**CHEMISTREE TECHNOLOGY INC.**
**Suite 204 - 998 Harbourside Drive**
**North Vancouver, BC V7P 3T2**
**Telephone: (604) 678-8941 Fax: (604) 689-7442**

# MANAGEMENT INFORMATION CIRCULAR

for the Extraordinary Meeting to be held on November 30, 2021
(information is as at October 29, 2021, except as otherwise indicated)

**This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Chemistree Technology Inc. (the "Company" or "Chemistree") for use at the extraordinary meeting (the "Meeting") of holders ("Debentureholders") of the 10% senior unsecured convertible debentures ("Debentures") of Chemistree to be held on November 30, 2021 at 9:00 a.m. (Vancouver time) at the offices of Blake, Cassels & Graydon LLP, located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, for the purposes set forth in the accompanying notice of the Meeting (the "Notice").**

In this Circular, references to the "**Company**", "**we**" and "**our**" refer to Chemistree Technology Inc.

## BACKGROUND TO THE MEETING

At the Meeting, Debentureholders will be asked to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the "**Extraordinary Resolution**"), the full text of which is set forth in Appendix "A" to the Circular, approving amendments (the "**Debenture Amendments**") to the trust indenture between the Company and Odyssey Trust Company ("**Trustee**") dated as of March 29, 2019 ("**Indenture**"), and authorizing Trustee to execute a supplemental trust indenture ("**Supplemental Indenture**") giving effect to the Debenture Amendments.

### Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute "forward-looking statements". All statements included in this Circular that address future events, conditions or results of operations, including in respect of the Debenture Amendments, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as "may", "should", "will", "could", "expect", "intend", "plan", "estimate", "anticipate", "believe", "future" or "continue" or the negative forms thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Debentureholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including, but not limited to statements with respect to: future plans; sources of liquidity available to the Company; plans to hold the Meeting in person and changes that may be implemented in response to developments with the COVID-19 pandemic; the adjournment of the Meeting if quorum is not met; the proposed Debenture Amendments and timing of completion of the Debenture Amendments; satisfaction of the conditions to the Debenture Amendments becoming effective; the date on which the Supplemental Indenture will be entered into; the benefits of the Debenture Amendments; the treatment of Debentureholders under tax laws. Many of such risks and uncertainties are outside the control of the Company and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to general economic and financial conditions, interest rates, exchange rates, equity markets, business competition, changes in government regulations or in tax laws, acts and omissions of third parties and the ability of the Company to obtain approval for the Debenture Amendments. Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

**Notice to Debentureholders in the United States**

The Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and no solicitation is being made in the United States. You should be aware that the Debneture Amendments may have tax consequences both in the United States and in Canada. Tax considerations applicable to Debentureholders subject to United States federal taxation have not been included in the Circular, and such Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder. For a summary of the applicable tax considerations under Canadian law, see "*Certain Canadian Federal Income Tax Considerations*".

**THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE**

## GENERAL PROXY INFORMATION

**Solicitation of Proxies**

This Circular is furnished in connection with with the solicitation of proxies by the management of the Company for use at the Meeting.

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company. Pursuant to National Instrument 54-101 - *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54- 101**"), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation materials to the beneficial owners of the Debentures. The cost of any such solicitation will be borne by the Company.

The Company intends to hold the Meeting in person. **However, in light of the COVID-19 pandemic, we strongly encourage Debentureholders to vote in advance of the Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person.** If any Debentureholder or proxyholder does wish to attend the Meeting in person, please note that COVID-19 protocols will be applied to the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 pandemic. In the event that it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities.

**Proxy Instructions**

Debentureholders are strongly encouraged to vote by Proxy if the Debentureholder is a registered Debentureholder, or provide voting instruction forms as provided herein if the Debentureholder is a non-registered Debentureholder, either by mail, by phone or over the internet. **A Proxy will not be valid unless the completed, dated and signed Proxy is received by Odyssey Trust Company at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 by 9:00 a.m. (PST) on November 26, 2021 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time of any postponement(s) or adjournment(s) of the Meeting.**

A Proxy returned to the Trustee will not be valid unless dated and signed by the Debentureholder or by the Debentureholder's attorney duly authorized in writing or, if the Debentureholder is a corporation or association, the Proxy must be executed by an officer or by an attorney duly authorized in writing. If the Proxy is executed by an attorney for an individual Debentureholder or by an attorney of a Debentureholder that is a corporation or association, the instrument so empowering the attorney, as the case may be, or a notarial copy thereof, must accompany the Proxy. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to Debentureholder.

The Debentures represented by Proxy will be voted or withheld from voting in accordance with the instructions of the Debentureholder on any ballot that may be called for and, if the Debentureholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The Proxy confers discretionary authority upon the named proxyholder with respect to matters identified in the accompanying Notice of Meeting. If a choice with respect to such matters is not specified, it is intended that the person designated by management in the Proxy will vote the securities represented by the Proxy in favour of each matter identified in the in the Proxy.

The Proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Meeting. As at the date of this Information Circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

**Appointment of Proxyholders**

The individuals named in the accompanying Proxy as proxyholders are officers and/or directors of the Company and have been appointed by management. **A Debentureholder has the right to appoint a person, who need not be a Debentureholder, other than the persons specified in such form of proxy to attend and act for and on behalf of such Debentureholder at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Revocation of Proxy**

Proxies given by Debentureholders for use at the Meeting may be revoked prior to their use:

(a) at the office of the Trustee to the attention of Proxy Department, at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 by 9:00 a.m. (PST) on November 26, 2021 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time of any postponement(s) or adjournment(s) of the Meeting;

(b) by depositing an instrument in writing executed by the Debentureholder or by such attorney duly authorized in writing or, if the Debentureholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing at the principal office of the Company at, Suite 204 - 998 Harbourside Drive, North Vancouver, BC V7P 3T2, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof;

(c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting; or

(d) in any other manner permitted by law.

In addition, a proxy may be revoked by the Debentureholder executing another form of proxy bearing a later date and depositing same at the offices of the Trustee within the time period set out under the heading "*Proxy Instructions*", or by the Debentureholder personally attending the Meeting and voting its Debentures.

**Special Instructions for Voting by Non-Registered Debentureholders**

The information set forth in this section is of significant importance to many Debentureholders of the Company, as a substantial number of Debentureholders do not hold Debentures in their own name. Debentureholders who do not hold their Debentures in their own name (referred to in this Information Circular as "**Beneficial Debentureholders**") should note that only Proxies deposited by Debentureholders whose names appear on the records of the Company as the registered holders of Debentures can be recognized and acted upon at the Meeting. If Debentures are listed in an account statement provided to a Debentureholder by a broker, then, in almost all cases, those Debentures will not be registered in the Debentureholder's name on the records of the Company. Such Debentures will likely be registered under the name of the Debentureholder’s broker or an agent of that broker. In Canada, the majority of such Debentures are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depositary for many Canadian brokerage firms). Debentures held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Debentureholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting securities for the broker's clients. Therefore, Beneficial Debentureholders should ensure that instructions respecting the voting of their Debentures are

communicated to the appropriate person.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Debentureholders in advance of Debentureholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Debentureholders in order to ensure that their Debentures are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Debentureholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Debentureholders. However, its purpose is limited to instructing the registered Debentureholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Debentureholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a Voting Instruction Form ("**VIF**") and mails the VIF to the Beneficial Debentureholders and asks Beneficial Debentureholders to return the VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Debentures to be represented at a meeting. A Beneficial Debentureholder receiving a VIF from Broadridge cannot use that VIF to vote Debentures directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Debentures voted at the Meeting.

Although a Beneficial Debentureholder may not be recognized directly at the Meeting for the purposes of voting Debentures registered in the name of its broker (or an agent of the broker), a Beneficial Debentureholder may attend at the Meeting as proxyholder for the registered Debentureholder and vote the Debentures in that capacity. Beneficial Debentureholders who wish to attend the Meeting and indirectly vote their Debentures as proxyholder for the registered Debentureholder should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

There are two kinds of Beneficial Debentureholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The materials with respect to the Meeting have been sent to both registered Debentureholders and NOBO's pursuant to NI 54-101. If you are a NOBO, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Beneficial Debentureholders, who are OBOs, should follow the instructions of their intermediary carefully to ensure that their Debentures are voted at the Meeting. The Company intends to pay for intermediaries to distribute these materials, and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, to Beneficial Debentureholders who are OBOs under NI 54-101.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the "**Board**") has fixed October 29, 2021, as the record date (the "**Record Date**") for determination of Debentureholders entitled to receive notice of the Meeting. Only Debentureholders of record at the close of business on the Record Date who either attend the Meeting or any adjournment thereof personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote at the Meeting or any adjournment thereof.

As of the Record Date, the Company has outstanding $7,839,000 aggregate principal amount of the Debentures. Each Debentureholder present in person or represented by proxy at the Meeting shall be entitled to one vote in respect of each $1,000 principal amount of Debentures held by such Debentureholder.

## PARTICULARS OF MATTERS TO BE ACTED UPON

The Indenture confers upon the Debentureholders the power, exercisable by extraordinary resolution, to, among other things: (i) authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due

or overdue; (ii) sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee (with its consent) against the Company, or against its property, whether such rights arise under the Indenture or the Debentures or otherwise; and (iii) assent to any modification of or change in or addition to or omission from the provisions contained in the Indenture or any Debenture which shall be agreed to by the Company and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission.

**Debenture Amendments**

Given the power of the Debentureholders to supplement the Indenture, at the Meeting, the Debentureholders will be asked to pass the Extraordinary Resolution approving the Debenture Amendments to the Indenture governing the Debentures to:

(a) extend the maturity date of the Debentures from March 29, 2022, to March 29, 2024; and

(b) after December 31, 2021, authorize the Company, in its sole discretion, to pay the interest due on the Debentures in cash or through the issuance of its Common Shares at the market price of the Common Shares in effect on the date of the common share interest payment election notice. Currently, the Indenture requires the Company to make all interest payments owed to holders pursuant to the Debentures in cash.

The full text of the Extraordinary Resolution to be considered, and if thought appropriate, passed by Debentureholders, and the Supplemental Indenture substantially in the form that will be entered into by the Company and the Trustee to evidence the Debenture Amendments if the Extraordinary Resolution is passed by the Debentureholders at the Meeting are set forth in Appendix "A" and Appendix "B" to this Circular, respectively. If the Extraordinary Resolution is approved by the Debentureholders and all required regulatory approvals are obtained and other conditions precedent are satisfied, the effective date of the Debenture Amendments will be the date that the Company enters into the Supplemental Indenture.

Debentureholders are encouraged to read the full text of the Extraordinary Resolution and the Supplemental Indenture in their entirety.

**Unless otherwise directed, the management representatives named in the accompanying Form of Proxy intend to vote FOR the Extraordinary Resolution at the Meeting. The Board unanimously recommends that Debentureholders vote FOR the Extraordinary Resolution.** In order for the Extraordinary Resolution to be passed, it must be proposed at a meeting of Debentureholders duly convened for that purpose and held in accordance with the provisions of Article 11 of the Indenture, at which Debentureholders holding not less than 25% of the principal amount of the Debentures then outstanding are present or represented by proxy and passed by the affirmative votes of Debentureholders holding not less than 66 ⅔% of the principal amount of the Debentures then outstanding present or represented by Proxy.

**Background and Reasons for the Debenture Amendments**

The Board of Directors regularly reviews and evaluates the Company's capital structure and strategic options with a view to maintaining current operations given current and projected cash requirements and enhancing securityholder value. As a part of such review, the Board of Directors have been evaluating alternatives available to the Company to address both: (i) the Company's near-term cash needs, including making investments pursuant to the Company's investment policy and (ii) the upcoming maturity of the Debentures.

In connection with this, the Company identified the Debenture Amendments as an avenue to address such issues and to enhance securityholder value in the long run. The Board believes that the Debenture Amendments will: (i) lessen the Company's debt and debt service obligations thereby providing the Company with added liquidity; (ii) allow management additional flexibility to focus on the Company's operations, as opposed to focusing on debt-servicing obligations and restructuring, (iii) reduce the amount of convertible securities of the Company and increase the strength of the Company's balance sheet, (iv) allow Debentureholders to participate more effectively and efficiently in the equity upside of the Company and (v) simplify the Company's capital structure. The Company believes in its growth potential, and it believes the Debenture Amendments are in the interests of Debentureholders.

***Reasons for the Amendments***

The above discussion of the information and factors considered by the Board is not intended to be exhaustive but is believed by the Board to include the material factors considered by the Board in its decision to recommend the approval of the Extraordinary Resolution. The Board did not consider it practical, nor did it attempt, to quantify or

otherwise assign relative weights to the foregoing factors that were considered in reaching its decision. In addition, in considering the factors described above, individual members of the Board may have given different weights to various factors and may have applied different analyses to each of the material factors considered by the Board. The members of the Board made their recommendation based upon the totality of the information presented to and considered by them.

**Certain Consequences if the Debenture Amendments are not approved by Debentureholders**

If the Debenture Amendments are not approved by the Debentureholders at the Meeting, or any adjournment thereof, and the maturity of the Debentures is therefore not extended to March 29, 2024, from March 29, 2022, the Company will be required to consider other alternatives to restructure its indebtedness. There is no assurance that the Company will have sufficient time to arrange for the financing necessary in order to meet its near-term operating obligations and its obligation to pay the amounts that will be due in advance of the maturity date. Further, if the Debenture Amendments are not approved, the Company may experience liquidity restraints, impairing its ability to operate as efficiently as possible.

**Effective Date of the Debenture Amendments**

The Debenture Amendments will become effective on the date the Company and the Trustee enter into the Supplemental Indenture. Although the Company anticipates entering into the Supplemental Indenture on or about November 30, 2021, it is not possible to state with certainty when the effective date of the Debenture Amendments will occur. The effective date of the Debenture Amendments could be delayed for a number of reasons, including the satisfaction of all conditions precedents to entering into the Supplemental Indenture.

Alternatively, the Indenture also permits any action that may be exercised by Debentureholders at a meeting of Debentureholders to be taken and exercised by holders of 66 ⅔% of the principal amount of the outstanding Debentures. Correspondingly, if the Company receives proxies representing 66 ⅔% of the principal amount of the outstanding Debentures approving the Extraordinary Resolution, the Debenture Amendments will be approved. In such an event, the Company intends to cancel the Meeting and enter into the Supplemental Indenture as soon as practicable thereafter.

**Although the Company intends to enter into the Supplemental Indenture as soon as possible following approval of the Extraordinary Resolution, the Board has retained the discretion, without further notice to or approval of the Debentureholders, to revoke any of the Resolutions at any time prior to the Company entering into the Supplemental Indenture.**

**Written Consent in Lieu of a Meeting**

**IF THE ACCOMPANYING FORM OF PROXY OR VOTING INSTRUCTION FORM IS COMPLETED BY DEBENTUREHOLDERS HOLDING THE REQUISITE PRINCIPAL AMOUNT OF DEBENTURES TO PASS THE EXTRAORDINARY RESOLUTION PRIOR TO THE MEETING, THE AMENDMENTS WILL BE APPROVED AND THE COMPANY WILL CANCEL THE MEETING.**

The Company or its representatives will seek the execution of the Proxy or voting instruction form in lieu of holding the Meeting. The Indenture provides, among other things, that any action which may be taken and all powers that may be exercised by Debentureholders at a meeting may also be taken and exercised by an instrument in writing signed by the holders of not less than 66⅔% of the principal amount of outstanding Debentures. Accordingly, the Company or its representatives may be soliciting signed instruments in writing in the form of the Proxy or voting instruction form in advance of the Meeting. If signed instruments in writing are obtained from Debentureholders of the applicable number principal amount of the Debentures before the Meeting, the Company will cancel the Meeting and provide notice to Deventureholders. If the Company elects to proceed in this manner, instruments in writing signed by the Debentureholders in accordance with the provisions of the Indenture shall be binding upon all Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee shall be bound to give effect accordingly to such Resolutions and instruments in writing.

## TRUSTEE

The Trustee under the Indenture is Odyssey Trust Company, a trust company incorporated under the laws of Alberta. The Trustee may be contacted by telephone at 888-290-1175 or as provided at corptrust@odysseytrust.com.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has, except as disclosed herein, any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

The following directors or executive officers of the Company own, directly or indirectly, or exercise control or direction over Debentures in the principal amounts indicated below:

| Name | Principal Amount |
|---|---|
| Douglas Ford[(1)] | $50,000 |
| Karl Kottmeier | $50,000 |
| Pacific Equity Management Corp.[(2)] | $50,000 |

[(1)] Held indirectly. Owned directly and beneficially by Mr. Ford's spouse.
[(2)] A corporation controlled by Mr. Ford and Mr. Kottmeier.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, and no associate of any such director or officer is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company, and no such persons owe a debt to another entity, which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, no informed person of the Company, no proposed director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. A full copy of the Indenture is available for review under the Company's SEDAR profile at www.sedar.com. Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year.

## OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

## DIRECTORS' APPROVAL

The contents of this Circular and its distribution to Debentureholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, November 9, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Karl Kottmeier"*

**Karl Kottmeier**
**President and Chief Executive Officer**

## APPENDIX "A"

## EXTRAORDINARY RESOLUTIONS

**BE IT RESOLVED BY EXTRAORDINARY RESOLUTION THAT:**

1. The amendments (the "**Debenture Amendments**") to the trust indenture between Chemistree Technology Inc. (the "**Company**") and Odyssey Trust Company ("**Trustee**") dated March 29, 2019 (the "**Indenture**") governing the 10% unsecured convertible debentures of the Company due March 29, 2022 (the "**Debentures**"), resulting in (i) the extension of the maturity date of the Debentures to March 29, 2024 and (ii) after December 31, 2021, the Company being authorized, in its sole discretion, to pay the interest due on the Debentures in cash or through the issuance of common shares in the capital of the Company ("**Common Shares**") at the market price of the Common Shares in effect on the date of the common share interest payment election notice, both as described in the management information circular of Company dated November 9, 2021, in respect of such Debentures (the "**Circular**") and set forth in a supplemental indenture (the "**Supplemental Indenture**"), substantially in the form attached as Appendix "B" to the Circular are hereby approved and authorized;

2. Each of the Company and the Trustee is hereby authorized and directed to execute and deliver the Supplemental Indenture;

3. The Trustee is hereby authorized and directed to, on behalf of Debentureholders, negotiate the final form, enter into, execute, under the corporate seal of the Company or otherwise, deliver or cause to be delivered or accept, as the case may be, any amending agreement or supplemental indenture or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof;

4. Any one officer or director of the Company, be and he or she is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Company or otherwise, deliver or cause to be delivered or accept, as the case may be, for and on behalf of the Company, any amending agreement or supplemental indenture or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof; and

5. Notwithstanding that this extraordinary resolution has been duly passed by Debentureholders, the directors of the Company be, and they are hereby, authorized and empowered to abandon and revoke this resolution at any time and to not proceed with the transactions contemplated by entering into a supplemental indenture, without further approval of the Debentureholders.

**APPENDIX “B”**

**SUPPLEMENTAL INDENTURE**

(See attached)

**CHEMISTREE TECHNOLOGY INC.**

**AND**

**ODYSSEY TRUST COMPANY**

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# SUPPLEMENTAL TRUST INDENTURE

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**[●], 2021**

**THIS SUPPLEMENTAL TRUST INDENTURE** dated as of **[●]**, 2021

**BETWEEN:**

**CHEMISTREE TECHNOLOGY INC**., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**")

**AND:**

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of Alberta and registered to carry on business in the Provinces of British Columbia and Alberta (hereinafter called the "**Debenture Trustee**")

**WHEREAS:**

A. The Corporation and the Trustee executed a trust indenture ("**Indenture**") dated March 29, 2019 providing for the issue of 10% senior unsecured convertible debentures ("**Debentures**");

B. The Corporation issued Debentures in the aggregate principal amount of $10,830,000 pursuant to the terms of the Indenture;

C. Pursuant to an Extraordinary Resolution passed at a meeting of Debentureholders on **[●]**, 2021 in accordance with Article 11 of the Indenture the Corporation wishes and the Trustee is authorized to enter into this supplemental trust indenture (the "**Supplemental Trust Indenture**") to authorize the Corporation to amend certain terms of the indenture; and

D. The Trustee has agreed to enter into this Supplemental Trust Indenture and to hold all rights, interests and benefits contained herein for and on behalf of those persons who become holders of Debentures issued pursuant to the indenture as amended by this Supplemental Trust Indenture from time to time.

**NOW THEREFORE THIS SUPPLEMENTAL TRUST INDENTURE WITNESSES** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

**Section 1 <u>General</u>**

This Supplemental Trust Indenture is supplemental to the Indenture and the Indenture shall henceforth be read in conjunction with this Supplemental Trust Indenture and all of the provisions of the Indenture shall apply and have the same effect as if all the provisions of the Indenture and of this Supplemental Trust Indenture were contained in one instrument and unless otherwise defined herein, all capitalized words or phrases used herein shall have the same meaning as is ascribed to those capitalized words or phrases in the Indenture.

1. On and after the date hereof, each reference to the Indenture as amended by this Supplemental Trust Indenture, "this indenture", "herein", "hereby", "therein", "thereby" and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby.

**Section 2 <u>Amendments</u>**

1. A new subsection 1.1(16) is added to the Indenture as follows:

"The "**Common Share Interest Payment Election**" means an election made by the Corporation in its sole discretion to satisfy any interest payable to a Debentureholder by the issuance of Common Shares, in the manner described in the Common Share Interest Payment Election Notice;"

2. A new subsection 1.1(17) is added to the Indenture as follows:

"The "**Common Share Interest Payment Election Amount**" means the amount of Common Shares that the Corporation elects to issue to the Debentureholders as full satisfaction, or partial satisfaction, of any interest payable to a Debentureholder;"

3. A new subsection 1.1(18) is added to the Indenture as follows:

"The "**Common Share Interest Payment Election Notice**" means a written notice made by the Corporation to the Trustee and the Debentureholders specifying:

(i) the Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture, to which the election relates; and

(ii) the Common Share Interest Payment Election Amount;"

4. A new subsection 1.1(45) is added to the Indenture as follows:

"The "**Market Price**" means the 5-day VWAP one Business Day immediately prior to the applicable Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture. If no such price is available "Market Price" shall be the fair value of a Common Share as reasonably determined by the Board of Directors. Notwithstanding the foregoing, the Market Price of a Common Share may not be less than $0.05;"

5. The first sentence of subsection 2.5(2) of the Indenture is hereby amended as follows:

"The Initial Debentures shall be dated as of the Deemed Exercise Date and shall mature on March 29, 2024 (the "**Maturity Date**" for the Initial Debentures)."

6. The first sentence of subsection 2.5(3) of the of the Indenture is hereby deleted in its entirety and replaced as follows:

"The Initial Debentures shall bear interest from the date of closing of the Offering at the rate of 10% per annum (based on a year of 360 days comprised of twelve 30-day months), payable in equal semi-annual payments in arrears on June 30 and December 31 in each year (with the exception of the first interest payment, which will include interest from and including the date of closing of the Offering as set forth below), the first such payment to fall due on June 30, 2019 and the last such payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date of the Initial Debentures) to fall due on March 29, 2024, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually."

7. The first sentence of subsection 2.16(a) of the Indenture is hereby deleted in its entirety and replaced as follows:

"As interest becomes due on each Debenture (except, subject to certain exceptions set forth herein including in subsection 2.5(3), when interest may at the option of the Corporation be paid upon surrender of such Debenture), the Corporation, at its sole election may: (i) either directly or through the Trustee or any agent of the Trustee, send or forward by prepaid ordinary mail, wire transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any

tax required to be withheld therefrom) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the record date prior to the applicable Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs, or (ii) following December 31, 2021 and in accordance with subsection 2.16(c), satisfy the payment of interest to a Debentureholder on the Initial Debentures on any Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture by delivering Common Shares directly to the Debentureholder."

8. The first sentence of subsection 2.16(b) of the Indenture is hereby deleted in its entirety and replaced as follows:

"All payments of interest on the Uncertificated Debenture shall be satisfied by either (i) wire funds transfer or certified cheque made payable (A) to the Depository or its nominee on the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture, unless the Corporation and the Depository otherwise agree or (B) if the Corporation wishes to have the Trustee act as interest paying agent, to the Trustee by no later than the Business Day prior to the day interest is payable for subsequent payment to Beneficial Holders of the applicable Uncertificated Debenture or (ii) following December 31, 2021 and in accordance with subsection 2.16(c), by the Corporation issuing Common Shares directly to the Debentureholders."

9. A new subsection 2.16(c) is added to the Indenture as follows:

**"2.16(c)**

(i) Following December 31, 2021, and provided no Event of Default has occurred and is continuing and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Common Shares are then listed), the Corporation shall have the right, from time to time, to make a Common Share Interest Payment Election in respect of any interest payable to a Debentureholder, by issuing and delivering to the Trustee and concurrently to the Debentureholders, a Common Share Interest Payment Election Notice no later than the day which is 15 Business Days prior to the Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture to which the Common Share Interest Payment Election relates.

(ii) In the event that the Corporation has made a Common Share Interest Payment Election, the Corporation shall, on the Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture, issue, directly to the Debentureholders, that number of Common Shares obtained by dividing the amount of interest payable to a Debentureholder (or applicable portion thereof to be satisfied by the issuance and delivery of Common Shares) by the Market Price in effect on the Interest Payment Date or such other date in which the Corporation is required to pay interest to a Debentureholder pursuant to this Indenture.

(iii) The amount received by a holder of a Debenture in respect of the interest payable to a Debentureholder or any entitlement thereto will not be affected by whether or not the Corporation elects to satisfy the interest payable to a Debentureholder pursuant to a Common Share Interest Payment Election or to satisfy such interest payable in cash pursuant to subsection 2.16(a)(i).

(iv) The making of a Common Share Interest Payment Election shall thereafter entitle Debentureholders to receive, in lieu of a cash payment, Common Shares in satisfaction of such interest payable to a Debentureholder by the Corporation.

(v) Any Common Shares issued to a Debentureholder pursuant to this subsection 2.16(c) shall be delivered directly to the Debentureholders from the Corporation, by way of courier of first class mail.

(vi) No fractional Common Shares shall be delivered on exercise by the Corporation of the Common Share Payment Election and any such fractional entitlements shall be rounded down to the nearest whole number of Common Shares."

10. The first sentence of Section 4.2 of the Indenture is hereby deleted in its entirety and replaced as follows:

"Payment on maturity of Debentures shall be provided for by the Corporation depositing with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Vancouver time) on the Business Day immediately prior to the Maturity Date such sums of money as may be sufficient to pay all accrued and unpaid interest thereon up to but excluding the Maturity Date, provided the Corporation may elect to satisfy this requirement by either (i) providing the Trustee with a certified cheque or wire transfer for such amounts required under this Section 4.2, or (ii) following December 31, 2021 and in accordance with subsection 2.16(c), by delivering Common Shares directly to the Debentureholders."

11. Subsection 5.4(5) of the Indenture is hereby deleted in its entirety and replaced as follows:

"The holder of a Debenture surrendered for conversion in accordance with this Section 5.4 shall be entitled (subject to any applicable restriction on the right to receive interest on conversion of Debentures of any series) to receive accrued and unpaid interest in respect thereof, in cash or in lieu of a cash payment, Common Shares in satisfaction of such interest payable to a Debentureholder by the Corporation, up to but excluding the Date of Conversion and the Common Shares issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the Date of Conversion or such later date as such holder shall become the holder of record of such Common Shares pursuant to subsection 5.4(2), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and nonassessable Common Shares. If the Corporation elects to issue Common Shares in lieu of a cash payment pursuant to this subsection 5.4(5), the process to issue such Common Shares outlined in subsection 2.16(c) shall apply, except that, the timelines set out in in subsection 2.16(c)(i) relating to the delivery by the Corporation of a Common Share Interest Payment Election Notice shall not apply and the Corporation shall have [10] Business Days after any relevant Date of Conversion to provide the Debentureholder and Trustee with a Common Share Interest Payment Election Notice relating to such interest payment."

12. The first paragraph of Section 5.7 of the Indenture is hereby deleted in its entirety and replaced as follows:

"If, prior to the Maturity Date, the VWAP of the Common Shares on the CSE (or such other Canadian stock exchange on which the Common Shares are listed for trading) for 10 consecutive trading days equals or exceeds $1.00, as adjusted in accordance with Section 6.5, the Corporation may force conversion of all but not less than all of the principal amount (less any tax required by law to be deducted or withheld) of the Debenture at the Conversion Price, upon giving the Debentureholders not less than 30 days advance written notice by way to the Trustee in accordance with Section 12.3 (the "**Forced Conversion Notice**") and concurrently issuing a news release. The Corporation shall pay all accrued and unpaid interest (less any tax required by law to be deducted or withheld) in cash or in lieu of a cash payment, Common Shares (where permitted pursuant to this Indenture or any supplemental indenture) in satisfaction of such interest payable

to a Debentureholder. The holder of a Debenture may convert such Debenture in the manner provided in Section 5.4 in whole or in part into Common Shares until 4:30 p.m. (Vancouver time) on the Business Day prior to the Forced Conversion Date. If the Corporation elects to issue Common Shares in lieu of a cash payment pursuant to this Section 5.7, the process to issue such Common Shares outlined in subsection 2.16(c) shall apply, except that, the timelines set out in subsection 2.16(c)(i) relating to the delivery by the Corporation of a Common Share Interest Payment Election Notice shall not apply and the Corporation shall have 15 Business Days prior to the Forced Conversion Date to provide the Debentureholders and Trustee with a Common Share Interest Payment Election Notice relating to such interest payment."

13. Section 8.2 of the of the Indenture is hereby deleted in its entirety and replaced as follows:

"In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal of, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

(a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or

(b) in respect of monies or Common Shares in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or

(c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies or Common Shares in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 8.3."

14. Section 8.3 of the of the Indenture is hereby deleted in its entirety and replaced as follows:

"Subject to applicable law, any monies or Common Shares set aside under Section 8.2 and not claimed by and paid to holders of Debentures as provided in Section 8.2 within two years after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies or Common Shares and thereafter the holders of the Debentures in respect of which such monies or Common Shares were so repaid or returned to the Corporation, as applicable, shall have no rights in respect thereof except to obtain payment and delivery of the monies or Common Shares from the Corporation subject to any limitation provided by the laws of the Province of British Columbia. Notwithstanding the foregoing, the Trustee will pay any remaining funds or return such Common Shares prior to the expiry of two years after the setting aside described in Section 8.2 to the Corporation upon receipt from the Corporation of, (i) in the case of any remaining monies held, an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining monies, or (ii) in the case of Common Shares held by the Trustee, a letter from such Trustee indicating the amount of remaining Common Shares so held. If the remaining funds or Common Shares, as applicable, are paid or returned to the Corporation prior to the expiry of two years after such setting aside, the Corporation shall reimburse the Trustee for any amounts of monies or Common Shares, as applicable, so set aside which are required to be paid

by the Trustee to a holder of a Debenture after the date of such payment of the remaining funds or Common Shares, as applicable, to the Corporation but prior to two years after such setting aside."

15. Subsection 8.5(1)(a) of the of the Indenture is hereby deleted in its entirety and replaced as follows:

"the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money (or, where permitted pursuant to this Indenture or any supplemental indenture that number of Common Shares), sufficient to pay, satisfy and discharge the entire amount of principal of, premium, if any, and interest, if any, to maturity, or any repayment date, or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures."

16. The last paragraph in subsection 8.5(1)(b) is hereby deleted in its entirety and replaced as follows:

"as will be sufficient to pay and discharge the entire amount of principal of, premium, if any on, and accrued and unpaid interest to maturity or any repayment date, as the case may be, of all such Debenture, provided that, following December 31, 2021, with respect to any interest payable on the Debentures, the Corporation may deliver Common Shares to the Debentureholder in accordance with subsection 2.16(c); or"

17. Schedule "A" of the of the Indenture is hereby deleted in its entirety and replaced as contemplated in Schedule "A" attached hereto.

**Section 3 Applicable Law**

This Supplemental Indenture shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts, with respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debenture, the Corporation, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

**Section 4 Conflict**

In the event of a conflict or inconsistency between a provision in the body of this Supplemental Indenture and in the Debentures, the provision in the body of this Supplemental Indenture shall prevail to the extent of the conflict or inconsistency.

**Section 5 Severability**

If any term or provision of this Supplemental Indenture shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

**Section 6 Counterparts**

This Supplemental Indenture may be executed in any number of separate counterparts and by original or electronic signature in facsimile or pdf copy, each of which shall be deemed an original and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties hereto have executed this Supplemental Indenture as of the date first written above.

**CHEMISTREE TECHNOLOGY INC.**

By: _____

Name: Douglas E. Ford
Title: Chief Financial Officer

**ODYSSEY TRUST COMPANY**

By: _____

Name:
Title:

By: _____

Name:
Title:

**Schedule A – Form of Debenture**

*[INITIAL DEBENTURES LEGEND]*

*[U.S. LEGEND (RULE 506) – TO BE INCLUDED ON ALL INITIAL DEBENTURES ISSUED TO U.S. PERSONS OR IN THE UNITED STATES PURSUANT TO RULE 506]*

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CHEMISTREE TECHNOLOGY INC. (THE "CORPORATION"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND (C) IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE [TRANSFER AGENT][TRUSTEE] TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

*[CANADIAN LEGEND – TO BE INCLUDED ON ALL INITIAL DEBENTURES ISSUED PURSUANT TO THE CONCURRENT PRIVATE PLACEMENT]*

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE].**

**CUSIP 16383DAB0**
**ISIN CA16383DAB07**

No. ● $●

**CHEMISTREE TECHNOLOGY INC.**

**(A corporation incorporated under the laws of British Columbia)**

**10% UNSECURED CONVERTIBLE DEBENTURE**

**DUE MARCH 29, 2024**

**Chemistree Technology Inc.** (the "**Corporation**") for value received hereby acknowledges itself indebted and, subject to the provisions of the Debenture Indenture (the "**Indenture**") dated as of March 29, 2019 between the Corporation and Odyssey Trust Company (the "**Trustee**"), promises to pay to the registered holder hereof on March 29, 2024 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture (any such date, the "**Maturity Date**") the principal sum of ● Dollars ($●) in lawful money of Canada on presentation and surrender of this Initial Debenture at the main branch of the Trustee in Vancouver, British Columbia in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from, and including, the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 10% per annum (based on a year of 360 days comprised of twelve 30-day months), in like money, in arrears in equal (with the exception of the first interest payment which will include interest from March 29, 2019 as set forth below) semi-annual instalments (less any tax required by law to be deducted) on June 30 and December 31 in each year commencing on June 30, 2019 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For certainty, the first interest payment will include interest accrued from March 29, 2019 to June 30, 2019, which will be equal to $25.28 for each $1,000 principal amount of the Initial Debentures.

Provided that no Event of Default has occurred and is continuing and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Debentures or Common Shares are then listed), the Corporation shall have the right, from time to time, to satisfy its obligation to pay interest on the Debentures, on the Interest Payment Date, by delivering Common Shares to the Debentureholders, as set forth in the applicable Common Share Interest Payment Election Notice. No fractional Common Shares will be issued pursuant to any Common Share Interest Payment Election Amount, and any Common Shares so issuable will be rounded down to the nearest whole number

This Initial Debenture is one of the 10% Unsecured Convertible Debentures (referred to herein as the "**Initial Debentures**") of the Corporation issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of $10,830,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

The Initial Debentures are issuable only in denominations of $1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Any part, being $1,000 or an integral multiple thereof, of the principal of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of $1,000, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee in Vancouver, British Columbia, at any time prior to the close of business on the Maturity Date or, if this Initial Debenture is called for redemption on or prior to such date, then, to the extent so called for redemption, up to but not after the close of business on the last Business Day immediately preceding the date specified for redemption of this Initial Debenture or, if called for repurchase pursuant to a Change of Control (as defined in the Indenture) on the Business Day immediately prior to the payment date, into common shares of the Corporation (the "**Common Shares**") (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of $0.50 (the "**Conversion Price**") per Common Share, being a rate of 2,000 Common Shares for each $1,000 principal amount of Initial Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. No Initial Debentures may be converted during the five Business Days preceding each of June 30 and December 31 in each year, commencing June 30, 2019, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion, and any Common Shares so issuable will be rounded down to the nearest whole number. Holders converting their Debentures will receive accrued and unpaid interest thereon. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

Subject to the provisions in the Indenture and without further action on the part of the Registered Holder, if prior to the Maturity Date, the volume weighted average price of the Common Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the Common Shares are listed for trading) for 10 consecutive trading days equals or exceeds $1.00, as adjusted in accordance with the Indenture, the Corporation may deliver a written notice (the "**Forced Conversion Notice**") to the Trustee in accordance with the Indenture and to the Registered Holder by way of news release to cause the Registered Holder to convert all but not less than the principal amount of the Debentures (less any tax required by law to be deducted or withheld) into that number of Common Shares of the Corporation equal to the principal amount of the Debentures (less any tax required by law to be deducted or withheld) to the date of such forced conversion. The Corporation shall pay all accrued and unpaid interest in cash or Common Shares (where permitted pursuant to the Indenture or any supplemental indenture). The effective date for the forced conversion (the "**Forced Conversion Date**") shall be: (a) the date stipulated in the Forced Conversion Notice; or (b) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (i) all of the principal amount of the Debentures (less any tax required by law to be deducted or withheld) shall be deemed to be converted into Common Shares at the then applicable Conversion Price; and (ii) the registered holder shall be entered in the books of the Corporation as at the Forced Conversion Date as the holder of the number of Common Shares, as applicable, into which the Debentures are convertible. In the event that the Corporation delivers a Forced Conversion Notice, upon surrender of this Initial Debenture to the Trustee, the Corporation shall deliver certificates for the Common Shares into which the Debentures have been converted.

Not less than 30 days prior to the consummation of: (i) any event as a result of or following which any person, or persons acting jointly or in concert directly or indirectly within the meaning of applicable securities legislation, beneficially owns or exercises control or direction over an aggregate of more than 50% of the outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation, unless the holders of voting securities of the Corporation immediately prior to such sale, merger, reorganization or other similar transaction hold securities representing 50% or more of the voting control or direction in the Corporation or the successor entity upon completion of such merged, reorganized or other continuing entity (collectively, a "**Change of Control**"), the Corporation shall notify the

holders of the Initial Debentures of the Change of Control, and the holders of the Initial Debentures shall, in their sole discretion, have the right to require the Corporation to, either: (i) purchase the Debentures at 104% of the principal amount thereof plus unpaid interest to the Maturity Date; or (ii) convert the Debentures at the Conversion Price (the "**Change of Control Offer**"). If 90% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation has the right to redeem all the remaining outstanding Initial Debentures on the same date and at the same price.

If an offer is made for the Initial Debentures which is a take-over bid for the Initial Debentures within the meaning of applicable Canadian securities laws and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the offer by or on behalf of the Offeror, associates or affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Initial Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Initial Debentures.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter certified and delivered under the Indenture, is a direct unsecured obligation of the Corporation.

The Indenture contains provisions binding upon all holders of Initial Debentures outstanding thereunder (or in certain circumstances specific series of Initial Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Initial Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

This Initial Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Vancouver and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Initial Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Initial Debenture for cancellation. Thereupon a new Initial Debenture or Initial Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Initial Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

**IN WITNESS WHEREOF CHEMISTREE TECHNOLOGY INC.** has caused this Debenture to be signed by its authorized representatives as of March 29, 2019.

**CHEMISTREE TECHNOLOGY INC.**

By: _____

## TRUSTEE'S CERTIFICATE

This Initial Debenture is one of the 10% Unsecured Convertible Debentures due March 29, 2024 referred to in the Indenture within mentioned.

Dated:

**ODYSSEY TRUST COMPANY**

By: _____

Name:
Title:

## REGISTRATION PANEL

(No writing hereon except by Trustee or other registrar)

| Date of Registration | In Whose Name Registered | Signature of Trustee or Registrar |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

**FORM OF ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or $_____principal amount hereof*) of **CHEMISTREE TECHNOLOGY INC.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Initial Debenture in such register, with full power of substitution in the premises.

Dated:_____

Address of Transferee:_____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable:_____

*If less than the full principal amount of the within Initial Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold an Initial Debenture in a non-integral multiple of $1,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

☐ **Check if the undersigned Transferor is a Qualified Institutional Buyer that acquired Initial Debentures under the Offering as "restricted securities" which, pursuant to Section 2.15(3) of the Indenture, have been included in the Unrestricted Debenture against execution and delivery by the Transferor of a U.S. Purchaser Letter substantially as set forth in Schedule F to the Indenture. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE D TO THE INDENTURE.**

**REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).**

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

**Date of Event** (Date of gift, death or sale): **Value per Debenture** on the date of event:

☐☐/☐☐/☐☐☐☐ **$** ☐☐☐.☐☐ ☐ CAD **OR** ☐ USD

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of

the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

| | |
|---|---|
| Authorized Officer | Signature of transferring registered holder |
| Name of Institution | |