

AMALGAMATION AGREEMENT

AMONG:

ASHER RESOURCES CORPORATION

AND:

2500527 ONTARIO LTD.

AND:

DRONE DELIVERY CANADA INC.

DATED: JANUARY 19, 2016

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AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is dated as of the 19th day of January, 2016.

AMONG:

ASHER RESOURCES CORPORATION, a corporation existing under the laws of the Province of British Columbia

(“**Asher**”)

AND:

2500527 ONTARIO LTD., a corporation existing under the laws of the Province of Ontario

(“**MergerSub**”)

AND:

DRONE DELIVERY CANADA INC., a corporation existing under the laws of the Province of Ontario

(“**Target**”)

WHEREAS it is intended that Target and MergerSub, a wholly-owned subsidiary of Asher, will amalgamate and form one corporation under the provisions of the OBCA (as herein defined) (the “**Amalgamation**”);

AND WHEREAS upon the Amalgamation taking effect, securityholders of Target will receive securities of Asher in the proportion and to the extent set out herein.

NOW THEREFORE, 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 (as hereinafter defined) hereto do hereby covenant and agree as follows:

PART 1 **INTERPRETATION**

Definitions

1.1 In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**” means this amalgamation agreement (including the schedules and exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;
- (b) “**Amalco**” means the corporation continuing from the Amalgamation;
- (c) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (d) “**Amalgamation**” means the amalgamation of MergerSub and Target under the provisions of the OBCA on the terms and conditions set forth in this Agreement;
- (e) “**Amalgamation Application**” means the amalgamation application as contemplated by the OBCA in respect of the Amalgamation and in substantially the form as agreed to by the Parties;
- (f) “**Amalgamation Resolution**” means the special resolution in respect of the Amalgamation to be considered by the Target Shareholders and Asher as the holder of all of the issued and outstanding MergerSub Shares;
- (g) “**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (h) “**Applicable Exchange**” means the CSE or the TSXV, as applicable;
- (i) “**Applicable Laws**”, in the context that refers to one or more Persons, means any domestic or foreign federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their 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;
- (j) “**Articles**” means the articles of amalgamation of MergerSub and Target in respect of the Amalgamation in substantially the form as agreed upon by the Parties, and having the provisions set out in Part 2 of this Agreement, to be filed with the Director under the OBCA;
- (k) “**Asher**” means Asher Resources Corporation;
- (l) “**Asher Financial Statements**” means the unaudited financial statements of Asher for the nine month period ended September 30, 2015 and the audited

financial statements of Asher for the fiscal year ended December 31, 2014, copies of which have been filed by Asher on SEDAR;

- (m) “**Asher Meeting**” means the annual general and special meeting of the Asher Shareholders to be held to approve, amongst other matters, the Consolidation, the Name Change, the Change of Business and the Delisting;
- (n) “**Asher Options**” means stock options to acquire Asher Shares;
- (o) “**Asher Post-Consolidation Shares**” means the common shares in the capital of Asher as constituted immediately following the Consolidation or, as the context requires, as constituted immediately following the completion of the transactions contemplated herein;
- (p) “**Asher Shareholder**” means a registered holder of Asher Shares at the applicable time;
- (q) “**Asher Shares**” means the common shares in the capital of Asher as constituted prior to giving effect to the Consolidation;
- (r) “**Asher US**” means Asher Resources US Inc., a wholly-owned subsidiary of Asher.
- (s) “**Asher Warrants**” means unexercised warrants to acquire Asher Shares;
- (t) “**Assets**” means all of the property (whether real or personal, tangible or intangible), rights, interests, entitlements and undertaking of Target, including without limitation:
 - (1) the Books and Records;
 - (2) all related Permits and approvals from Governmental Authorities;
 - (3) all other assets recorded or reflected on the Target Balance Sheet;
 - (4) all Material Contracts of, or arising from, the Business to which Target is a party, under which Target may have any rights or by which Target or the Business may be bound, and all bids, quotations and proposals therefore; and
 - (5) all related information relating to the Business, Target or the Assets in any form;
- (u) “**Books and Records**” means all technical, financial, accounting, business, tax and employee information, records and files, in any form whatsoever (including written, printed or electronic form) of Target, including the Target Balance Sheet, regulatory filings and returns, books of account and related original source documentation, corporate records, actuarial, tax and accounting information,

reports, files, lists, drawings, plans, logs, briefs, computer program documentation, employee data and records, deeds, certificates, contracts, records of payment, asset documentation, written employment manuals and employment policies;

- (v) “**Business**” means the business and activities carried on by Target as of the date hereof, including the ownership of the Assets and the business of drone delivery services and related technology;
- (w) “**Business Day**” means a day other than a Saturday, Sunday or other day when banks in the City of Toronto, Ontario are not generally open for business;
- (x) “**Certificate of Amalgamation**” means the certificate of amalgamation issued by the Director in respect of the Amalgamation;
- (y) “**Change of Business**” means the series of transactions, as detailed in this Agreement, through which the businesses of Asher and Target will be combined, including the Amalgamation;
- (z) “**Circular**” means the management information circular of Asher to be prepared in connection with the Asher Meeting, in such form as may be agreed upon by Asher and Target in accordance with Applicable Laws and the rules of the Applicable Exchange;
- (aa) “**Consolidation**” means the consolidation of the Asher Shares on the basis of one (1) “new” Asher Post-Consolidation Share for every four (4) “old” Asher Shares, as approved by the shareholders of Asher;
- (bb) “**Constating Documents**” means, as to each of the Parties, its certificate of incorporation, notice of articles, articles and bylaws, as applicable, as in effect as of the date of this Agreement;
- (cc) “**Corporate Records**” means the corporate records of Target including its Constating Documents, share registers, registers of directors, list of bank accounts and signing authorities and minutes of shareholders’ and directors’ meetings;
- (dd) “**CSE**” means the Canadian Securities Exchange;
- (ee) “**Debt Settlement**” means the settlement of all liabilities of Asher on or prior to the completion of the Consolidation pursuant to debt settlement agreements with certain creditors of Asher, pursuant to which Asher will settle \$185,000 owing through the issuance of an aggregate of 12,333,334 Asher Shares (on a pre-Consolidation basis) at a deemed price of \$0.015 per Asher Share;
- (ff) “**Delisting**” means the voluntary delisting of Asher from the TSXV prior to or concurrent with the completion of the Amalgamation;

- (gg) “**Director**” means the director for the Province of Ontario duly appointed under Section 278 of the OBCA;
- (hh) “**Dissenting Shareholder**” means a registered holder of Target Shares who validly exercises the right of dissent available to such holder under Section 185 of the OBCA in respect of the Amalgamation Resolution;
- (ii) “**Dissenting Target Shares**” means the Target Shares held by Dissenting Shareholders;
- (jj) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (kk) “**Effective Time**” means the effective time of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (ll) “**Encumbrances**” means any encumbrance of any kind whatsoever and includes any pledge, lien, charge, security interest, lease, title retention agreement, mortgage, hypothec, restriction, royalty, right of first refusal, development or similar agreement, option or adverse claim and any right or privilege capable of becoming any of the foregoing;
- (mm) “**Exchange Ratio**” means one (1) Asher Post-Consolidation Share to be issued for every one (1) Target Share issued and outstanding as of the Effective Date;
- (nn) “**Governmental Authority**” means any federal, state, provincial or municipal government, regulatory authority, governmental department, ministry, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal, stock exchange, dispute settlement panel or body or other law, rule or regulation-making entity having jurisdiction;
- (oo) “**IFRS**” means International Financial Reporting Standards applicable as of the date of the financial statements, document or event in question;
- (pp) “**Listing Statement**” means the listing statement to be filed by Asher in respect of the Listing Transaction on the CSE;
- (qq) “**Listing Transaction**” means the proposed listing of the Asher Post-Consolidation Shares on the CSE;
- (rr) “**LOI**” means the letter of intent dated December 17, 2015, between Asher and Target;
- (ss) “**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if

applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Parties prior to the date of this Agreement; (ii) any action or inaction taken by such Party to which the other Parties had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this Agreement; (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions in the United States, Canada or worldwide, or (v) in respect of Target, conditions affecting the drone delivery services industry as a whole.

- (tt) “**Material Change**” and “**Material Fact**” have the meanings ascribed thereto under the Applicable Canadian Securities Laws;
- (uu) “**Material Contract**” means those contracts, agreements, understandings or arrangements entered into by Target which have individual payment obligations on the part of Target that exceed \$50,000, or are for a term extending one year after the Effective Time or have been entered into out of the ordinary course of business;
- (vv) “**MergerSub**” means 2500527 Ontario Ltd., a wholly-owned subsidiary of Asher;
- (ww) “**MergerSub Shares**” means common shares in the capital of MergerSub;
- (xx) “**Name Change**” means the change of the name of Asher to “Drone Delivery Canada Corp.” or such other name as may be acceptable to the Parties and the applicable regulatory authorities;
- (yy) “**OBCA**” means the *Business Corporations Act* (Ontario), as amended, including the regulations promulgated thereunder;
- (zz) “**Outside Date**” means May 31, 2016;
- (aaa) “**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them;
- (bbb) “**Permit**” means any and all permits, licences, agreements, concessions, approvals, certificates, consents, certificates of approval, rights, privileges or franchises, registrations (including any required export/import approvals) and exemptions of any nature and other authorizations, conferred or otherwise granted by any Governmental Authority and used in the conduct of the Business as currently being conducted or related to any Asset;
- (ccc) “**Person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any government;

- (ddd) “**Public Record**” means all information filed by Asher with any securities commission or similar regulatory authority which are available through the SEDAR website as of the date hereof;
- (eee) “**Securities Act**” means the *Securities Act* (Ontario), as amended, including the regulations promulgated thereunder;
- (fff) “**subsidiary**” has the meaning ascribed thereto in the Securities Act;
- (ggg) “**Target**” means Drone Delivery Canada Inc.;
- (hhh) “**Target Balance Sheet**” means the unaudited balance sheet of Target as at December 31, 2015;
- (iii) “**Target Shareholders**” means the holders of Target Shares;
- (jjj) “**Target Shares**” means common shares in the capital of Target;
- (kkk) “**Target Warrants**” means unexercised warrants to acquire Target Shares;
- (lll) “**Transfer Agent**” means Computershare Investor Services Inc., the transfer agent for the Asher Shares; and
- (mmm) “**TSXV**” means the TSX Venture Exchange.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereto”, “herein” and “hereunder” and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
- (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (c) the word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is

required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place;

- (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
- (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada;
- (g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;
- (h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);
- (i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry; and
- (j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

PART 2

THE AMALGAMATION

Agreement to Amalgamate

2.1 Asher, MergerSub and Target agree that MergerSub and Target shall amalgamate pursuant to the provisions of the OBCA as of the Effective Date and continue as one corporation on the terms and conditions set out in this Agreement. Each of Asher and Target acknowledge and agree that: (i) the Amalgamation and the matters related thereto as contemplated hereby are subject to: (a) the receipt of all regulatory approvals, including without limitation the requisite approval of the Applicable Exchange; and (b) the receipt of all applicable approvals of the

Amalgamation by the shareholders of each of Target and MergerSub, all in accordance with Applicable Law and the requisite regulations of the Applicable Exchange; and (ii) in connection with the Amalgamation and the transactions contemplated herein, certain Asher Post-Consolidation Shares, including those issued in exchange for issued and outstanding Target Shares, may be subject to escrow if required by the CSE and Applicable Canadian Securities Laws. In furtherance of the foregoing, subject to the terms and conditions herein set forth and on the basis of the covenants, representations, warranties and agreements of the Parties herein contained, each of Asher, Target and MergerSub covenant and agree to:

- (a) co-operate with each other in the preparation and submission of the Circular and the Listing Statement, and in connection therewith provide the other Parties with such information and material concerning its affairs as such other Parties shall reasonably request;
- (b) use all commercially reasonable efforts and do all things necessary or reasonably desirable on its part to facilitate the implementation of the Amalgamation and all related matters in connection therewith as set forth in the Circular by the Outside Date, including, without limiting the generality of the foregoing, applying for, obtaining and/or effecting as applicable: (i) the requisite approval of the TSXV for the Delisting; (ii) the requisite approval of the CSE for the Amalgamation and the transactions contemplated herein including the listing thereon of the Asher Post-Consolidation Shares to be issued in connection with the Amalgamation and the transactions contemplated herein; (iii) causing all applicable securityholders to enter into the requisite escrow agreements required by the CSE and Applicable Canadian Securities Laws in connection with item (ii) above; and (iv) such other consents, orders or approvals as counsel to Asher, Target and MergerSub, as applicable, may advise are necessary or desirable to be obtained for the implementation of the Delisting, the Amalgamation, the Change of Business and the Listing Transaction, and preparing and delivering all necessary documents in connection therewith;
- (c) use all commercially reasonable efforts to obtain all applicable shareholder and regulatory approvals (including, without limitation, the requisite approval of the Applicable Exchange) in connection with: (i) each of the matters to be approved at the Asher Meeting and the subsequent filing of the articles of amendment of Asher under the *Business Corporations Act* (British Columbia); and (ii) the filing of the Articles in connection with the completion of the Amalgamation to give effect thereto; and
- (d) take and cause to be taken such other steps and actions and execute such other documents, agreements and instruments as may be reasonably necessary or desirable in connection with the consummation of the transactions contemplated hereby.

Effect of Amalgamation

2.2 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

- (a) Target and MergerSub shall be amalgamated and continue as one corporation;
- (b) each of Target and MergerSub shall cease to exist as entities separate from Amalco;
- (c) the property of each of MergerSub and Target shall continue to be the property of Amalco;
- (d) Amalco shall continue to be liable for the obligations of each of MergerSub and Target; and
- (e) the Articles shall be deemed to be the articles of incorporation of Amalco and, except for the purposes of subsection 117(1) of the OBCA, the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.

Name

2.3 The name of Amalco shall be “Drone Delivery Canada Inc.”, or such other name as determined by Target.

Registered Office

2.4 The registered office of Amalco shall be 6175 Highway 7, Woodbridge, Ontario L4H 0P6.

Authorized Capital and Restrictions on Share Transfers

2.5 The authorized capital of Amalco shall consist of an unlimited number of Amalco Shares without par value and an unlimited number of special shares, issuable in series, which shall have the rights, privileges, restrictions and conditions set out in the Articles.

No Amalco Shares may be transferred except in compliance with the restrictions set out in the Articles. If Amalco:

- (a) is not a reporting issuer or an investment fund within the meaning of applicable securities legislation; and
- (b) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities;

then no securities in the capital of Amalco (other than non-convertible debt securities) shall be transferred without either:

- (c) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (d) the previous consent of the holders of at least 51% of the securities of that class for the time being outstanding expressed by a resolution passed by the securityholders or by an instrument or instruments in writing signed by such securityholders.

Fiscal Year

2.6 The fiscal year end of Amalco shall be December 31 of each calendar year.

Business

2.7 There shall be no restriction on the business which Amalco is authorized to carry on or the powers that Amalco may exercise.

2.8 The board of directors of Amalco may from time to time delegate to such one or more of the directors and officers of Amalco as may be designated by the board of directors all or any of the powers conferred on the board of directors above to such extent and in such manner as the board of directors shall determine at the time of each such delegation.

By-Laws

2.9 The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Target, unless and until repealed or amended. Prior to the Effective Date, a copy of such by-laws may be examined at the offices of Wildeboer Dellelce LLP, 365 Bay Street, Suite 800, Toronto, Ontario M5H 2V1.

Number of Directors

2.10 The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, until changed in accordance with the OBCA. Until changed by the shareholders of Amalco, or by the directors of Amalco if authorized by the shareholders of Amalco, the number of directors of Amalco shall be three (3).

Initial Directors

2.11 The first directors of Amalco shall be the persons whose name and address appear below:

| <u>Name</u> | <u>Address</u> |
|----------------------|---|
| Anthony Di Benedetto | 6175 Highway 7, Woodbridge, Ontario L4H 0P6 |
| Paolo Di Benedetto | 6175 Highway 7, Woodbridge, Ontario L4H 0P6 |
| Richard Buzbuzian | 6175 Highway 7, Woodbridge, Ontario L4H 0P6 |

Such directors shall hold office until the close of the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

Initial Officers

2.12 The first officers of Amalco shall be the persons whose name and position appear below:

| <u>Name</u> | <u>Position</u> |
|----------------------|-------------------------|
| Anthony Di Benedetto | Chief Executive Officer |
| Paolo Di Benedetto | Vice-President |
| Richard Buzbuzian | President |

Exchange of MergerSub Shares and Target Shares

2.13 Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

- (a) Asher will issue, and each Target Shareholder will receive, one (1) Asher Post-Consolidation Share in exchange for every one (1) Target Share held by such holder in accordance with the Exchange Ratio and such Target Shares will be cancelled;
- (b) outstanding Target Warrants will entitle the holders thereof to acquire Asher Post-Consolidation Shares in accordance with the Exchange Ratio;
- (c) no fractional Asher Post-Consolidation Shares will be issued. In the event that a Target Shareholder would otherwise be entitled to a fractional Asher Post-Consolidation Share hereunder, the number of Asher Post-Consolidation Shares issued to such Target Shareholder shall be rounded down to the nearest whole Asher Post-Consolidation Share. In calculating such fractional interests, all Target Shares registered in the name of or beneficially held by such Target Shareholder or their nominee shall be aggregated;
- (d) the MergerSub Shares will be exchanged for Amalco Shares on the basis of one (1) Amalco Share for each one (1) MergerSub Share and such MergerSub Shares will be cancelled;
- (e) as consideration for the issuance of Asher Post-Consolidation Shares to effect the transactions contemplated by this Agreement, Amalco shall issue to Asher one (1) Amalco Share for each one (1) Asher Post-Consolidation Share issued by Asher under Section 2.13(a); and
- (f) Target Shares which are held by a Dissenting Shareholder shall not be converted as prescribed by Section 2.13(a). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under Section 185 of the OBCA or forfeits its right to make a claim under Section 185 of the OBCA or if its rights as a shareholder of Asher are otherwise reinstated, such Dissenting Shareholder's Dissenting Target Shares shall

thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 2.13(a).

Stated Capital

2.14 Upon completion of the Amalgamation, the stated capital of the Amalco Shares will be equal to the stated capital of the Target Shares plus the stated capital of the MergerSub Shares.

Share Certificates and Convertible Securities

2.15 On the Effective Date, the Target Shareholders (other than Dissenting Shareholders who are ultimately entitled to be paid fair value for their Dissenting Target Shares) shall be deemed to be the registered holders of the Asher Post-Consolidation Shares to which they are entitled hereunder. Immediately following the Effective Date, the Transfer Agent shall, as soon as practicable, issue to such Target Shareholder certificates representing the number of Asher Post-Consolidation Shares to which such holder is entitled. With respect to any Target Shareholder which has not previously taken delivery of certificates representing such holder's Target Shares, the Asher Post-Consolidation shall cause the Transfer Agent to, forthwith following the Effective Time, issue to such Target Shareholder certificates representing the number of Asher Post-Consolidation Shares to which such holder is entitled without any further action on the part of such Target Shareholder.

2.16 Asher, as the registered holder of the MergerSub Shares, shall be deemed to be the registered holder of the Amalco Shares to which it is entitled hereunder and, upon surrender of the certificates representing such MergerSub Shares to Amalco, Asher shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled as set forth in Section 2.13(e) hereof.

2.17 Share certificates evidencing Target Shares shall cease to represent any claim upon or interest in Target or Amalco other than the right of the registered holder thereof to receive, pursuant to the terms hereof and the Amalgamation, Asher Post-Consolidation Shares in accordance with Section 2.13(a) hereof.

2.18 The Parties acknowledge that as at the Effective Time, the Target Warrants, if any, outstanding at the Effective Time will be adjusted in accordance with their terms, such that the Target Warrants will cease to represent a right to acquire Target Shares and provide the right to acquire Asher Post-Consolidation Shares, all in accordance with the adjustment provisions provided in the certificates representing the Target Warrants. Holders of Target Warrants will have the option to exchange the certificates representing their Target Warrants for certificates issued by Asher representing the right to acquire Asher Post-Consolidation Shares.

Completion of the Amalgamation and Effective Date

2.19 Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, Target and MergerSub shall immediately deliver to the Director the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Effective Time.

Asher Guarantee

2.20 Asher hereby unconditionally and irrevocably guarantees the due and punctual performance by MergerSub of each and every covenant and obligation of MergerSub arising under this Agreement. Asher hereby agrees that Target shall not have to proceed first against MergerSub before exercising its rights under this guarantee against Asher.

PART 3 **COVENANTS**

Mutual Covenants

3.1 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of the Parties shall:

- (a) carry on its business in the usual, regular and ordinary course of business consistent with the manner in which such business is conducted as of the date hereof;
- (b) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as contemplated by this Agreement;
- (c) take, or cause to be taken, all action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Amalgamation and the transactions contemplated herein, including using reasonable commercial efforts:
 - (i) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
 - (ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation and the transactions contemplated herein;
 - (iii) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and the transactions contemplate herein and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and
 - (iv) to cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and to assist

the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and their respective tax advisors shall consider necessary, acting reasonably;

(d) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;

(e) use reasonable commercial efforts to obtain and maintain the third party approvals applicable to them in respect of the Amalgamation and the transactions contemplated herein and provide the same to the other Parties on or prior to the Effective Date;

(f) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other Person or perform any act or enter into any transaction or negotiation which, in the opinion of Target or Asher acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby. Without limiting the foregoing, except as provided in this Agreement, none of the Parties shall (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of its shareholders or (ii) issue any of its shares or other securities convertible into shares or enter into any commitment or agreement (other than on the exercise of convertible securities), except that Target may conduct equity financings from time to time as contemplated by this Agreement or upon consent from Asher;

(g) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, 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 will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;

(h) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and such Party shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, 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 Parties pursuant to this Section 3.1(h);

(i) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and

(j) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is required as a result of the duties of directors and officers of the applicable Party in compliance with Applicable Laws.

Additional Covenants of Asher and MergerSub

3.2 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of Asher and MergerSub covenant and agree that:

(a) Asher and MergerSub shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 7.1 and Section 7.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Asher or MergerSub, as the case may be;

(b) Asher shall, as the sole shareholder of MergerSub, approve by special resolution the Amalgamation, together with such matters as are required to effect the Amalgamation;

(c) Asher shall use its reasonable commercial efforts to cause, as of the Effective Time, the Asher board of directors and officers to consist of:

| <u>Name</u> | <u>Position</u> |
|-----------------------|--------------------------------------|
| Anthony Di Benedetto | Director and Chief Executive Officer |
| Paolo Di Benedetto | Chief Technology Officer |
| Richard Buzbuzian | President and Director |
| Robert Suttie | Chief Financial Officer |
| Greg Colacitti | Vice President |
| Chris Irwin | Director |
| Michael Della Fortuna | Director |
| Rob Montemarano | Director |

(d) Asher shall, on the Effective Date, provide to the Transfer Agent an irrevocable direction authorizing and directing the Transfer Agent to issue the Asher Post-Consolidation Shares issuable under the Amalgamation and the transactions contemplated herein to holders of the Target Shares and shall irrevocably direct the Transfer Agent to distribute the Asher Post-Consolidation Shares to the holders of the Target Shares in accordance with the terms of the Amalgamation;

(e) subject to obtaining of all applicable regulatory approvals, including the conditional approval of the CSE for the Listing Transaction and the transactions contemplated herein, Asher shall issue that number of Asher Post-Consolidation Shares as required by Section 2.13(a) above; and

(f) Asher shall convene and hold the Asher Meeting as soon as reasonably practicable, and use its best efforts to obtain all requisite approvals of the TSXV for the Delisting and of the CSE for the Amalgamation and the Listing Transaction, as applicable, and in connection therewith, as promptly as reasonably practicable, prepare the Circular with Target, together with any other documents required by the Applicable Exchange or Applicable Laws in connection with the approval of, amongst other matters, each of the matters to be approved at the Asher Meeting; and include in the Circular a recommendation of the board of directors of Asher (the “**Board**”) that the Asher Shareholders vote in favour of each of the matters to be approved at the Asher Meeting, and which recommendation shall not be withdrawn or amended in any manner other than where required in connection with the exercise by the Board of their fiduciary duties.

Additional Covenants of Target

3.3 From the date of this Agreement until the earlier of the Effective Date and the termination of this Agreement in accordance with Part 9, except as expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, Target covenants and agrees that:

(a) Target will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Section 7.1 and Section 7.2 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Target;

(b) Target shall use reasonable commercial efforts to seek approval by Target Shareholders of the Amalgamation Resolution, together with the approval of such matters as are required to effect the Amalgamation and the transactions contemplated herein;

(c) convene and hold the meeting of the Target Shareholders as soon as reasonably practicable to obtain the approval of the Target Shareholders with respect to the Amalgamation Resolution;

(d) as promptly as reasonably practicable, prepare the Circular with Asher, together with any other documents required by the Applicable Exchange or Applicable Laws in connection with the approval of each of the matters to be approved at the Asher Meeting and other matters to be considered at the Asher Meeting; and

(e) cooperate with Asher in connection with its application to the CSE for approval of the Listing Transaction and related transactions as contemplated by this Agreement, as applicable.

PART 4
REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Asher and MergerSub

4.1 Asher and MergerSub, on a joint and several basis, represent and warrant to Target as follows, and acknowledge that Target is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

(a) each of Asher and MergerSub has good and sufficient right, corporate power and authority to enter into this Agreement and carry out its intentions hereunder, including, without limitation, to (i) issue and deliver the Asher Post-Consolidation Shares in connection with the Amalgamation and the transactions contemplated herein; and (ii) sell, issue and deliver the Asher Post-Consolidation Shares upon the exercise of Target Warrants as contemplated in Section 2.13(b) above;

(b) this Agreement has been duly authorized, executed and delivered by Asher and MergerSub and constitutes a valid and binding obligation of Asher and MergerSub enforceable against each of them in accordance with its terms and no other corporate proceeding on the part of Asher or MergerSub is necessary to authorize this Agreement and the transactions contemplated hereby, other than the submission of the Amalgamation to the sole shareholder of MergerSub and the submission of the Consolidation, Name Change, Change of Business, Debt Settlement and Delisting to the holders of the Asher Shares, as is necessary to authorize this Agreement and the transactions contemplated hereby;

(c) the issue and delivery of the Asher Post-Consolidation Shares pursuant to the Amalgamation and the transactions contemplated herein and the issue, sale and delivery of the Asher Post-Consolidation Shares issuable upon the due exercise of Target Warrants as contemplated in Section 2.13(b) above will all have been authorized by all necessary corporate action on the part of Asher as of the Effective Date;

(d) on the Effective Date, (i) the Asher Post-Consolidation Shares to be issued to the Target Shareholders will be duly and validly issued and outstanding as fully paid and non-assessable shares; and (ii) the Asher Post-Consolidation Shares issuable upon exercise of Target Warrants as contemplated in Section 2.13(b) will be authorized and reserved for issuance upon exercise of Target Warrants, and, upon such exercise and payment of the applicable exercise price, will be duly and validly issued as fully paid and non-assessable shares;

(e) there is no requirement to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority, or to obtain any consent, approval or authorization of any other Person, as a condition to the lawful completion of the transactions contemplated by this Agreement, including specifically the Amalgamation, except for the filing of the Articles and the articles of amendment of Asher giving effect to the Name Change and Consolidation and other filings, notifications and authorizations required under Applicable Laws and the rules and policies of the Applicable Exchange;

- (f) each of Asher, MergerSub and Asher US is duly incorporated under the laws of its respective jurisdiction, and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares and no proceedings for such purpose are ongoing or pending, or to the best knowledge of Asher, threatened;
- (g) Asher is and, on the Effective Date, will be a “reporting issuer” in the provinces of British Columbia, Alberta, Ontario and Nova Scotia. The issued and outstanding Asher Shares are listed and posted for trading on the TSXV but it is expected that the Asher Shares will be delisted from trading on the TSXV in connection with the Delisting and that the Asher Post-Consolidation Shares will be listed on the CSE pursuant to the Listing Transaction;
- (h) Asher is authorized to issue an unlimited number of Asher Shares, of which 24,060,896 Asher Shares are issued and outstanding and 2,265,000 Asher Options and 919,278 Asher Warrants are outstanding as at the date hereof;
- (i) MergerSub is authorized to issue an unlimited number of MergerSub Shares, of which one MergerSub Share is outstanding as at the date hereof, which is held by Asher;
- (j) Asher holds all of the issued and outstanding securities of Asher US;
- (k) other than the securities referred to in Section 4.1(h), Section 4.1(i) and Section 4.1(j), there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Asher, MergerSub or Asher US (as that term is defined in the Securities Act) and, other than as contemplated in this Agreement, none of Asher, MergerSub or Asher US has any agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale, purchase or transfer by Asher, MergerSub or Asher US, as applicable, of any securities of Asher, MergerSub or Asher US or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Asher, MergerSub or Asher US;
- (l) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Asher, MergerSub or Asher US at law or in equity or before or by any Governmental Authority, nor are there, to the knowledge of Asher and MergerSub, any pending or threatened;
- (m) none of the execution and delivery of this Agreement, the consummation of the Amalgamation and the transactions contemplated herein, the issue and delivery of the Asher Post-Consolidation Shares in connection with the Amalgamation and the transactions contemplated herein or the issue, sale and delivery of the Asher Post-Consolidation Shares upon due exercise of the Target Warrants as contemplated in Section 2.13(b) will: (i) conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the material contracts and the Constatting Documents of Asher or MergerSub, any director or shareholder minutes of Asher or

MergerSub, any agreement or instrument to which Asher or MergerSub is a party or by which Asher or MergerSub is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Asher or MergerSub; or (ii) constitute an event which would permit any party to any agreement with Asher or MergerSub to terminate such agreement or to accelerate the maturity of any indebtedness or other obligation of Asher or MergerSub;

(n) Asher has, or will have prior to the Effective Date, as the sole shareholder of MergerSub, approved the Amalgamation Resolution, together with such matters as are required to effect the Amalgamation;

(o) since the date of its incorporation, MergerSub has not conducted any active business (other than any business required in connection with the Amalgamation), and has no assets and no liabilities;

(p) the financial statements, annual and interim MD&A, press releases of Asher and other publicly filed documents filed with the applicable securities commissions on or during the twelve months preceding the date hereof are in all material respects accurate and up to date and omit no facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

(q) The Asher Financial Statements are true and correct in every material respect and present fairly the assets, liabilities and financial position of Asher as at September 30, 2015 and the results of its operations to that date, in accordance with IFRS applied on a basis consistent with that of previous periods;

(r) Since September 30, 2015: (i) Asher has not incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise), which continue to be outstanding, except which have been incurred in the ordinary course of business consistent with past practice and which are not individually or in the aggregate materially adverse to its business, or the results of operations, assets, financial condition or manner of conducting business; and (ii) there has not been any change in the financial condition, operations or prospects of Asher other than changes in the ordinary course of business, none of which individually or in the aggregate have a Material Adverse Effect on its business, or the results of operations, assets, financial condition or manner of conducting its business;

(s) none of Asher, MergerSub or Asher US has incurred any debts or liabilities, absolute, contingent or otherwise except, in the case of Asher, in the ordinary course of business and none of Asher, MergerSub or Asher US has granted any security over any of their respective assets;

(t) the information in the Listing Statement relating to Asher and MergerSub will be true, correct and complete in all material respects and not contain any untrue statement of any Material Fact, nor 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 context in which they are to be made;

(u) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any arrears, penalty and interest payable with respect thereto (collectively, "Taxes") due and payable or required to be collected or withheld and remitted by Asher, MergerSub or Asher US have been paid, collected or withheld and remitted, as applicable. All tax returns, declarations, remittances and filings required to be filed by Asher, MergerSub or Asher US have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no Material Fact or Material Facts have been omitted therefrom that would make any of them misleading. No examination of any tax return of Asher, MergerSub or Asher US is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by Asher, MergerSub or Asher US. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to Asher, MergerSub or Asher US. Asher has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns, in each case in respect of Asher, MergerSub and Asher US. Complete and correct copies of all such returns and other documents filed in respect of the last three fiscal years ending prior to the date hereof have been provided to Target prior to the date hereof;

(v) Asher has, and will have as of the Effective Date, no obligations or liabilities or potential liabilities in respect of "Canadian exploration expenses" (as such term is defined in the *Income Tax Act* (Canada)) relating to any previously issued "flow-through" securities of Asher including, without limitation, any obligations to any Person with respect to the payment of Taxes, whether as a result of indemnification obligations or otherwise;

(w) Asher is up to date and current with all filings required by the applicable securities commissions;

(x) no proceedings have been taken, are pending or authorized by any of Asher, MergerSub or Asher US, or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of any of Asher, MergerSub or Asher US;

(y) as at the date hereof, (i) neither MergerSub nor Asher US has any creditors and (ii) there are no reasonable grounds for believing that any creditor of Asher will be prejudiced by the Amalgamation;

(z) as at the date hereof, Asher has no subsidiaries, except for MergerSub and Asher US;

(aa) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Asher or MergerSub or any instruments binding thereon or on the assets thereof;

- (i) which would preclude it from entering into this Agreement;
- (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Asher or MergerSub;
- (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Asher or MergerSub is a party or to purchase any of Asher's, MergerSub's or Amalco's assets or which would permit any party to any agreement with Asher, MergerSub or Asher US to accelerate the maturity of any indebtedness or other obligation of Asher or MergerSub; or
- (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefore; or
 - (E) to change its corporate status;
- (bb) no agent, broker, investment banker or other firm or person is or will be entitled to claim against Asher or MergerSub for any broker's or finder's fee or other commission or similar fee incurred by either of them in connection with any of, or the consummation of any of, the transactions contemplated hereby or the Amalgamation;
- (cc) on the Effective Date, Computershare Investor Services Inc. will be duly appointed as the registrar and transfer agent for the Asher Post-Consolidation Shares;
- (dd) the representations, warranties or statements of fact made in this section do not 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 to Target in seeking full information as to Asher, MergerSub or Asher US and their respective assets, liabilities and business; and
- (ee) Asher is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material property or assets thereof free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those reflected or reserved against in the Asher Financial Statements and subject to the usual qualifications on title in respect of ground leases to utilities, municipal agreements,

railway siding agreements, easements for streets, alleys, highways, telephone lines, gas pipelines, power lines and railways, and no other property rights are necessary for the conduct of the businesses of Asher as currently conducted, Asher does not know of any claim or basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and Asher does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof other than as set forth in the Asher Financial Statements and Schedule 4.1(ee) attached hereto.

Representations and Warranties of Target

4.2 Target represents and warrants to Asher and MergerSub as follows, and acknowledges that Asher and MergerSub are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) it is duly incorporated under the OBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) it is authorized to issue an unlimited number of Target Shares, of which 60,549,885 Target Shares are outstanding as at the date hereof, and it does not have any Target Warrants or options to acquire Target Shares outstanding as at the date hereof;
- (d) other than the securities referred to in Section 4.2(c) and as otherwise provided in this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Target (as that term is defined in the Securities Act), and Target has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale, purchase or transfer by Target of any Target Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Target Shares;
- (e) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Target at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to its knowledge, any pending or threatened;
- (f) this Agreement is a binding agreement on Target, enforceable against it in accordance with its terms and conditions;
- (g) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation and the transactions contemplated herein, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material

Contracts, the Constating Documents of Target, any director or shareholder minutes of Target, any agreement or instrument to which Target is a party or by which Target is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Target;

(h) except as disclosed in the Target Balance Sheet, Target has not incurred any debts or liabilities, absolute, contingent or otherwise, except in the ordinary course of business and has not granted any security over its assets;

(i) it does not have any outstanding Taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of Tax;

(j) Target has duly and on a timely basis prepared and filed all tax returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct in all material respects. Target has no knowledge of any contingent tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any tax returns. Complete and correct copies of all such returns and other documents filed in respect of all fiscal years of Target and ending prior to the date hereof have been provided to Asher prior to the date hereof;

(k) the Corporate Records are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Target. Without limiting the generality of the foregoing, in respect of the Corporate Records for Target: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and, to the knowledge of Target, any Tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

(l) no proceedings have been taken, are pending or authorized by Target or, to the knowledge of Target, by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Target;

(m) as at the date hereof there are no reasonable grounds for believing that any creditor of Target will be prejudiced by the Amalgamation;

(n) as at the date hereof, Target has no subsidiaries;

(o) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Target or any instruments binding on it or its assets:

- (i) which would preclude Target from entering into this Agreement;
- (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Target;
- (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any Material Contract or to purchase any of Target's or Amalco's assets or to accelerate the maturity of any indebtedness or other obligation of Target; or
- (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay any dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefor; or
 - (E) to change its corporate status;
- (p) Target has performed all of the material obligations required to be performed by it, and is entitled to all benefits under, and is not in default in respect of, the Material Contracts;
- (q) to its knowledge there is no shareholders' agreement, partnership agreement, voting trust, voting agreement, pooling agreement, proxy or other arrangement relating to the voting or other rights attached to any of the Target Shares;
- (r) except as disclosed in writing to Asher:
 - (i) Target has good and marketable legal and beneficial title to all of the Assets, free and clear of any Encumbrances;
 - (ii) the Assets owned and leased by Target constitute all of the property and assets used or held for use in connection with the Business;
 - (iii) there is no agreement, option or other right or privilege outstanding in favour of any Person for the purchase from Target of the Business or any part thereof or of any of the Assets;

- (s) Target is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, are not material;
- (t) Target is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Target. Each Material Contract is in full force and effect, unamended by written or oral agreement, and Target is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Target has not received any notice of a default by Target or a dispute between Target and any other party in respect of any Material Contract. Complete and correct copies of each of the Material Contracts have been provided or made available to Asher prior to the date hereof;
- (u) Target has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and there is no basis for assertion against Target of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in or provided for in the Target Balance Sheet or incurred in the ordinary course of business following the date of such Target Balance Sheet;
- (v) except for Asher's rights under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for (A) the purchase or acquisition of any of the Target Shares or, to its knowledge, the purchase or acquisition of any of the shares of Target, or (B) the purchase, subscription, allotment or issuance of any unissued shares or other securities in the capital of Target or, to its knowledge, any unissued shares or other securities in the capital of Target. No Person has any written or oral agreement, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition from Target or, to its knowledge, of any Assets;
- (w) Target is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person;
- (x) complete and correct copies (including all amendments) of all Material Contracts and other documents referred to in this Agreement or required to be disclosed hereby have been delivered or made available to Asher; and
- (y) the representations, warranties or statements of fact made in this section do not 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 to Asher or MergerSub in seeking full information as to Target and its assets, liabilities and business.

Survival of Representation and Warranties

4.3 The representations and warranties herein shall survive the performance of the Parties respective obligations hereunder but shall terminate and be extinguished on the earlier of

the termination of this Agreement in accordance with its terms and one year after the Effective Date.

PART 5 **AGREEMENTS**

Listing Statement

5.1 As promptly as practical following the execution of this Agreement, and in compliance with Applicable Laws (including Applicable Canadian Securities Laws), Target shall provide to Asher the necessary information in respect of Target to ensure that the Listing Statement provides information in compliance in all material respects with Applicable Exchange policies on the date of filing thereof.

Preparation of Filings

5.2 Asher, MergerSub and Target shall cooperate in the taking of all such action as may be required under the OBCA, Applicable Canadian Securities Laws, and other Applicable Laws in connection with the transactions contemplated by this Agreement and the Amalgamation.

5.3 Each of Asher, MergerSub and Target shall promptly furnish to the other all information concerning it as may be required for the effectuation of the actions described in this Agreement and the provisions of this Section.

Name Change

5.4 On or prior to the Effective Date, Asher shall change its name to “Drone Delivery Canada Corp.” or such other name as may be determined by the Parties, as may be accepted by the Director.

PART 6 **INDEMNIFICATION**

Mutual Indemnifications for Breaches of Warranty

6.1 Subject to Section 6.2, Target hereby covenants and agrees with each of Asher and MergerSub, and their respective directors, officers, employees, agents, advisors and representatives, and each of Asher and MergerSub hereby covenants and agrees with Target, and its respective directors, officers, employees, agents, advisors and representatives (the Parties covenanting and agreeing to indemnify another person under this section are hereinafter individually referred to as the “**Indemnifying Party**” and the persons being indemnified by a Party are hereinafter individually referred to as the “**Indemnified Party**”), to indemnify and save harmless the Indemnified Party from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties (collectively, “**Claims**”) which may be suffered or incurred by the Indemnified Party as a result of, or arising out of:

- (a) any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party under this Agreement, or
- (b) any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement,

except that the Indemnifying Party shall not be liable in any such case to the extent that any such Claims arise out of or are based upon the fraud, wilful misconduct or negligence of an Indemnified Party or the non-compliance by an Indemnified Party with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement.

Limitation on Mutual Indemnification

6.2 The indemnification obligations of each of the Parties pursuant to Section 6.1 shall be subject to the following:

- (a) the Claim shall have been made in writing in accordance with Section 6.3 within one year of the Effective Date; and
- (b) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate claims sustained by that Indemnified Party exceeds a value of \$5,000, in which case the Indemnifying Party shall be obligated to the Indemnified Party for all claims.

Procedure for Indemnification

6.3 The following provisions shall apply to any Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

- (a) upon receipt from a third party by the Indemnified Party of notice of a Claim or the Indemnified Party becoming aware of any Claims in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve the Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;
- (b) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified Party not later than 30 days after receipt of the notice described in Section 6.3(a) above to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;

- (c) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation;
- (d) the final determination of any such Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claims against the Indemnifying Party hereunder; and
- (e) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in Section 6.3(b) above, the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear reasonably advisable, and such settlement or any other final determination of the Claims shall be binding upon the Indemnifying Party.

PART 7

CONDITIONS PRECEDENT

Mutual Conditions Precedent

7.1 The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of Asher and Target shall be satisfied with the results of its due diligence investigations in respect of Target and Asher, respectively;
- (b) if required by the Applicable Exchange, the Delisting shall be approved by the requisite majority of the Asher Shareholders, all in accordance with the applicable provisions of the TSXV and the CSE;
- (c) the Amalgamation Resolution shall have been passed by Target Shareholders holding, in the aggregate, at least 66 2/3% of the voting rights attaching to all issued and outstanding Target Shares, all in accordance with the applicable provisions of the OBCA;

- (d) the Amalgamation Application and Articles to be filed with the Director in accordance with the Amalgamation shall be in form and substance satisfactory to each of the Parties, acting reasonably;
- (e) the Amalgamation shall have become effective on or prior to the Outside Date;
- (f) all other consents, orders and approvals, including regulatory approvals and orders, necessary or desirable for the completion of the transactions provided for in this Agreement and the Amalgamation shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances including the requisite approval of the TSXV for the Delisting and the requisite approval of the CSE for, among other things, the Listing Transaction;
- (g) this Agreement shall not have been terminated under Part 9;
- (h) the availability of prospectus exemptions for the Amalgamation under Applicable Canadian Securities Laws and the availability of registration exemptions for the Amalgamation under applicable securities laws of the United States in respect of Asher Post-Consolidation Shares to be issued to Target Shareholders resident in the United States, if applicable; and
- (i) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation.

The foregoing conditions are for the mutual benefit of Asher and MergerSub on the one hand and Target on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

Additional Conditions to Obligations of Asher

7.2 The obligations of Asher to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Target shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Date pursuant to the terms of this Agreement and, except as affected by the transactions contemplated by this Agreement, the representations and warranties of Target made in this Agreement shall be true and correct in all material respects as at the Effective Date;
- (b) Target shall have furnished Asher with:

- (i) certified copies of the resolutions duly passed by the board of directors of Target approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of the shareholders of Target approving the Amalgamation Resolution and the consummation of the transactions contemplated hereby;
 - (iii) certified copies of Target's Constatting Documents;
 - (iv) a certificate of good standing of Target dated within one day of the Effective Date;
 - (v) duly executed accredited investor certificates for any Target Shareholders resident in the United States, if required under applicable securities laws;
 - (vi) a certificate of Target addressed to Asher and dated the Effective Date, signed on behalf of Target by a senior officer of Target, confirming that the conditions in Section 7.2(a), (c) and (e) have been satisfied; and
 - (vii) such other closing documents as may be requested by Asher, acting reasonably;
- (c) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Target before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied which, in the sole judgment of Target, acting reasonably, has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Target or Amalco, as applicable, or would materially impede the ability of the Parties to complete the Amalgamation;
- (d) the Target Shareholders holding an aggregate of 47,500,000 Target Shares shall enter into lock-up agreements with the Target and Asher which will restrict such Target Shareholders from selling or transferring their Asher Post-Consolidation Shares received on exchange of such Target Shares for a period of six (6) months from completion of the Listing Transaction, following which such Asher Post-Consolidation Shares will, if applicable, continue to be subject to such escrow requirements as may be prescribed by the CSE escrow policies and Applicable Canadian Securities Laws; and
- (e) there shall not have occurred any Material Adverse Change of Target since the date hereof.

The conditions in this Section 7.2 are for the exclusive benefit of Asher and may be asserted by Asher regardless of the circumstances or may be waived by Asher in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Asher may have.

Additional Conditions to Obligations of Target

7.3 The obligations of Target to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the matters to be approved at the Asher Meeting shall be approved by the requisite majority at the Asher Meeting, and all applicable regulatory approvals shall have been received in connection therewith, all in accordance with the applicable provisions of the *Business Corporations Act* (British Columbia), the TSXV and the CSE, as applicable;
- (b) after giving effect to the Consolidation and immediately prior to the Effective Time, Asher shall have no more than 6,015,224 Asher Post-Consolidation Shares issued and outstanding and outstanding options to acquire up to 566,250 Asher Post-Consolidation Shares and warrants to acquire up to 229,820 Asher Post-Consolidation Shares;
- (c) Asher and MergerSub shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Date pursuant to the terms of this Agreement and, except as affected by the transactions contemplated by this Agreement, the representations and warranties of Asher and MergerSub made in this Agreement shall be true and correct in all material respects as at the Effective Date;
- (d) the Asher Post-Consolidation Shares to be issued to the Target Shareholders shall be issued as fully paid and non-assessable shares in the capital of Asher, free and clear of any and all Encumbrances;
- (e) each of this Agreement, the Amalgamation, the Consolidation, the Name Change, the Change of Business, the Debt Settlement, the Delisting and the Listing Transaction shall be approved by the requisite approval by the board of directors of Asher and/or MergerSub, as applicable, and all applicable regulatory approvals shall have been received in connection therewith, all in accordance with the applicable provisions of the Applicable Exchange;
- (f) Asher shall, as the sole shareholder of MergerSub, have approved the Amalgamation, together with such matters as are required to effect the Amalgamation;
- (g) Asher shall have furnished Target with;

- (i) certified copies of the resolutions duly passed by the boards of directors of Asher and MergerSub approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions duly passed by the Asher Shareholders approving the matters to be considered at the Asher Meeting;
 - (iii) certified copies of the resolutions of Asher, as the sole shareholder of MergerSub, approving the Amalgamation and the consummation of the transactions contemplated hereby;
 - (iv) certified copies of Asher and MergerSub's Constatng Documents;
 - (v) certificates of good standing of Asher and MergerSub dated within one day of the Effective Date;
 - (vi) a certificate of each of Asher and MergerSub addressed to Target and dated the Effective Date, signed on behalf of Asher and MergerSub, respectively, by a senior officer of Asher and MergerSub, respectively, confirming that the conditions in Section 7.3(a), (b), (c), (h) and (i) have been satisfied; and
 - (vii) such other closing documents as may be requested by Target, acting reasonably;
- (h) there shall not have occurred any Material Adverse Change of Asher or MergerSub since the date hereof;
 - (i) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Asher or MergerSub before or by any domestic or foreign court, tribunal or Governmental Agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been enacted, promulgated, amended or applied which, in the sole judgment of Target, acting reasonably, has had or, if the Amalgamation was consummated, would result in a Material Adverse Change respecting Asher, MergerSub or Amalco, as applicable, or would materially impede the ability of the Parties to complete the Amalgamation;
 - (j) Asher having approximately \$375,000 cash on hand and no debt outstanding following completion of the Debt Settlement and immediately prior to the completion of the Amalgamation and the transactions contemplated herein; and
 - (k) at the time of the completion of the Amalgamation and the transactions contemplated herein, each of the current directors and officers of Asher and MergerSub, except for Richard Buzbuzian, Rob Montemarano and Robert Suttie,

shall have provided a resignation and release in form and substance satisfactory to Target, acting reasonably.

The conditions in this Section 7.3 are for the exclusive benefit of Target and may be asserted by Target regardless of the circumstances or may be waived by Target in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Target may have.

Notice and Effect of Failure to Comply with Conditions

7.4 Each of Asher, MergerSub and Target shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

Satisfaction of Conditions

7.5 The conditions set out in this Part 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the OBCA to give effect to the Amalgamation.

PART 8 **AMENDMENT**

Amendment

8.1 This Agreement may at any time and from time to time be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

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

provided that no such amendment reduces or materially adversely affects the consideration to be received by Target Shareholders without approval by the affected Target Shareholders given in the same manner as required for the approval of the Amalgamation.

PART 9

TERMINATION

Termination

9.1 This Agreement may be terminated at any time in each of the following circumstances:

- (a) at any time prior to the issuance of the Certificate of Amalgamation by the Director, by mutual agreement of the respective boards of directors of the Parties hereto, without further action on the part of the shareholders of Asher, MergerSub or Target, and an agreement to terminate is executed and delivered by all the Parties;
- (b) by either Asher (on behalf of itself and MergerSub) or Target, if there shall be any Applicable Law that makes consummation of the Amalgamation and the transactions contemplated herein illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent Governmental Authority enjoining any of the Parties from consummating the Amalgamation and the transactions contemplated herein shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (c) by either Asher (on behalf of itself and MergerSub) or Target, if the Effective Date does not occur on or prior to the Outside Date, provided, however, that the right to terminate this Agreement under this Section 9.1(c) shall not be available to any Party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before the Outside Date;
- (d) by Asher (on behalf of itself and MergerSub) if any condition set out in Section 7.1 or 7.2 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 9.1(d) shall not be available to Asher if its failure or MergerSub's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;
- (e) by Target if any condition set out in Section 7.1 or 7.3 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Outside Date provided, however, that the right to terminate this Agreement under this Section 9.1(e) shall not be available to Target if its failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;

- (f) by Asher (on behalf of itself and MergerSub) if there is a material breach by Target of any of its representations, warranties, covenants or agreements contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.2 which has not been waived to be incapable of being satisfied on or before the Outside Date;
- (g) by Target if there is a material breach by Asher or MergerSub of any representation, warranty, covenant or agreement contained in this Agreement that could reasonably be expected to cause a condition set forth in Section 7.1 or 7.3 which has not been waived to be incapable of being satisfied on or before the Outside Date; or
- (h) by either Asher (on behalf of itself and MergerSub) or Target if the Asher Shareholders or the Target Shareholders, respectively, fail to approve the transactions contemplated under this Agreement in the manner required by Applicable Laws or by the Applicable Exchange.

9.2 If this Agreement is terminated in accordance with the foregoing provisions of this section, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Parties hereunder except for each Party's obligations under this Section 9.2, Section 10.5, Section 10.9, Section 10.10, Section 10.11, Section 10.12 and Section 10.13 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 9.2 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

PART 10 **GENERAL**

Notices

10.1 All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by facsimile or other electronic transmission:

- (a) in the case of Asher or MergerSub, to:

Asher Resources Corporation
1000 – 36 Toronto Street
Toronto, Ontario, M5C 2C5

Attention: Richard Buzbuzian
Tel: (647) 501-3290
Email: rbuzbuzian@asher-resources.com

(b) in the case of Target, to:

Drone Delivery Canada Inc.
6175 Highway 7
Woodbridge, Ontario L4H 0P6

Attention: Anthony Di Benedetto
Email: tony@dronedeliverycanada.com

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile or other electronic transmission is received.

Binding Effect

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

Assignment

10.3 Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

Entire Agreement

10.4 This Agreement, together with the agreements and documents referred to herein, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof including, without limitation, the LOI.

Public Communications

10.5 Each of Asher and Target agree to consult with each other prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Amalgamation or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Amalgamation, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

No Shop

10.6 Each of the Parties will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) directly or indirectly to, solicit, discuss, encourage or accept any offer for the purchase of such Party or the business or the assets of such Party, whether as a primary or backup offer, or take any other action with the intention or reasonable foreseeable effect of leading to any commitment or agreement to sell such Party or business or the assets of such Party (each, an “**alternative transaction**”). In addition, each of the Parties will conduct its respective operations according to its ordinary and usual course of business consistent with past practices and will not enter into any material transactions or incur any material liabilities (including, without limitation, issuing or agreeing to issue any securities other than as expressly contemplated in this Agreement) without obtaining the consent of the other Parties hereto, which consent will not be unreasonably withheld or delayed. Notwithstanding the foregoing, nothing herein will restrict the Parties from taking such actions as may be required in order to discharge their obligations pursuant to Applicable Laws.

10.7 Each Party represents and warrants to the other that it is not currently in any discussions or negotiations with any other person with respect to any alternative transaction. Each Party will promptly notify the other Parties of any alternative transaction of which any director, senior officer or agent of the Party is or becomes aware, any amendment to any of the foregoing or any request for non-public information relating to the Party. Such notice will include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.

10.8 Should either Asher or MergerSub, on the one hand, or Target, on the other hand, breach the provisions set forth in Section 10.6 or Section 10.7 above, the breaching Party shall forthwith pay to the other Party or Parties, as applicable, an expense reimbursement fee equal to \$100,000 as partial reimbursement for third party costs and expenses incurred connection with the transactions contemplated herein. The Parties acknowledge and agree that in the event such payment is made, such payment shall be the sole and exclusive remedy of each Party in respect of a violation of the provisions set forth in Section 10.6 or Section 10.7 above.

Costs

10.9 Subject to Section 10.8 above, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Amalgamation is completed.

Access and Confidentiality

10.10 The Parties acknowledge that each will: (i) give each other Party’s directors, officers, employees, financial advisors, legal counsel and agents (collectively, “**Representatives**”) reasonable access during ordinary business hours to the premises and management personnel of such Party, and full access during ordinary business hours to the books and records of such Party, including minute books, books of account, tax records, reports and information relating to its technologies, projects and operations, so as to enable Representatives

to investigate the business, assets and the condition (financial or otherwise) of such Party without unreasonably interfering with the operation thereof; (ii) furnish Representatives with all other information with respect to the business and affairs of such Party as may, from time to time, be reasonably requested, including interim and annual financial statements, tax information, agreements, employment and labour information and other reports of or information relating to such Party; and (iii) cause management, upon reasonable request, to meet with Representatives of the other Party or Parties during normal business hours to discuss the status of its ongoing operations.

10.11 The Parties acknowledge that each will and has provided to the other information that is non-public, confidential, and proprietary in nature. Each of the Parties (and their respective Representatives) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the purposes of consummating the Amalgamation and the other transactions contemplated by this Agreement. The foregoing will not apply to information that:

- (a) becomes generally available to the public absent any breach of the foregoing;
- (b) was available on a non-confidential basis to a Party prior to its disclosure; or
- (c) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential.

10.12 The Parties agree that the obligations set forth in Section 10.11 will not prevent either Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by Applicable Law.

10.13 Each of the Parties agrees that immediately upon termination of this Agreement, each Party will return to the other all confidential information.

Severability

10.14 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, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and 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. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Further Assurances

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

Time of Essence

10.16 Time shall be of the essence of this Agreement.

Applicable Law and Enforcement

10.17 This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Waiver

10.18 Any Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the other Parties, (ii) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

Counterparts

10.19 This Agreement may be executed in counterparts (by original, facsimile signature or other electronic means), each of which shall be deemed an original, and all of which together constitute one and the same instrument and constitute a valid and enforceable agreement among the Parties.

[remainder of page intentionally left blank]

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

ASHER RESOURCES CORPORATION

Per: “Richard Buzbuzian” (Signed)
Name: Richard Buzbuzian
Title: President and Chief Executive Officer

2500527 ONTARIO LTD.

Per: “Richard Buzbuzian” (Signed)
Name: Richard Buzbuzian
Title: President

DRONE DELIVERY CANADA INC.

Per: “Tony Di Benedetto” (Signed)
Name: Tony Di Benedetto
Title: Chief Executive Officer

SCHEDULE 4.1(ee)

In addition to the obligations as set forth in the Asher Financial Statements, Asher is in default or subject to the following obligations on its mineral properties:

- a USD\$60,000 payment due March 16, 2016 failing which the King Mine property will revert back to Projem Venture Inc.; and
- a USD\$80,000 payment for amounts previously owing with respect to the Lavington property, failing which the property will be returned by Asher to its Cazador Resources Ltd.