sitka to acquire a reviewable interest in Kyuquot Power Ltd. (KPL) through the acquisition of all of the issued and outstanding common shares of Synex (altogether, the Application);

B. KPL is an indirect wholly owned subsidiary of Synex;

C. KPL provides electrical distribution service to Kyuquot British Columbia on Vancouver Island;

D. KPL is a public regulated by the BCUC under the UCA

E. Sitka seeks BCUC approval to acquire all the common shares of Synex, which, if approved, will result in Sitka acquiring a reviewable interest in KPL;

F. By Order G-●● dated ● the BCUC established a regulatory timetable fore review of the Application;

G. ●.

**NOW THEREFORE** pursuant to section 54 of the UCA, the BCUC orders as follows:

1. The acquisition by Sitka of all the issued and outstanding shares of Synex, resulting in Sitka acquiring a reviewable interest in KPL, is approved.

**DATED** at the City of Vancouver, in the Province of British Columbia, this ● day of ●, 2025.

BY ORDER

●

Commissioner