

## AMENDED FORM 10

### NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>

Name of Listed Issuer: VirtualArmour International Inc. (the “Issuer”)

Trading Symbol: VAI

Issued and Outstanding Securities of the Issuer Prior to Transaction: 106,533,822

Date of News Release Fully Disclosing the Transaction: June 24, 2021 and July 16, 2021

#### 1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On June 24, 2021, the Issuer entered into an asset purchase agreement (the “Agreement”) between the Issuer, a Colorado corporation, VirtualArmour LLC, a Colorado limited liability company and a wholly-owned subsidiary of the Issuer (together with the Issuer, the “Sellers”), VirtualArmour LLC, a Delaware limited liability company (the “Purchaser”), and the Issuer in its capacity as the representative of the Sellers, pursuant to which the Purchaser will purchase from the Sellers substantially all of the assets of the Sellers (the “Assets”) for aggregate purchase price (the “Purchase Price”) of CAD\$15,426,425<sup>2</sup> (USD\$12,250,000) (the “Transaction”), subject to the adjustments detailed in Item 2 below.

The Assets relate to the Issuer’s business of designing, developing, configuring, installing, distributing and providing managed services with respect to cybersecurity and network cloud architecture solutions.

Pursuant to Colorado law and the organizational documents of the Issuer, the Issuer received approval of its board of directors and shareholders of the Transaction by way of written consent resolutions.

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<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

<sup>2</sup> Based on Bank of Canada exchange rate as at July 16, 2021.

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Following closing of the Transaction, the Issuer will: (i) change its legal name as required by the Agreement, (ii) after payment of all costs and expenses related to the Transaction, complete the distribution of net cash proceeds of the Transaction by declaring dividends to its shareholders, and (iii) remain as a reporting issuer listed on the CSE as an inactive issuer and continue to comply with its continuous disclosure obligations pursuant to applicable securities laws.

On July 16, 2021, the Issuer completed the Transaction and closed the sale of substantially all of its operating assets (including the Issuer's name) and certain operating liabilities to Evergreen Services Group pursuant to the Agreement (the "Closing").

Following certain option and warrant exercises immediately prior to the Closing of the Transaction, the Issuer's issued and outstanding shares increased to 129,439,928 common shares.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: CAD\$15,426,425

(b) Cash: CAD\$15,426,425 (USD\$12,250,000)

(c) Other: The aggregate Purchase Price to be paid by the Purchaser in consideration of the Assets, will consist of (1) (x) USD\$12,250,000 in cash, plus (y) the amount (if any) by which the Estimated Net Working Capital (as such term is defined in the Agreement) exceeds the Target Net Working Capital (as such term is defined in the Agreement), minus (z) the amount (if any) by which the Target Net Working Capital exceeds the Estimated Net Working Capital and (2) the assumption by Purchaser as of the Closing of the Assumed Liabilities (as such term is defined in the Agreement).

(d) Work commitments: N/A.

2. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The Purchase Price was determined by arm's length negotiations.

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3. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

N/A.

4. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

N/A.

5. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.): US\$325,000 in cash

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): Capstone Partners, 176 Federal Street, 3<sup>rd</sup> Floor Boston, MA 02110

(b) Cash of US\$325,000

(c) Other N/A

6. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

N/A

7. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

N/A

## 2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

See above.

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### 3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated July 16, 2021

Todd Kannegieter  
Name of Director or Senior Officer

"Todd Kannegieter"  
Signature

Director  
Official Capacity

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