

## BUSINESS COMBINATION AGREEMENT

**THIS AGREEMENT** is made as the 16<sup>th</sup> day of July, 2021,

BETWEEN:

**IVIRTUAL TECHNOLOGIES INC.**, a company existing under the laws of the Province of Ontario,

(hereinafter referred to as “**iVirtual**”)  
- and -

**1183099 B.C. LTD.**, a company existing under laws of the Province of British Columbia,

(hereinafter referred to as “**118**”)  
- and -

**(TBD) ONTARIO INC.**, a company existing under the laws of the Province of Ontario,

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

**WHEREAS** Subco is a wholly-owned subsidiary of 118;

**WHEREAS** the Companies intend to effect a business combination pursuant to which 118 will acquire all of the issued and outstanding iVirtual Shares not already owned by 118, if any (the “**Transaction**”);

**WHEREAS** the Companies desire to effect the Transaction by way of a “three-cornered” amalgamation pursuant to which iVirtual and Subco shall amalgamate pursuant to Section 174 of the OBCA and continue under the name of “**iVirtual Group Inc.**” and the former shareholders of iVirtual (other than 118 and shareholders who exercise Dissent Rights) will receive 118 Shares (the “**Amalgamation**”), subject to the terms and conditions of this Agreement and the Amalgamation Agreement; and **iVirtual Group Inc.**

**WHEREAS** the Companies have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Amalgamation.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the mutual covenants hereinafter contained, the Companies agree as follows:

### ARTICLE 1 INTERPRETATION AND GENERAL

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the meanings hereinafter set forth:

“**118 Board**” means the board of directors of 118;

“**118 Material Contracts**” means the Material Contracts entered into by 118;

“**118 Options**” means the options to purchase 118 Shares;

“**118 Private Placement**” means the private placement of up to 10 million 118 Shares at a price of \$0.10 per share for aggregate gross proceeds of up to C\$1,000,000 will be completed by July 31, 2021;

“**118 Shares**” means the common shares in the capital of 118;

“**Agreement**”, “**this Agreement**”, “**hereof**”, “**herein**” and “**hereunder**” and similar expressions refer to this agreement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;

“**Amalgamated Corporation**” means the continuing corporation constituted upon the Amalgamation becoming effective;

“**Amalgamating Corporations**” means iVirtual and Subco;

“**Amalgamation**” has the meaning ascribed thereto in the preamble to this Agreement;

“**Amalgamation Agreement**” means the amalgamation agreement to be entered into among 118 and the Amalgamating Corporations, substantially in the form attached hereto as Schedule “A”;

“**Articles of Amalgamation**” means the Articles of Amalgamation with respect to the Amalgamation;

“**business day**” means any day other than a Saturday, Sunday or federal holiday in Canada or a day on which commercial banks in Toronto, Ontario and Vancouver, British Columbia are required to or permitted to close;

“**Common Shares**” means the common shares in the capital of the Amalgamated Corporation;

“**Companies**” means, collectively, 118 and the Amalgamating Corporations;

“**Completion Deadline**” means July 31, 2021 or such later date as 118 and iVirtual may mutually agree;

“**Dissent Rights**” means the rights of dissent in respect of the Transaction described in the Amalgamation Agreement;

“**Effective Date**” means the date shown on the Certificate of Amalgamation endorsed by the Director under the OBCA giving effect to the Amalgamation;

“**Effective Time**” means the earliest moment in time (Toronto time) on the Effective Date, or such other time as the parties agree to in writing before the Effective Date;

“**Exchange Ratio**” means one (1) 118 Share for each iVirtual Share;

“**Governmental Entity**” means any: (i) supranational, multinational, federal, territorial, provincial, state, regional, municipal, local or other governmental or public ministry, department, authority, body, central bank, court, commission, tribunal, board, bureau or agency, domestic or foreign; (ii) subdivision, agent or authority of any of the above; (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or Taxation Authority under or for the account of any of the above; or (iv) stock exchange;

“**LOI**” means the letter of intent between iVirtual and 118 dated May 11, 2021;

“**material adverse change**” or “**material adverse effect**” means any change (including a decision to implement a change made by the directors or senior management of iVirtual or 118), effect, event, occurrence or change in a state of facts that is, or would reasonably be expected to be, material and adverse to the business, operations, financial condition, results, assets, rights, liabilities or prospects of such corporation, to the extent that had such change, effect, event, occurrence or change in a state of facts occurred prior to the date hereof it might reasonably be expected to have resulted in the other corporation not entering into this Agreement or entering into this Agreement only on materially different terms, but excluding any change, effect, event, occurrence or change in a state of facts relating to the general economic conditions in Canada or securities markets in general;

“**material fact**” has the meaning given thereto in the Securities Acts;

“**NI 45-106**” means National Instrument 45-106 *Prospectus Exemptions*;

“**iVirtual Board**” means the board of directors of iVirtual;

“**iVirtual Notice of Meeting**” means the notice of meeting to be prepared in connection with the iVirtual Meeting and includes any and all documents specifically incorporated by reference therein;

“**iVirtual Material Contracts**” means the Material Contracts entered into by iVirtual;

“**iVirtual Meeting**” means the special meeting of the shareholders of iVirtual to be held to consider, and, if deemed advisable, approve the Amalgamation and the Transaction;

“**iVirtual Options**” means the options to purchase iVirtual Shares as disclosed in Schedule “B” hereto;

“**iVirtual Private Placement**” means the private placement of up to 10,000 million iVirtual Shares at a price of \$0.10 per share for aggregate gross proceeds of up to \$1,000,000 will be completed by July 31, 2021;

“**iVirtual Shares**” means the common shares in the capital of iVirtual;

“**OBCA**” means the *Business Corporations Act* (Ontario), together with the regulations thereunder, as the same may be amended from time to time;

“**person**” means any individual, body corporate, partnership, firm, joint venture, syndicate, trust, association, any other form of entity or organization and any Governmental Entity or other agency;

“**Securities Acts**” means all Canadian securities legislation applicable to the Companies together with all regulations, instruments, blanket orders and policy statements adopted in connection therewith;

“**Tax Returns**” means any return, declaration, report, claim for refund, election, or information return or statement relating to Taxes, including any schedule or attachment thereto and any amendment thereof;

“**Taxation Authority**” means the Canada Revenue Agency, the Ontario Ministry of Finance and any other national, federal, state, provincial, regional, territorial, municipal or local governmental authority in Canada or in any other jurisdiction which has authority to collect Tax from iVirtual or 118, as applicable, or impose obligations upon iVirtual or 118, as applicable, with respect to Taxes;

“**Taxes**” means any Canadian, multinational, foreign, federal, state, provincial, regional, territorial, municipal and local capital, capital stock, disability, customs duties, employment, environmental, estimated, excise, franchise, capital gains, employer health, income, license, alternative or add-on minimum, occupation, payroll, premium, profits, windfall profits, personal property, real property, gross receipts, registration, gross revenue, sales, goods and services, severance, social security (or similar), stamp, transfer, turnover, unemployment, use, value added, withholding, net worth, or other tax of any kind whatsoever, including employment insurance and Canada/Quebec Pension Plan premiums, as well as any interest or penalty in respect thereof and any addition thereto, whether disputed or not;

“**Termination Date**” has the meaning ascribed thereto in Section 4.2;

“**Transaction**” has the meaning ascribed thereto in the preamble to this Agreement; and

“**Transfer Agent**” means Integral Transfer Agency Inc.

Words and phrases used herein that are defined in the OBCA shall have the same meaning herein as in the OBCA unless the context otherwise requires.

## **1.2 Interpretation not affected by Headings, etc.**

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.3 Number, Etc.**

Unless the context requires the contrary, words importing the singular only shall include the plural and vice versa; words importing the use of any gender shall include all genders.

### **1.4 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Companies 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.

### **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Companies pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Companies with respect to the subject matter hereof.

### **1.6 Transaction**

The Companies agree to effect the Transaction by effecting the Amalgamation subject to the terms and conditions of this Agreement and the Amalgamation Agreement. The iVirtual Shares (other than iVirtual Shares held by 118 and holders who exercise Dissent Rights) will be exchanged for 118 Shares based on the Exchange Ratio and iVirtual will amalgamate with Subco to form the Amalgamated Corporation, which will become a wholly-owned subsidiary of 118.

## **ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

### **2.1 Representations and Warranties of iVirtual**

iVirtual represents and warrants to and in favour of 118 and Subco as follows and acknowledges that 118 and Subco are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) iVirtual is a company duly organized, validly existing and in good standing with respect to all filings required under applicable laws and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as an extra-provincial or foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such licence or qualification is not in the aggregate material) and iVirtual has the corporate power to enter into, execute and deliver this Agreement and perform its obligations hereunder;

- (b) the authorized capital of iVirtual consists of an unlimited number of iVirtual Shares of which **32,309,280** iVirtual Shares are, as at the date hereof, validly issued and outstanding as fully paid and non-assessable;
- (c) the iVirtual Shares are not subject to any cease trade order issued by any securities regulatory authority;
- (d) no filing or registration with, or authorization, notification, consent or approval of, any person is required in connection with the entering into of this Agreement by iVirtual and the consummation of the transactions contemplated under this Agreement by iVirtual except for the: (i) approval of the holders of iVirtual Shares; and (ii) filing of the Articles of Amalgamation;
- (e) except as disclosed in Schedule “B” hereto, no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature), for the purchase or issue of or conversion into any of the unissued iVirtual Shares or any unissued securities of iVirtual;
- (f) the financial statements of iVirtual present fairly the financial position of iVirtual at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the said statements;
- (g) there has been no material adverse change in the business or condition, financial or otherwise of iVirtual since March 31, 2021;
- (h) iVirtual is the beneficial owner of its assets with good and marketable title thereto free and clear of material liens, charges, encumbrances or adverse interests, and no person has any agreement, option, understanding or commitment for the purchase of any of its assets of iVirtual;
- (i) the execution and delivery of this Agreement and the consummation of the Amalgamation do not and will not:
  - (i) result in the breach of or violate any term or provision of the constating documents or by-laws of iVirtual;
  - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which iVirtual is a party or by which it is bound or to which any property of iVirtual is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of iVirtual under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or

- (iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to iVirtual;
- (j) the execution and delivery of this Agreement has been duly approved by the members of the iVirtual Board entitled to vote thereon and this Agreement constitutes a legal, valid and binding obligation, enforceable against iVirtual in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency or similar laws of general application relating to the enforcement of creditor's rights or the relief of debtors or by equitable relief including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court;
- (k) iVirtual is not in default under the *Securities Act* (Ontario);
- (l) the iVirtual Shares are not listed or posted for trading on any stock exchange;
- (m) iVirtual has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Transaction;
- (n) there are no actions, suits, proceedings or investigations commenced, or to the knowledge of iVirtual contemplated or threatened, against or affecting iVirtual or before or by any person or before any arbitrator of any kind which would prevent or hinder the consummation of the Transaction or which involve the possibility of any judgment or liability which can reasonably be expected to have a material adverse effect on the business operations, assets or condition, financial or otherwise, of iVirtual;
- (o) there are no known or anticipated material liabilities of iVirtual of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which iVirtual is or may become liable other than the liabilities disclosed on, reflected in or provided for in the financial statements or incurred in the ordinary course of business, which may have a material adverse effect on iVirtual;
- (p) iVirtual has duly and on a timely basis filed all Tax Returns, elections and designations required to be filed by it with any Taxation Authority, or if not filed on a timely basis, all fees, penalties, interest and other amounts payable as a result thereof have been paid. No such returns, elections or designations contain any material misstatement or omit any material statements that should have been included and each return, election and designation, including accompanying schedules and statements is true, correct and complete in all material respects. iVirtual has paid in full all amounts owing to each Taxation Authority due and payable by it and has withheld and remitted all amounts required by law to be withheld by it by any federal, provincial or municipal Taxation Authority. There are no proposed reassessments, audits, actions, suits, proceedings, investigations or



claims which have arisen or are pending or threatened against iVirtual in respect of Taxes, nor matters under discussion with any Taxation Authority with respect to Taxes;

- (q) all insurance policies maintained by iVirtual are in full force and effect, all premiums due and payable thereon have been paid, and iVirtual is in compliance with the material terms and conditions of such policies. iVirtual has not received any notice of cancellation, termination or nonrenewal of any such policy or arrangement or any notice of material adjustment in the amount of the premiums payable with respect to any such policy, and there is no material claim pending under any of such policies or arrangements as to which coverage has been questioned, denied or disputed by the underwriters of such policies or arrangements;
- (r) iVirtual has complied with and is in compliance with all laws applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a material adverse effect on iVirtual or on the ability of iVirtual to consummate the Transaction, and holds all material certificates, authorities, permits or licences issued by the appropriate Governmental Entity necessary to carry on the business currently carried on by it;
- (s) iVirtual has performed in all material respects all respective obligations required to be performed by it to date under the iVirtual Material Contracts. iVirtual is not in material breach or default under any iVirtual Material Contract and is not aware of any condition that with the passage of time or the giving of notice or both would result in such a breach or default. iVirtual does not know of, nor has it received written notice of, any material breach default under (nor, to the knowledge of the iVirtual, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any iVirtual Material Contract by any other party thereto. No change of control provisions exist under any iVirtual Material Contracts. All iVirtual Material Contracts are legal, valid, binding and, to the knowledge of iVirtual, in full force and effect and are enforceable against iVirtual in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable laws affecting creditors' rights generally, and to general principles of equity) and are the product of arms' length negotiations between the parties thereto;
- (t) since May 11, 2021, iVirtual has not:
  - (i) entered into, amended or terminated in any respect any iVirtual Material Contract or agreement, including the making of any amendment to the terms of employment of employees, or the terms on which consultants are retained;
  - (ii) repurchased, redeemed or otherwise acquired any of the iVirtual Shares;
  - (iii) issued, or agreed to issue, any iVirtual Shares or any rights, options, or other entitlements relating thereto, except where pre-existing circumstances warrant



other than any iVirtual Shares issued in connection with the iVirtual Private Placement;

- (iv) entered into any transaction or obligation, or incurred any capital expenses, or enter into any series of related transactions or obligations, or incur related capital expenses in excess of \$50,000 except as in the normal course of business;
  - (v) made any payments to any director, officer, employee, consultant of iVirtual, or any shareholder thereof, or any affiliate of the foregoing, or to any other person in which a shareholder of iVirtual, or any of his or its respective affiliates owns any equity, securities, or ownership interests, or to any other person non-arm's length to iVirtual (collectively, the "**Related Persons**"), other than the payment of salaries, bonuses or consulting fees or obligations under existing agreements to the Related Persons or other expenses in the ordinary course of business;
  - (vi) incurred, assumed, or otherwise become liable for any debts or charges to any Related Person, other than for bona fide advances or payments made to, or for, the benefit of iVirtual by employees or consultants in the ordinary course of business;
  - (vii) increased existing indebtedness or committed to incur any new indebtedness for borrowed money, or otherwise increase long-term debt in excess of \$50,000;
  - (viii) merged into, or with, or consolidated with any other person, or acquired all, or substantially all, of the business or assets of any person;
  - (ix) amended its constating documents or by-laws;
  - (x) sold, transferred, leased, licensed, or otherwise disposed of, or created any mortgage, pledge, waiver, or other encumbrance on, the whole, or any part of the assets of iVirtual; or
  - (xi) granted or assumed a material security interest to any person.
- (u) the books and records of iVirtual have been maintained in accordance with all applicable laws in all material respects, and the minute books of iVirtual are complete and accurate in all material respects and have been maintained in accordance with the requirements of applicable law. The financial books and records and accounts of iVirtual in all material respects: (i) have been maintained in accordance with applicable laws on a basis consistent with prior years; (ii) are stated in reasonable detail and fairly reflect the transactions and dispositions of assets of iVirtual; and (iii) fairly reflect the basis for iVirtual's financial statements;
- (v) none of the representations, warranties or statements of fact made in this Section contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading; and
- (w) there are reasonable grounds for believing that, with such belief in respect of matters relating to Subco being in reliance on the representation and warranty of 118 in Section 2.2(y):

- (i) each Amalgamating Corporation is, and the Amalgamated Corporation will be able to pay its liabilities as they become due;
- (ii) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
- (iii) no creditor will be prejudiced by the Amalgamation.

## **2.2 Representations and Warranties of 118**

118 represents and warrants to and in favour of iVirtual as follows and acknowledges that iVirtual is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) 118 is a company duly organized, validly existing and in good standing with respect to all filings required under applicable laws and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as an extra-provincial or foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such licence or qualification is not in the aggregate material) and 118 has the corporate power to enter into, execute and deliver this Agreement and perform its obligations hereunder;
- (b) the authorized capital of 118 consists of an unlimited number of 118 Shares of which 18,165,600 118 Shares are, as at the date hereof, validly issued and outstanding as fully paid and non-assessable;
- (c) the issuance of 118 Shares in connection with the Transaction will occur in accordance with one of the exemptions to the prospectus requirement contemplated by NI 45-106;
- (d) the 118 Shares are not subject to any cease trade order issued by any securities regulatory authority;
- (e) no filing or registration with, or authorization, notification, consent or approval of, any person is required in connection with the entering into of this Agreement by 118 and the consummation of the transactions contemplated under this Agreement by 118 except for the filing of the Articles of Amalgamation;
- (f) no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature), for the purchase or issue of or conversion into any of the unissued 118 Shares or any unissued securities of 118;
- (g) the financial statements of 118 present fairly the financial position of 118 at the relevant dates and the results of its operations and the changes in its financial

position for the periods indicated in the said statements and have been prepared in accordance with international financial reporting standards, applied on a consistent basis;

- (h) 118 has not carried on any business other than the completion of the 118 Private Placement and there has been no material adverse change in the business or condition, financial or otherwise of 118 since December 31, 2020;
- (i) 118 is the beneficial owner of its assets with good and marketable title thereto free and clear of material liens, charges, encumbrances or adverse interests, and no person has any agreement, option, understanding or commitment for the purchase of any of the assets of 118;
- (j) the execution and delivery of this Agreement and the consummation of the Amalgamation do not and will not:
  - (i) result in the breach of or violate any term or provision of the constating documents or by-laws of 118;
  - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which 118 is a party or by which it is bound or to which any property of 118 is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of 118 under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or
  - (iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to 118;
- (k) the execution and delivery of this Agreement has been duly approved by the members of the 118 Board entitled to vote thereon and this Agreement constitutes a legal, valid and binding obligation, enforceable against 118 in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency or similar laws of general application relating to the enforcement of creditor's rights or the relief of debtors or by equitable relief including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court;
- (l) there are no outstanding bonds, debentures or other evidences of indebtedness or guarantees of 118 and there are no agreements obligating 118 to issue or sell any debt instruments.

- (m) 118 has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement, the Transaction, or the Amalgamation;
- (n) there are no actions, suits, proceedings or investigations commenced, or to the knowledge of 118 contemplated or threatened, against or affecting 118 or before or by any person or before any arbitrator of any kind which would prevent or hinder the Transaction or which involve the possibility of any judgment or liability which can reasonably be expected to have a material adverse effect on the business operations, assets or condition, financial or otherwise, of 118;
- (o) 118 (i) has no, and since incorporation has not had any, employees; and (ii) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of 118 that would be triggered by 118's entering into this Agreement or the completion of the Transaction;
- (p) there is no agreement, plan or practice of 118 relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business or in respect of professional service fees.
- (q) other than as disclosed to iVirtual in writing, there are no known or anticipated liabilities of 118 of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which 118 is or may become liable other than the liabilities disclosed on, reflected in or provided for in the financial statements;
- (r) 118 has duly and on a timely basis filed all Tax Returns, elections and designations required to be filed by it with any Taxation Authority, or if not filed on a timely basis, all fees, penalties, interest and other amounts payable as a result thereof have been paid. No such returns, elections or designations contain any material misstatement or omit any material statements that should have been included and each return, election and designation, including accompanying schedules and statements is true, correct and complete in all material respects. 118 has paid in full all amounts owing to each Taxation Authority due and payable by it and has withheld and remitted all amounts required by law to be withheld by it by any federal, provincial or municipal Taxation Authority. There are no proposed reassessments, audits, actions, suits, proceedings, investigations or claims which have arisen or are pending or threatened against 118 in respect of Taxes, nor matters under discussion with any Taxation Authority with respect to Taxes;
- (s) all insurance policies maintained by 118 are in full force and effect, all premiums due and payable thereon have been paid, and 118 is in compliance with the material terms and conditions of such policies. 118 has not received any notice of cancellation, termination or nonrenewal of any such policy or arrangement or any notice of material adjustment in the amount of the premiums payable with respect

to any such policy, and there is no material claim pending under any of such policies or arrangements as to which coverage has been questioned, denied or disputed by the underwriters of such policies or arrangements;

- (t) 118 has complied with and is in compliance with all laws applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a material adverse effect on 118 or on the ability of 118 to consummate the Transaction, and holds all material certificates, authorities, permits or licences issued by the appropriate Governmental Entity necessary to carry on the business currently carried on by it;
- (u) 118 has performed in all material respects all respective obligations required to be performed by it to date under the 118 Material Contracts. 118 is not in material breach or default under any 118 Material Contract and is not aware of any condition that with the passage of time or the giving of notice or both would result in such a breach or default. 118 does not know of, nor has it received written notice of, any material breach default under (nor, to the knowledge of 118, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any 118 Material Contract by any other party thereto. All 118 Material Contracts are legal, valid, binding and, to the knowledge of 118, in full force and effect and are enforceable against 118 in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable laws affecting creditors' rights generally, and to general principles of equity) and are the product of arms' length negotiations between the parties thereto;
- (v) since its incorporation, 118 has not:
  - (i) entered into any 118 Material Contract or agreement, including any employment or consulting agreements;
  - (ii) repurchased, redeemed or otherwise acquired any of the 118 Shares;
  - (iii) other than as disclosed in writing to iVirtual, issued, or agreed to issue, any 118 Shares or any rights, options, or other entitlements relating thereto, other than any 118 Shares issued in connection with the 118 Private Placement;
  - (iv) entered into any transaction or obligation, or incurred any capital expenses, or enter into any series of related transactions or obligations, or incur related capital expenses in excess of \$10,000;
  - (v) made any payments to any director, officer, employee, consultant of 118, or any shareholder thereof, or any affiliate of the foregoing, or to any other person in which a shareholder of 118, or any of his or its respective affiliates owns any equity, securities, or ownership interests, or to any other person non-arm's length to 118 (collectively, the "**Related Persons**");
  - (vi) incurred, assumed, or otherwise become liable for any debts or charges to any Related Person;

- (vii) incurred indebtedness or committed to incur any indebtedness for borrowed money;
  - (viii) merged into, or with, or consolidated with any other person, or acquired all, or substantially all, of the business or assets of any person;
  - (ix) amended its constating documents or by-laws;
  - (x) sold, transferred, leased, licensed, or otherwise disposed of, or created any mortgage, pledge, waiver, or other encumbrance on, the whole, or any part of the assets of 118; or
  - (xi) granted or assumed a material security interest to any person
- (w) the books and records of 118 have been maintained in accordance with all applicable laws in all material respects, and the minute books of 118 are complete and accurate in all material respects and have been maintained in accordance with the requirements of applicable law. The financial books and records and accounts of 118 in all material respects: (i) have been maintained in accordance with the requirements of applicable laws on a basis consistent with prior years; (ii) are stated in reasonable detail and fairly reflect the transactions and dispositions of assets of 118; and (iii) fairly reflect the basis for 118's financial statements;
- (x) none of the representations, warranties or statements of fact made in this Section contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading;
- (y) there are reasonable grounds for believing that, with such belief in respect of matters relating to iVirtual being in reliance on the representation and warranty of iVirtual in Section 2.1(w):
- (i) each Amalgamating Corporation is, and the Amalgamated Corporation will be able to pay its liabilities as they become due;
  - (ii) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (iii) no creditor will be prejudiced by the Amalgamation;
- (z) 118 is the registered and beneficial owner of all of the issued and outstanding shares of Subco. Neither 118 nor Subco has any other subsidiaries and does not hold any shares or securities of any other entity and is not affiliated with, nor is it a holding corporation of, any other body corporate. Subco was formed solely for the purposes of effecting the Amalgamation, has nominal assets and no liabilities and has never conducted any business activities; and

- (aa) Subco is a company duly organized, validly existing and in good standing with respect to all filings required under applicable laws, has one common share outstanding, a paid-up capital of \$1.00 and no liabilities.

### **ARTICLE 3 COVENANTS**

#### **3.1 Covenants of iVirtual**

iVirtual covenants and agrees with 118 and Subco that it will:

- (a) convene and hold the iVirtual Meeting for the purpose of considering the Amalgamation and the Transaction, as soon as reasonably practicable and in any event no later than July 19, 2021 or such later date as may be mutually agreed upon by iVirtual and 118, each acting reasonably. In connection with the iVirtual Meeting, as promptly as reasonably practicable, iVirtual shall cooperate with 118 to prepare the iVirtual Notice of Meeting in form and substance satisfactory to both parties, acting reasonably, together with any other documents required by applicable law, in connection with the consideration of the Amalgamation by the shareholders of iVirtual. The iVirtual Notice of Meeting will contain, among other things, the unanimous recommendation of the iVirtual Board that the shareholders of iVirtual vote in favour of the Amalgamation on the basis that the iVirtual Board has unanimously determined the Amalgamation to be in the best interests of iVirtual and the consideration to be paid to shareholders of iVirtual to be fair to the shareholders of iVirtual;
- (b) take all reasonable actions necessary to give effect to the transactions contemplated by this Agreement, including, without limitation, and using its commercially reasonable efforts to obtain such approvals of the holders of iVirtual Shares as may be required by the OBCA and all applicable regulatory authorities, and all necessary assignments, regulatory approvals, waivers, amendments or terminations to any instruments and take all such similar or other actions or proceedings as may be necessary or advisable with a view to consummating the Transaction, including the joint filing with Subco of the Articles of Amalgamation under the OBCA in connection with the Amalgamation;
- (c) not declare or pay any dividends or make any distribution of its assets to its shareholders or to others or retire or redeem any of its outstanding shares or other of its securities;
- (d) except in connection with the iVirtual Private Placement and pursuant to currently existing obligations, not issue, or enter into any agreement or agreements to issue, or grant options, warrants or rights to purchase, any shares of its capital stock or other of its securities;



- (e) without the prior consent of 118, not merge or consolidate with, or sell or transfer all or any part of its assets to, any other person or perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the Transaction;
- (f) not to make loans, advances or other payments, excluding ordinary course compensation and routine advances to employees of iVirtual for expenses incurred in the ordinary course, or as otherwise agreed to by 118 in advance in writing, such agreement not to be unreasonably withheld, conditioned or delayed;
- (g) not to amend iVirtual's articles or by-laws (or equivalent thereof) in any manner which may adversely affect the success of the Transaction, except as agreed to by 118 in writing or as required to give effect to the matters contemplated herein;
- (h) subject to the provisions hereof, use its reasonable commercial efforts to complete the Transaction;
- (i) use its reasonable best efforts to obtain all necessary assignments, regulatory approvals, waivers, amendments or terminations to any instruments and take such other measures as may be appropriate to fulfill its obligations thereunder and to consummate the Amalgamation;
- (j) except as permitted or contemplated herein, not to enter into any transaction or material contract not in the ordinary course of business and not to engage in any business enterprise or activity different from that carried on as of the date hereof, unless prior written approval of 118 is obtained;
- (k) furnish to 118 and Subco such information, in addition to the information contained in this Agreement, relating to the financial condition, business and affairs of iVirtual as may reasonably be requested by 118 or Subco, which information shall be true and complete in all material respects and shall not contain an untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading;
- (l) ensure that the information and financial statements, and any related documentation to be distributed in connection with the iVirtual Meeting comply as to form and substance with the requirements of the OBCA and the Securities Acts, as applicable and such information and data contained therein shall be true, correct and complete in all material respects and shall not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made; and

- (m) use its reasonable commercial efforts to cause each of the conditions precedent set forth in Sections 3.3 and 3.5 hereof to be complied with on or before the Effective Date.

### **3.2 Covenants of 118**

118 covenants and agrees with iVirtual that it will, and will cause Subco, until the earlier of the termination of this Agreement and the day following the Effective Date (unless otherwise indicated):

- (a) take all reasonable actions necessary to give effect to the transactions contemplated by this Agreement, including, without limitation, all applicable regulatory authorities, and all necessary assignments, regulatory approvals, waivers, amendments or terminations to any instruments and take all such similar or other actions or proceedings as may be necessary or advisable with a view to consummating the Amalgamation, including the joint filing by Subco with iVirtual of the Articles of Amalgamation under the OBCA in connection with the Amalgamation;
- (b) not declare or pay any dividends or make any distribution of its assets to its shareholders or to others or retire or redeem any of its outstanding shares or others of its securities;
- (c) except in connection with the 118 Private Placement and pursuant to currently existing obligations, not issue, or enter into any agreement or agreements to issue, or grant options, warrants or rights to purchase, any shares of its capital stock or other of its securities;
- (d) not merge or consolidate with, or sell or transfer all or any part of its assets to, any other person or perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the Amalgamation or which would render materially inaccurate any of the representations and warranties set forth in Section 2.2 hereof (as if such representations and warranties were made at a time subsequent to such act or transaction and all references to the date of this Agreement were deemed to be as at such later date);
- (e) not to incur expenses other than reasonable expenses incurred in connection with facilitating completion of the Transaction, including legal fees, of up to a maximum of \$50,000, unless otherwise consented to by iVirtual;
- (f) not to amend 118's articles in any manner which may adversely affect the success of the Transaction, except as agreed to by iVirtual in writing or as required to give effect to the matters contemplated herein;
- (g) subject to the provisions hereof, to cooperate fully with iVirtual and to use all reasonable commercial efforts to assist iVirtual in its efforts to complete the Transaction;

- (h) use its reasonable best efforts to obtain all necessary regulatory approvals and take such other measures as may be appropriate to fulfill its obligations thereunder and to consummate the Amalgamation;
- (i) furnish to iVirtual such information, in addition to the information contained in this Agreement, relating to the financial condition, business, and affairs of 118 and Subco as may reasonably be requested by iVirtual which information shall be true and complete in all material respects and shall not contain an untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading; and
- (j) use its reasonable best efforts to cause each of the conditions precedent set forth in Sections 3.3 and 3.4 hereof to be complied with on or before the Effective Date.

### **3.3 Mutual Conditions**

The respective obligations of each of the Companies to consummate the Amalgamation shall be subject to fulfillment, on or before the Effective Date, of the following conditions:

- (a) the Amalgamation and the Transaction shall have been approved at the iVirtual Meeting in accordance with the provisions and requirements of the OBCA, all applicable laws, rules, regulations and policies, and all other governmental and regulatory orders and decrees;
- (b) there shall not be in force any order or decree restraining or enjoining the consummation of the Transaction or the Amalgamation; and
- (c) receipt of all necessary regulatory requirements and approvals.

### **3.4 Conditions to Obligations of iVirtual**

The obligation of iVirtual to consummate the Amalgamation and the Transaction is subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by iVirtual without prejudice to its right to rely on any other or others of them:

- (a) completion of the 118 Private Placement;
- (b) the delivery by 118 to iVirtual of audited financial statements of 118 for the financial years ended Dec 31, 2020 and Dec 31, 2019 and the unaudited interim financial statements of 118 for the period ended March 31, 2021;
- (c) each of the acts and undertakings of 118 and Subco to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it;

- (d) 118 shall have complied with its covenants contained in Article 3 hereof and, except as affected by the transactions contemplated by this Agreement, the representations and warranties of 118 contained in Section 2.2 shall be true in all material respects as of the Effective Date with the same effect as though made at and as of such time, other than in respect of representations and warranties qualified by materiality which representations and warranties shall be true and correct and iVirtual shall have received a certificate of a senior officer of 118 to that effect, dated as of the Effective Date;
- (e) receipt of all required third party and regulatory approvals by 118 required to complete the Transaction;
- (f) the 118 Shares that are issued as consideration for the iVirtual Shares pursuant to the Exchange Ratio shall be issued as fully paid and non-assessable common shares in the capital of 118, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature;
- (g) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of 118, financial or otherwise, between the date hereof and the Effective Date;
- (h) at the Effective Date, 118 shall have current and other assets, net of liabilities, of not less than \$700,000;
- (i) iVirtual shall be satisfied, acting reasonably, and at its sole discretion, with its due diligence investigations of 118;
- (j) there being no legal proceeding or regulatory actions or proceedings against 118, on a consolidated basis, at the Effective Date which may, if determined against the interest of 118, have a material adverse effect on 118 or its business, assets or financial condition;
- (k) there being no prohibition at law against the completion of the Transaction; and
- (l) there being no inquiry or investigation (whether formal or informal) in relation to 118 or its directors or officers, commenced or threatened by any Governmental Entity or any securities regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on 118 or its business, assets or financial condition.

### **3.5 Conditions to Obligations of 118**

The obligation of 118 to consummate, and to cause Subco to consummate, the Amalgamation and the Transaction is subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by 118 without prejudice to its right to rely on any other or others of them:

- (a) each of the acts and undertakings of iVirtual to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it;
- (b) the delivery by iVirtual to 118 of audited financial statements of iVirtual for the financial years ended Dec 31, 2020 and Dec 31, 2019 and the unaudited interim financial statements of iVirtual for the period ended March 31, 2021;
- (c) approval by the iVirtual Board of the Amalgamation and the Transaction;
- (d) iVirtual shall have complied with its covenants contained in Article 3 hereof and, except as affected by the transactions contemplated by this Agreement or referred to or contemplated in the iVirtual Notice of Meeting, the representations and warranties of iVirtual contained in Section 2.1 shall be true in all material respects as of the Effective Date, other than in respect of representations and warranties qualified by materiality which representations and warranties shall be true and correct, with the same effect as though made at and as of such time and 118 shall have received a certificate of a senior officer of iVirtual to that effect, dated as of the Effective Date;
- (e) all iVirtual Options shall be cancelled and holders shall receive 118 Options in accordance with the Exchange Ratio;
- (f) 118 shall be satisfied, acting reasonably, and at its sole discretion, with its due diligence investigations of iVirtual;
- (g) receipt of all required third party and regulatory approvals by iVirtual, including, without limitation the approval of iVirtual's shareholders for any relevant matters;
- (h) the aggregate number of iVirtual Shares held, directly or indirectly, by those holders of such shares who have validly exercised Dissent Rights and not withdrawn such exercise in connection with the Transaction (or instituted proceedings to exercise Dissent Rights) shall not exceed 5% of the aggregate number of iVirtual Shares issued and outstanding immediately prior to the Effective Date;
- (i) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of iVirtual, financial or otherwise, between the date hereof and the Effective Date;
- (j) there being no legal proceeding or regulatory actions or proceedings against iVirtual, on a consolidated basis, at the Effective Date which may, if determined against the interest of iVirtual, have a material adverse effect on iVirtual or its business, assets or financial condition;
- (k) there being no prohibition at law against the completion of the Transaction; and

- (1) there being no inquiry or investigation (whether formal or informal) in relation to iVirtual or its directors or officers commenced or threatened by any Governmental Entity or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on iVirtual or its business, assets or financial condition.

### **3.6 Satisfaction of Conditions**

The conditions set out in this Article 3 shall be conclusively deemed to have been satisfied, waived or released on the filing of the Articles of Amalgamation under the OBCA.

### **3.7 Share Certificates of the Amalgamated Corporation**

After the filing of the Articles of the Amalgamation and the issuance of a Certificate of Amalgamation therefor, 118 shall be entitled to receive share certificate(s) representing the number of Common Shares which is equal to the number of 118 Shares issuable to the former holders of iVirtual Shares.

### **3.8 Surrender of Share Certificates**

At any time after the Effective Date, a holder of iVirtual Shares may surrender to 118 the certificates representing such iVirtual Shares and, subject to the provisions of the OBCA and this Agreement, such shareholder, in return therefor, shall be entitled to receive certificates evidencing 118 Shares on the basis set out in the Amalgamation Agreement.

## **ARTICLE 4 NO SOLICITATION**

### **4.1 No Solicitation**

During the period commencing on the date hereof and continuing until the first to occur of: (i) the Effective Date; and (ii) the Termination Date, each of 118 and iVirtual agree not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Transaction and, without limiting the generality of the foregoing, each of 118 and iVirtual and any person acting on its behalf shall not, directly or indirectly, alone or in concert with others, enter into or pursue any discussions with, provide information to, conduct negotiations with or solicit, encourage, accept or approve any bids from, any person (other than the parties to this Agreement) relating to the direct or indirect sale or transfer of any interest in the shares, assets, or business of each party, induce or attempt to induce any other person to initiate any shareholder proposal, acquisition of any of the assets, or any other form of transaction inconsistent with completion of the Amalgamation, accept or approve an investment in it except as contemplated in this Agreement and, without limiting the generality of the foregoing, take actions of any kind which may reduce the likelihood of success of the Amalgamation, and each party agrees to promptly advise the other party of the receipt of any unsolicited proposals or offers.

## 4.2 Termination

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

- (a) by the mutual written consent of the Companies;
- (b) by 118, if any condition in Section 3.5 is not satisfied or waived in accordance with such section, provided that any material breach of a representation or warranty made by iVirtual cannot be cured by the Completion Deadline;
- (c) by iVirtual, if any condition in Section 3.4 is not satisfied or waived in accordance with such section, provided that any material breach of a representation or warranty made by 118 cannot be cured by the Completion Deadline;
- (d) by 118 or by iVirtual, if any of the conditions in Section 3.3 for the benefit of the terminating party is not satisfied or waived in accordance with such Section 3.3 by the Completion Deadline;
- (e) by 118 if there is a material breach of the covenants of iVirtual contained herein on or before the Effective Date, which breach cannot be cured by the Completion Deadline; and
- (f) by iVirtual if there is a material breach of the covenants of 118 contained herein on or before the Effective Date, which breach cannot be cured by the Completion Deadline.

provided that any termination by a party in accordance with the sections above shall be made by such party delivering written notice thereof to the other parties prior to the earlier of the Effective Date and the Completion Deadline and specifying therein in reasonable detail the matter or matters giving rise to such termination right. The date upon which this agreement is terminated pursuant to this Section 4.2 is referred to herein as the “**Termination Date**”.

## ARTICLE 5 AMENDMENT

### 5.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the iVirtual Meeting, be amended by written agreement of the Companies without further notice to or authorization on the part of the holders of iVirtual Shares (provided that such amendment does not materially adversely change the consideration to be received by the holders of iVirtual Shares) without the prior approval of such holders in the same manner as required for the Amalgamation and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Companies;



- (b) waive any inaccuracies in, or modify, any representation contained herein or in any document delivered pursuant hereto;
- (c) cure any ambiguity in or correct or supplement any provision hereof;
- (d) to the extent permitted by law and the applicable regulatory authorities, waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Companies; and/or
- (e) amend this Agreement in accordance with or to comply with the directions or requirements of any regulatory authority.

## **ARTICLE 6 GENERAL**

### **6.1 Binding Effect**

This Agreement shall be binding upon and enure to the benefit of the Companies and their respective successors and permitted assigns.

### **6.2 Expenses**

Whether or not the Amalgamation becomes effective and, except as hereinafter provided, each of iVirtual and 118 shall pay its own expenses in connection with the preparation and execution of this Agreement and the transactions contemplated hereby or incidental hereto.

### **6.3 Assignment**

No party may assign its rights or obligations under this Agreement without the prior written consent of each of the other Companies.

### **6.4 Announcements**

Each of the parties shall cooperate with the others in releasing information concerning this Agreement and the Amalgamation and shall furnish to the others drafts of all releases prior to publication; provided, however, that nothing contained herein shall prevent any party at any time from furnishing any information to any Governmental Entity or as otherwise required by law.

### **6.5 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by either party shall be in writing and shall be personally delivered to the addressee or sent by electronic mail to the addressee and: (i) a notice which is personally delivered shall, if delivered on a business day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first business day following the day on which it is delivered; and (ii) a notice which is sent by electronic mail shall be deemed to be given

and received on the first business day following the day on which it is confirmed to have been sent.

(a) if to iVirtual:

35 Baby Point Crescent, Toronto, ON, M6S 2B7

Attention: Sherif Khair  
Email: sherif@iVirtual.ca

And to:

Norton Rose Fulbright Canada LLP  
222 Bay Street, Suite 3000,  
P.O. Box 53, Toronto ON M5K 1E7 Canada

Attention: Anthony de Fazekas  
Email: [anthony.defazekas@nortonrosefulbright.com](mailto:anthony.defazekas@nortonrosefulbright.com)

(b) if to 118 or Subco:

401 Bay Stree, Suite 2702, Toronto, ON, M5H 2Y4

Attention: Michael Kraemer  
Email: mkraemer@venexcapital.com

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

CC Corporate Counsel Professional Corporation  
20 Great Gulf Drive, Suite 218  
Vaughan, Ontario, L4K 0K7

Attention: Michael Bluestein  
Email: mbluestein@corpcounsel.ca

## **6.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the Federal laws of Canada applicable therein.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

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

**IVIRTUAL TECHNOLOGIES INC.**

Per: \_\_\_\_\_

*Authorized Signatory*

**1183099 B.C. LTD.**

Per: \_\_\_\_\_

*Authorized Signatory*

**(TBD) ONTARIO INC.**

Per: \_\_\_\_\_

*Authorized Signatory*

## SCHEDULE "A"

### FORM OF AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** made as of the 16<sup>th</sup> day of July, 2021.

BETWEEN:

**1183099 B.C. LTD.**, a company existing under the laws of the Province of British Columbia,

(hereinafter referred to as "**118**")

- and -

**IVIRTUAL TECHNOLOGIES INC.**, a company existing under the laws of the Province of Ontario,

(hereinafter referred to as "**iVirtual**")

- and -

**● ONTARIO INC.**, a company existing under the laws of the Province of Ontario,

(hereinafter referred to as "**Subco**")

**WHEREAS** iVirtual and Subco, which is a wholly-owned subsidiary of 118, have agreed to amalgamate pursuant to Section 174 of the Act upon the terms and conditions hereinafter described and for such purpose 118 has agreed to issue such number of 118 Shares as hereinafter provided;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

#### ARTICLE 1 INTERPRETATION

##### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the meanings hereinafter set forth:

"**Act**" means the *Business Corporations Act* (Ontario), together with the regulations thereunder, as the same may be amended from time to time.

"**Agreement**", "**this Agreement**", "**hereof**", "**herein**" and "**hereunder**" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

**“Amalgamated Corporation”** means the continuing corporation constituted upon the Amalgamation becoming effective.

**“Amalgamating Corporations”** means iVirtual and Subco.

**“Amalgamation”** means the amalgamation of the Amalgamating Corporations under the provisions of the Act as contemplated in this Agreement.

**“Articles of Amalgamation”** means the Articles of Amalgamation with respect to the Amalgamation.

**“Common Shares”** means the common shares in the capital of the Amalgamated Corporation.

**“Dissent Rights”** means the rights of dissent exercisable by shareholders in respect of the Amalgamation pursuant to Section 185 of the Act.

**“Dissenting Shareholder”** means a registered iVirtual shareholder who, in connection with the special resolution of the iVirtual shareholders which approves and adopts this Agreement, has exercised the right to dissent pursuant to Section 185 of the Act in strict compliance with the provisions thereof and thereby becomes entitled to receive, if the Amalgamation is completed, the fair value of his or her iVirtual Shares as determined by a court.

**“Effective Date”** means the date shown on the Certificate of Amalgamation endorsed by the Director under the Act giving effect to the Amalgamation.

**“Exchange Ratio”** means the predetermined ratio applied on a future date to be determined by the Board of Directors of the Amalgamated Corporation, resulting in the iVirtual shareholders receiving 1 fully paid and non-assessable 118 Share for each iVirtual Share held.

**“iVirtual Shares”** means the common shares in the capital of iVirtual as constituted on the Effective Date.

**“Subco Share”** means the common share in the capital of Subco.

**“118 Shares”** means the common shares in the capital of 118 as constituted on the Effective Date.

**“Transfer Agent”** means Integral Transfer Agency Inc.

**“Transaction”** means the “three cornered” amalgamation between 118 and the Amalgamating Corporations pursuant to which 118 will acquire all of the issued and outstanding iVirtual Shares not already owned by 118, if any.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.3 Number, etc.**

Unless the context requires the contrary, words importing the singular only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

### **1.4 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a business day in the place where 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.

## **ARTICLE 2 THE AMALGAMATION**

### **2.1 The Amalgamation**

The parties agree to effect the combination of their respective businesses and assets by way of a “three-cornered” amalgamation among 118 and the Amalgamating Corporations pursuant to which the Amalgamating Corporations will amalgamate and the former holders of iVirtual Shares, other than 118 and Dissenting Shareholders, will receive 118 Shares.

### **2.2 Terms and Effect of Amalgamation**

The Amalgamating Corporations hereby agree to amalgamate pursuant to the provisions of Section 174 of the Act and to continue as one corporation on the terms and conditions herein set forth. In this regard, each of 118, iVirtual and Subco shall take all steps as are necessary or desirable for the implementation of the Amalgamation and the filing of the Articles of Amalgamation under the Act. Upon the Articles of Amalgamation becoming effective:

- (a) the Amalgamating Corporations shall be amalgamated and shall continue as one corporation under the terms and conditions prescribed in this Agreement;
- (b) the Amalgamating Corporations shall cease to exist as entities separate from the Amalgamated Corporation;
- (c) the Amalgamated Corporation shall possess all the property, rights, privileges and franchises and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Corporations;
- (d) a conviction against, or a ruling, order or judgment in favour of or against an Amalgamating Corporation may be enforced by or against the Amalgamated Corporation;
- (e) the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of the Amalgamated Corporation and, except for purposes of Subsection 117(1) of

the Act, the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of the Amalgamated Corporation; and

- (f) the Amalgamated Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamated Corporation before the Amalgamation has become effective.

### **ARTICLE 3 AMALGAMATED CORPORATION**

#### **3.1 Name**

The name of the Amalgamated Corporation shall be “iVirtual Group Inc.”, or such other name as 118 may determine.

#### **3.2 Business of the Amalgamated Corporation**

There shall be no restriction or limit on the business which the Amalgamated Corporation is authorized to carry on or the powers it may exercise.

#### **3.3 Registered Office**

The registered office of the Amalgamated Corporation shall be located at 35 Baby Point Crescent, Toronto, Ontario M6S 2B7.

#### **3.4 Authorized Capital**

The authorized capital of the Amalgamated Corporation shall consist of an unlimited number of shares designated as “Common Shares”.

#### **3.5 Rights, Privileges, Restrictions and Conditions Attaching to the Common Shares**

The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

- (a) Each holder of the Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Amalgamated Corporation, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Common Share held by such holder.
- (b) The holders of Common Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the Common Shares, to receive dividends if and when declared by the board of directors of the Amalgamated Corporation.
- (c) In the event of any liquidation, dissolution or winding-up of the Amalgamated Corporation or other distribution of the assets of the Amalgamated Corporation



among its shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the Common Shares, to receive the remaining property or assets of the Amalgamated Corporation.

### 3.6 Directors

- (a) **Number of Directors.** The number of directors of the Amalgamated Corporation shall, until otherwise changed in accordance with the Act, consist of a minimum of one (1) and a maximum of ten (10) directors. The number of directors shall initially be fixed at five (5). The board of directors of the Amalgamated Corporation shall be empowered to determine, from time to time, by resolution the number of directors within the minimum and maximum provided in the Articles of Amalgamation.
- (b) **First Directors.** The first directors of the Amalgamated Corporation, who shall hold office until the first annual meeting of the shareholders of the Amalgamated Corporation or until his successor is duly elected or appointed, shall be the persons whose names appear below:

Name	Resident Canadian
Sherif Khair	
Christopher Godsall	●
Carol Chong	●
Michael Kraemer	●
Bob Leshchyshen	●

### 3.7 Officers

The officers of the Amalgamated Corporation shall, until changed by the directors of the Amalgamated Corporation, be as follows and shall be determined on a date that is prior to June 30, 2021:

Name	Office
Christopher Godsall	President
Sherif Khair	Chief Executive Officer
Raj Kailasanathan	Chief Financial Officer

### **3.8 Articles**

The Articles of Amalgamation shall be the articles of amalgamation of the Amalgamated Corporation.

### **3.9 By-laws**

The by-laws of the Amalgamated Corporation shall be the by-laws of Subco, until repealed, amended or altered and a copy of such by-laws may be examined at the offices of iVirtual at 35 Baby Point Crescent, Toronto, Ontario M6S 2B7.

### **3.10 Auditors**

The auditors of the Amalgamated Corporation, until the first annual meeting of shareholders, shall be Clearhouse LLP, unless they resign or are removed in accordance with the Act.

### **3.11 Financial Year-End**

The financial year-end of the Amalgamated Corporation shall be December 31, until changed by the directors of the Amalgamated Corporation.

### **3.12 Stated Capital**

The stated capital of the Common Shares shall be equal to the aggregate stated capital of each of iVirtual and Subco immediately prior to the Effective Date.

## **ARTICLE 4**

### **ISSUANCE OF 118 SHARES AND COMMON SHARES UPON THE AMALGAMATION**

#### **4.1 Exchange of iVirtual Shares and iVirtual Options**

Upon the consummation of the Amalgamation, each iVirtual Share issued and outstanding immediately prior to the Effective Date shall be dealt with as follows:

- (a) the issued and outstanding iVirtual Shares, other than those held by 118, if any and Dissenting Shareholders, shall be exchanged for fully-paid and non-assessable 118 Shares on the basis of 118 Share for one iVirtual Share; and
- (b) iVirtual Shares held by 118, if any, shall be cancelled without any repayment therefor.

No fractional 118 Shares shall be issued upon the exchange of iVirtual Shares. Any exchange or conversion that results in less than a whole number of securities shall be rounded down to the next whole number.

#### **4.2 Issuance of Common Shares**

Upon the consummation of the Amalgamation:

-A 6-

- (a) each issued and outstanding Subco Share shall be cancelled without further consideration and 118's name shall be removed from the register of holders of the Subco Shares as of the Effective Date; and
- (b) the one issued and outstanding Subco Share shall be converted into one Common Share in the Amalgamated Corporation.

#### **4.3 Issuance of Certificates Representing 118 Shares**

At or promptly after the Effective Date, 118 shall deposit with the Transfer Agent, for the benefit of the holders of iVirtual Shares who will receive 118 Shares in connection with the Transaction, certificates representing the maximum number of 118 Shares that are issuable in connection with the Amalgamation. Upon surrender to the Transfer Agent of a certificate which immediately prior to or upon the Effective Date represented iVirtual Shares in respect of which the holder is entitled to receive 118 Shares in connection with the Amalgamation, together with a duly completed letter of transmittal and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and after the Effective Date the Transfer Agent shall deliver to such holder, a certificate representing that number (rounded down to the nearest whole number) of 118 Shares which such holder has the right to receive. In the event of a transfer of ownership of iVirtual Shares that was not registered in the securities register of iVirtual, a certificate representing the proper number of 118 Shares may be issued to the transferee if the certificate representing such iVirtual Shares is presented to the Transfer Agent as provided above, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.3, each certificate which immediately prior to or upon the Effective Date represented one or more iVirtual Shares shall be deemed at all time after the Effective Date to represent only the right to receive upon such surrender a certificate representing that number (rounded down to the nearest whole number) of 118 Shares which such holder has the right to receive.

#### **4.4 Lost Certificates**

In the event any certificate which immediately prior to the Effective Date represented one or more outstanding iVirtual Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder of iVirtual Shares claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more 118Shares pursuant to Section 4.3 hereof in each case deliverable in accordance with the Amalgamation. The holder to whom certificates representing 118 Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to 118, iVirtual and the Transfer Agent in such sum as 118 or iVirtual may direct or otherwise indemnify 118 or iVirtual in a manner satisfactory to 118 or iVirtual against any claim that may be made against 118 or iVirtual with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **4.5 Extinguishment of Rights**

Any certificate which immediately prior to the Effective Date represented outstanding iVirtual Shares that has not been deposited with all other instruments required by Section 4.3 hereof on or prior to the earlier of the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a holder of 118 Shares. On such date, the 118 Shares (and any dividends or distributions with respect thereto) to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to 118, together with all entitlements to dividends, distributions and interest in respect thereof held for such former holder. None of 118, iVirtual or the Transfer Agent shall be liable to any person in respect of 118 Shares (or dividends and/or distributions thereon) delivered to a public official pursuant to and in compliance with any applicable abandoned property, escheat or similar law.

#### **4.6 Withholding Rights**

118, iVirtual and the Transfer Agent shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of 118 Shares or iVirtual Shares such amounts as 118, iVirtual or the Transfer Agent is required to deduct and withhold with respect to such payment under any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the iVirtual Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxation authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the consideration otherwise payable to the holder, 118, iVirtual and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to 118, iVirtual or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and 118, iVirtual or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

#### **4.7 Termination of Depositary**

Any 118 Shares that remain undistributed by the Transfer Agent to former holder of iVirtual Shares, 36 months after the Effective Date shall be delivered to 118, upon demand thereof, and holders of certificates previously representing iVirtual Shares who have not theretofore complied with Section 4.3 hereof shall thereafter look only to 118 for payment of any claim to 118 Shares or dividends or distributions, if any, in respect thereof.

### **ARTICLE 5 DISSENT RIGHTS**

#### **5.1 Right of Dissent**

Holders of iVirtual Shares may exercise rights of dissent (the “**Dissent Rights**”) in connection with the Amalgamation with respect to their iVirtual Shares pursuant to and in the manner set forth

in Section 185 of the Act. Holders of iVirtual Shares who duly exercise Dissent Rights and who are ultimately entitled to be paid fair value for their iVirtual Shares by the Amalgamated Corporation (as successor corporation to iVirtual following the Amalgamation) shall be deemed to have irrevocably transferred their iVirtual Shares to iVirtual and cancelled immediately prior to the Amalgamation. 118 will not exercise Dissent Rights in respect of any of the iVirtual Shares held by 118, if any.

## **5.2 Recognition of Dissenting Shareholders**

Neither 118, iVirtual, Subco nor any other person shall be required to recognize a Dissenting Shareholder as a registered or beneficial owner of iVirtual Shares at or after the Effective Date, and at the Effective Date the names of such Dissenting Shareholders shall be deleted from the register of holders of iVirtual Shares maintained by or on behalf of iVirtual.

## **ARTICLE 6 ARTICLES OF AMALGAMATION**

### **6.1 Articles of Amalgamation**

The Amalgamating Corporations shall jointly file under the Act, Articles of Amalgamation and such other documents as may be required by the Act to give effect to the Amalgamation.

### **6.2 Modification or Amendment**

The Amalgamating Corporations and 118 and each of them may, by resolution of their respective boards of directors, assent to any modification of this Agreement which their respective shareholders, directors or any regulatory authority may require, and this Agreement shall be deemed to include such modifications.

## **ARTICLE 7 GENERAL**

### **7.1 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

### **7.2 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound. No waiver of any provision of this

Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **7.3 Severability**

The invalidity of any provision of this Agreement on the part of any party shall not affect the validity of any other provision hereof. If any provisions of this Agreement are declared illegal or unenforceable, this Agreement shall continue to be enforceable excluding the provision or provisions declared to be illegal or unenforceable.

### **7.4 Counterparts**

This Agreement may be executed in several counterparts each of which when executed shall be deemed to be an original, and such counterparts shall each constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the day and year first above written.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto.

**IVIRTUAL TECHNOLOGIES INC.**

Per: \_\_\_\_\_  
*Authorized Signatory*

**1183099 B.C. LTD.**

Per: \_\_\_\_\_  
*Authorized Signatory*

● **ONTARIO INC.**

Per: \_\_\_\_\_  
*Authorized Signatory*



**SCHEDULE "B"**

**IVIRTUAL- CONVERTIBLE SECURITIES OUTSTANDING**

**Not Applicable**

**SCHEDULE "C"**  
**RELEVANT SECURITIES**

**Not Applicable**