

**ALPHA EXPLORATION INC.**

**AND**

**LAKELAND RESOURCES INC.**

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**ARRANGEMENT AGREEMENT**

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**DATED JULY 22, 2015**

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## **ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** dated July 22, 2015

**BETWEEN:**

**ALPHA EXPLORATION INC.**, a corporation existing under the Laws of British Columbia ("**Alpha**")

– and –

**LAKELAND RESOURCES INC.**, a corporation existing under the Laws of British Columbia ("**Lakeland**")

**RECITALS:**

- A. Lakeland desires to acquire all of the Alpha Shares.
- B. The Parties intend to carry out the transactions contemplated in this Agreement by way of arrangement under the provisions of the BCBCA.
- C. The Lakeland Board has determined, after receiving financial and legal advice, that it would be advisable and in the best interests of Lakeland and Lakeland Shareholders for Lakeland to enter into this Agreement, on the terms and subject to the conditions contained in this Agreement, pursuant to which Alpha would become a wholly-owned Subsidiary of Lakeland, and the Lakeland Board unanimously approved this Arrangement Agreement and intends to recommend that the Lakeland Consolidation Resolution be approved by the Lakeland Shareholders, on the terms and subject to the conditions of this Arrangement Agreement.
- D. The Alpha Board has determined, after receiving financial and legal advice and following the receipt of the Alpha Fairness Opinion, that it would be advisable and in the best interests of Alpha and Alpha Shareholders for Alpha to enter into this Agreement, on the terms and subject to the conditions contained in this Agreement, pursuant to which Alpha would become a wholly-owned Subsidiary of Lakeland, and the Alpha Board unanimously approved this Arrangement Agreement and intends to recommend that the Alpha Arrangement Resolution be approved by the Alpha Shareholders, on the terms and subject to the conditions of this Arrangement Agreement.
- E. Lakeland has entered into the Alpha Voting Agreements with the Alpha Locked-Up Shareholders, pursuant to which, among other things, the Alpha Locked-Up Shareholders have agreed, subject to the terms and conditions thereof, to vote the Alpha Shares held by them in favour of the Arrangement.
- F. Alpha has entered into the Lakeland Voting Agreements with the Lakeland Locked-Up Shareholders, pursuant to which, among other things, the Lakeland Locked-Up Shareholders have agreed, subject to the terms and conditions thereof, to vote the Lakeland Shares held by them in favour of the Arrangement.

**THIS AGREEMENT WITNESSES THAT** in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

“**affiliate**” has the meaning ascribed thereto in the BCBCA;

“**Acquisition Proposal**” means, other than the transactions contemplated by this Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned Subsidiaries, any offer, proposal or inquiry from any Person or group of Persons, whether or not in writing and whether or not delivered to the shareholders of that Party, after the date hereof relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of that Party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of that Party and its Subsidiaries, taken as a whole, or (ii) 20% or more of any voting or equity securities of that Party or any one or more of its Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Party and its Subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of that Party; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving that Party and/or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its Subsidiaries, taken as a whole;

“**Agreement**” means this arrangement agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

“**Alpha Annual Financial Statements**” means the audited financial statements of Alpha as at and for the fiscal years ended October 31, 2014 and 2013 together with the notes thereto;

“**Alpha Arrangement Resolution**” means the special resolution of the Alpha Securityholders approving the Plan of Arrangement which is to be considered at the Alpha Meeting as provided for in Subsection 2.2(c), substantially in the form and content of Schedule “B” hereto;

“**Alpha Benefit Plans**” means any pension or retirement income plans or other employee compensation, other than equity- or security-based compensation arrangements, or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Alpha or for which Alpha could have any liability;

“**Alpha Board**” means the board of directors of Alpha as the same is constituted from time to time;

**“Alpha Change in Recommendation”** has the meaning ascribed thereto in Subsection 8.2(a)(iii)(A);

**“Alpha Circular”** means the notice of the Alpha Meeting and management information circular of Alpha, together with all schedules, appendices and exhibits thereto, to be distributed by Alpha in connection with the Alpha Meeting, as amended, supplemented or otherwise modified from time to time;

**“Alpha Disclosure Letter”** means the disclosure letter executed by Alpha and delivered to Lakeland prior to the execution of this Agreement;

**“Alpha Fairness Opinion”** means the opinion dated July 17, 2015 of Primary Capital, LLC;

**“Alpha Financial Statements”** means, collectively, the Alpha Annual Financial Statements and the Alpha Interim Financial Statements;

**“Alpha Interim Financial Statements”** means the unaudited interim condensed financial statements of Alpha as at and for the period ended April 30, 2015, together with the notes thereto;

**“Alpha Locked-up Shareholders”** means Michael H. Gunning, Warren Stanyer, Benjamin Ainsworth, Charles Roy, James Yates, Robert Sierd Eriks and Kurt Bordian, who collectively hold 4,548,291 Alpha Shares;

**“Alpha Mailing Deadline”** means the later of (a) August 17, 2015; and (b) the date that is 5 business days following receipt by Alpha from Lakeland of all of Lakeland’s information required to be included in the Alpha Circular;

**“Alpha Material Adverse Effect”** means any one or more changes, effects, events, occurrences or states of fact, either individually or in the aggregate, that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of Alpha other than changes, effects, events, occurrences or states of fact resulting from: (a) a change in the market price of the Alpha Shares following and reasonably attributable to the public announcement of the execution of this Agreement and the transactions contemplated hereby, (b) any changes affecting the uranium mining industries generally; (c) any change in the market price of uranium; (d) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (e) any change in IFRS occurring after the date hereof; (f) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (g) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (h) any natural disaster, provided, however, that with respect to clauses (b) to (h), such changes do not relate primarily to Alpha or do not have a disproportionate effect on Alpha compared to other companies of similar size operating in the uranium mining industry and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a “Alpha Material Adverse Effect” has occurred;

“**Alpha Meeting**” means the special meeting of Alpha Securityholders voting as a single class, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Alpha Arrangement Resolution;

“**Alpha Mineral Properties**” means all Contracts, Permits, Environmental Permits, claims, licences, leases and other rights to, or interests in, mineral properties held by Alpha, as more particularly set forth in the Alpha Disclosure Letter;

“**Alpha Minerals Rights**” has the meaning ascribed thereto in Section 3.1(m);

“**Alpha Option Plan**” means the stock option plan of Alpha, approved by Alpha Shareholders on September 3, 2014;

“**Alpha Optionholders**” means the holders of the Alpha Options;

“**Alpha Options**” means the outstanding options to purchase Alpha Shares granted under the Alpha Option Plan;

“**Alpha Proposed Agreement**” has the meaning ascribed to that term in Section 7.1(e);

“**Alpha Public Documents**” means all documents and information filed by Alpha under applicable Securities Laws on SEDAR, during the two years prior to the date hereof;

“**Alpha Securityholder Approval**” has the meaning ascribed thereto in Section 2.2(c);

“**Alpha Securityholders**” means the Alpha Shareholders, the Alpha Optionholders and the Alpha Warrantholders;

“**Alpha Shareholders**” means the holders of Alpha Shares;

“**Alpha Shares**” means the issued and outstanding common shares of Alpha;

“**Alpha Termination Fee**” has the meaning ascribed thereto in Section 8.3(b);

“**Alpha Termination Fee Event**” has the meaning ascribed thereto in Section 8.3(c);

“**Alpha TSXV Approval**” means the conditional approval of the TSXV in respect of the Arrangement;

“**Alpha Voting Agreements**” means the voting agreements (including all amendments thereto) between Lakeland and the Alpha Locked-up Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Alpha Shares in favour of the Arrangement;

“**Alpha Warrantholders**” means the holders of the Alpha Warrants;

“**Alpha Warrants**” means the outstanding warrants to purchase Alpha Shares;

“**Arrangement**” means the arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.4 hereof or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that

any such amendment or variation is acceptable to both Alpha and Lakeland, each acting reasonably);

“**Authorization**” means any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, whether or not having the force of Law, and includes any Environmental Permit;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**business day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Vancouver, British Columbia;

“**Claim**” means any demand, action, cause of action, investigation, inquiry, suit, proceeding, claim, complaint, arbitration, charge, prosecution, assessment or reassessment, including any appeal or application for review, judgment, arbitration, award, grievance, settlement or compromise;

“**CEE**” means “Canadian exploration expense” as such term is defined in Section 66.1(6) of the Tax Act;

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended;

“**Consideration**” means the consideration to be received by the Alpha Shareholders (other than a Dissenting Shareholder) pursuant to the Plan of Arrangement as consideration for their Alpha Shares, consisting of one (1) Consideration Share for each two (2) issued and outstanding Alpha Shares;

“**Consideration Shares**” means the Lakeland Shares to be issued pursuant to the Arrangement;

“**Consolidation**” has the meaning ascribed thereto in Section 6.1(d);

“**Contract**” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party is a party or by which it is bound or affected or to which any of its properties or assets is subject;

“**Court**” means the Supreme Court of British Columbia;

“**Depository**” means any trust company, bank or other financial institution agreed to in writing by Alpha and Lakeland for the purpose of, among other things, exchanging certificates representing Alpha Shares for the Consideration in connection with the Arrangement;

“**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

**“Dissenting Shareholder”** means a registered Alpha Shareholder who duly exercises its Dissent Rights pursuant to the Plan of Arrangement and the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

**“Effective Date”** means the date the Arrangement is effective under the BCBCA;

**“Effective Time”** has the meaning ascribed to such term in the Plan of Arrangement;

**“Environmental Laws”** means all Laws, imposing obligations, responsibilities, liabilities or standards of conduct for or relating to: (a) the regulation or control of pollution, contamination, activities, materials, substances or wastes in connection with or for the protection of human health or safety, the environment or natural resources (including climate, air, surface water, groundwater, wetlands, land surface, subsurface strata, wildlife, aquatic species and vegetation); or (b) the use, generation, disposal, treatment, processing, recycling, handling, transport, distribution, destruction, transfer, import, export or sale of Hazardous Substances;

**“Environmental Liabilities”** means, with respect to any Person, all liabilities, obligations, responsibilities, responses, losses, damages, punitive damages, property damages, consequential damages, treble damages, costs (including control, remedial and removal costs, investigation costs, capital costs, operation and maintenance costs), expenses, fines, penalties and sanctions incurred as a result of or related to any claim, suit, action, administrative or court order, investigation, proceeding or demand by any Person, arising under or related to any Environmental Laws, Environmental Permits, or in connection with any: (a) Release or threatened Release or presence of a Hazardous Substance; (b) tank, drum, pipe or other container that contains or contained a Hazardous Substance; or (c) use, generation, disposal, treatment, processing, recycling, handling, transport, transfer, import, export or sale of Hazardous Substance;

**“Environmental Permits”** means all Permits or program participation requirements with or from any Governmental Entity under any Environmental Laws;

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

**“Governmental Entity”** means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any stock exchange, including the TSXV; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**“Hazardous Substance”** means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious

substance, waste or material, including hydrogen sulphide, arsenic, cadmium, copper, lead, mercury, petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material, substance, pollutant or contaminant regulated or defined pursuant to, or that could result in liability under, any Environmental Law;

“**IFRS**” means International Financial Reporting Standards;

“**including**” means including without limitation, and “**include**” and “**includes**” have a corresponding meaning;

“**Interim Order**” means the interim order of the Court, in a form acceptable to Alpha and Lakeland, each acting reasonably, providing for, among other things, the calling and holding of the Alpha Meeting and the Lakeland Meeting, as the same may be amended by the Court (with the consent of Alpha and Lakeland, each acting reasonably);

“**Lakeland Annual Financial Statements**” means the audited financial statements of Lakeland as at and for the fiscal years ended December 31, 2014 and 2013 together with the notes thereto;

“**Lakeland Board**” means the board of directors of Lakeland as the same is constituted from time to time;

“**Lakeland Circular**” means the notice of the Lakeland Meeting and management information circular of Lakeland, together with all schedules, appendices and exhibits thereto, to be distributed by Lakeland in connection with the Lakeland Meeting, as amended, supplemented or otherwise modified from time to time;

“**Lakeland Consolidation Resolution**” means the special resolution of the Lakeland Shareholders approving the Consolidation substantially in the form and content of Schedule “C” hereto;

“**Lakeland Disclosure Letter**” means the disclosure letter executed by Lakeland and delivered to Alpha prior to the execution of this Agreement;

“**Lakeland Financial Statements**” means, collectively, the Lakeland Annual Financial Statements and the Lakeland Interim Financial Statements;

“**Lakeland Interim Financial Statements**” means the unaudited interim condensed financial statements of Lakeland as at and for the period ended March 31, 2015, together with the notes thereto;

“**Lakeland Locked-up Shareholders**” means Jonathan Armes, David Hodge, Neil McCallum, Steven Khan, Jody Dahrouge, Frances Petryshen, and Jody Bellefleur, who collectively hold 8,861,000 Lakeland Shares;

“**Lakeland Mailing Deadline**” means the later of (a) August 17, 2015; and (b) the date that is 5 business days following receipt by Lakeland from Alpha of all of Alpha’s information required to be included in the Lakeland Circular;

“**Lakeland Material Adverse Effect**” means any one or more changes, effects, events, occurrences or states of fact, either individually or in the aggregate, that is, or would

reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of Lakeland other than changes, effects, events, occurrences or states of fact resulting from: (a) a change in the market price of the Lakeland Shares following and reasonably attributable to the public announcement of the execution of this Agreement and the transactions contemplated hereby; (b) any changes affecting the global uranium mining industries generally; (c) any change in the market price of uranium; (d) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (e) any change in IFRS occurring after the date hereof; (f) any change in applicable Laws or in the interpretation thereof by any Governmental Entity occurring after the date hereof; (g) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (h) any natural disaster; provided, however, that with respect to clauses (b) to (h), such changes do not relate primarily to Lakeland or do not have a disproportionate effect on Lakeland compared to other companies of similar size operating in the uranium mining industry; and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a “Lakeland Material Adverse Effect” has occurred;

“**Lakeland Meeting**” means the special meeting of Lakeland Shareholders voting as a single class, including any adjournment or postponement thereof, to be called and held in accordance with applicable Laws to consider the Lakeland Consolidation Resolution;

“**Lakeland Mineral Properties**” means all Contracts, Permits, Environmental Permits, claims, licences, leases and other rights to, and interests in, mineral properties held by Lakeland, as more particularly set forth in the Lakeland Disclosure Letter;

“**Lakeland Minerals Rights**” has the meaning ascribed thereto in Subsection 4.1(m);

“**Lakeland Option Plan**” means the 10% rolling stock option plan of Lakeland, approved by Lakeland Shareholders on November 20, 2014;

“**Lakeland Options**” means the outstanding options to purchase Lakeland Shares granted under the Lakeland Option Plan;

“**Lakeland Proposed Agreement**” has the meaning ascribed to that term in Subsection 7.2(e);

“**Lakeland Public Documents**” means all documents and information filed by Lakeland under applicable Securities Laws on SEDAR, during the two years prior to the date hereof;

“**Lakeland Shareholders**” means the holders of Lakeland Shares;

“**Lakeland Shares**” means the issued and outstanding common shares of Lakeland;

“**Lakeland Termination Fee**” has the meaning ascribed thereto in Subsection 8.3(b);

“**Lakeland Termination Fee Event**” has the meaning ascribed thereto in Subsection 8.3(c);

**“Lakeland Voting Agreements”** means the voting agreements (including all amendments thereto) between Alpha and the Lakeland Locked-up Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Alpha Shares and Alpha Options in favour of the Arrangement;

**“Lakeland Warrants”** means the outstanding warrants to purchase Lakeland Shares;

**“Law”** or **“Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any Permit of or from any Governmental Entity or self-regulatory authority (including the TSXV), and the term **“applicable”** with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or its business, undertaking, property or securities;

**“Liens”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

**“Losses”** means any and all loss, liability, damage, cost, expense, charge, fine, penalty or assessment, interest charges, punitive damages, fines, penalties and reasonable professional fees and disbursements, including in connection with any Claim;

**“material fact”** and **“material change”** have the meanings ascribed thereto in the Securities Act;

**“Meeting Deadline”** means September 30, 2015;

**“MI 61-101”** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

**“Minority Approval”** has the meaning ascribed to that term in MI 61-101;

**“misrepresentation”** has the meaning ascribed thereto in the Securities Act;

**“Name Change”** has the meaning ascribed thereto in Section 5.4(k);

**“ordinary course of business”**, **“ordinary course of business consistent with past practice”**, or any similar reference, means, with respect to an action taken by a Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person; provided that in any event such action is not unreasonable or unusual;

**“Option Shares”** means the Lakeland Shares issuable upon the exercise of the Replacement Options;

**“Outside Date”** means October 15, 2015, or such later date as may be agreed to in writing by the Parties;

“**Parties**” means Alpha and Lakeland and “**Party**” means any of them;

“**Permit**” means any license, permit, certificate, consent, order, grant, approval, agreement, classification, restriction, registration or other Authorization of, from or required by any Governmental Entity;

“**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“**Plan of Arrangement**” means the plan of arrangement, substantially in the form of Schedule “A” hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of Alpha and Lakeland, each acting reasonably;

“**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

“**Regulatory Approvals**” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities;

“**Release**” means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Substance in the indoor or outdoor environment, including the movement of Hazardous Substance through or in the air, soil, surface water, ground water or property;

“**Replacement Options**” means the Alpha Options which entitle the holder to acquire Lakeland Shares after the Effective Time;

“**Replacement Warrants**” means the Alpha Warrants which entitle the holder to acquire Lakeland Shares after the Effective Time;

“**Securities Act**” means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**Securities Laws**” means the Securities Act, together with all other applicable state, federal and provincial securities Laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Subsidiary**” has the meaning ascribed thereto in the BCBCA;

“**Superior Proposal**” means an unsolicited *bona fide* Acquisition Proposal made by a third party to Alpha or the Alpha Shareholders in writing after the date hereof: (i) to

purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or similar transaction, all of the Alpha Shares and offering or making available the same consideration in form and amount to all Alpha Shareholders to be purchased or otherwise acquired; (ii) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (iii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Alpha Board, acting in good faith (after receipt of advice from its financial advisors and outside legal counsel); (iv) which is not subject to a due diligence and/or access condition; (v) that did not result from a breach of Section 7.1 by Alpha or its representatives; (vi) is made available to all Alpha Shareholders on the same terms and conditions; (vii) in respect of which the Alpha Board determines in good faith (after receipt of advice from its outside legal counsel with respect to (x) below and financial advisors with respect to (y) below) that (x) failure to recommend such Acquisition Proposal to its shareholders would be inconsistent with its fiduciary duties and (y) which would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms, result in a transaction more favourable to its shareholders from a financial point of view than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by the other Party pursuant to Subsection 7.1(f);

“**Supplemental Agreement**” means that supplemental agreement regarding certain employment matters to be entered into between Alpha and Lakeland prior to the Effective Date;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;

“**Taxes**” means all taxes, duties, fees, premiums, assessments, imposts, levies, fees and other charges of any kind whatsoever imposed, assessed, reassessed or collected by any Governmental Entity, including all interest, penalties, fines, instalments, additions to tax or other additional amounts imposed, assessed, reassessed or collected by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, gross income, net income, profits, windfall, royalty, capital, capital gains, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, premium, alternative, real property, excise, stamp, withholding, business, franchise, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other pension plan premiums or contributions imposed by any Governmental Entity, all withholdings on amounts paid to or by the relevant Person and any liability as a transferee, successor, guarantor or by contract or by operation of applicable Laws in respect of any of the foregoing;

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits

thereto, required by a Governmental Entity to be made or filed in accordance with applicable Laws in respect of Taxes;

“**TSXV**” means the TSX Venture Exchange;

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended and the rules and regulations promulgated thereunder;

“**U.S. Person**” has the meaning ascribed to it in Rule 902 of Regulation S of the U.S. Securities Act;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and

“**Warrant Shares**” means the Lakeland Shares issued upon exercise of the Replacement Warrants.

## **1.2 Interpretation Not Affected by Headings**

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

## **1.3 Number and Gender**

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

## **1.4 Date for Any Action**

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

## **1.5 Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

## **1.6 Knowledge**

- (a) In this Agreement, references to “the knowledge of Alpha” means the actual knowledge of Michael H. Gunning, Chief Executive Officer and Kurt Bordian, Chief Financial Officer, in each case, after making due enquiries regarding the relevant matter.

- (b) In this Agreement, references to “the knowledge of Lakeland” means the actual knowledge of Jonathan Armes, Chief Executive Officer and Jody Bellefleur, Chief Financial Officer, in each case, after making due enquiries regarding the relevant matter.

## 1.7 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

- |            |   |                                   |
|------------|---|-----------------------------------|
| Schedule A | - | Plan of Arrangement               |
| Schedule B | - | Alpha Arrangement Resolution      |
| Schedule C | - | Lakeland Consolidation Resolution |

## ARTICLE 2 THE ARRANGEMENT

### 2.1 Arrangement

Alpha and Lakeland agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

### 2.2 Interim Order

As soon as reasonably practicable following the execution of this Agreement, and in any event in sufficient time to hold the Alpha Meeting and the Lakeland Meeting in accordance with Section 2.3, Alpha shall apply to the Court in a manner acceptable to Lakeland, acting reasonably, pursuant to Division 5 of Part 9 of the BCBCA and prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Alpha Meeting and for the manner in which such notice is to be provided;
- (b) for confirmation of the record date for the Alpha Meeting referred to in Section 2.3(a);
- (c) that the requisite approval for the Alpha Arrangement Resolution shall be 66<sup>2</sup>/<sub>3</sub>% of the votes cast on the Alpha Arrangement Resolution by (A) the Alpha Shareholders, (B) the Alpha Securityholders, present in person or by proxy at the Alpha Meeting and voting as a single class, and (C) if necessary, Minority Approval (the “**Alpha Securityholder Approval**”);
- (d) Alpha Optionholders and Alpha Warrantholders will receive one vote for each Alpha Share underlying their Alpha Options and Alpha Warrants, as applicable;
- (e) that, in all other respects, the terms, conditions and restrictions of the Alpha constating documents, including quorum requirements and other matters, shall apply in respect of the Alpha Meeting;
- (f) for the grant of Dissent Rights as contemplated in the Plan of Arrangement;
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

- (h) that the Alpha Meeting may be adjourned from time to time by Alpha, subject to the terms of this Agreement, without the need for additional approval of the Court;
- (i) that the record date for the Alpha Meeting will not change in respect of any adjournment(s) thereof;
- (j) the Parties agree that the Arrangement will be carried out with the intention that all Lakeland Shares, Replacement Options and Replacement Warrants issued on completion of the Arrangement to Alpha Securityholders will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the “**Section 3(a)(10) Exemption**”). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:
  - (i) the Arrangement will be subject to the approval of the Court;
  - (ii) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
  - (iii) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Alpha Securityholders subject to the Arrangement;
  - (iv) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Alpha Securityholders;
  - (v) Alpha will ensure that each Alpha Securityholder entitled to receive Lakeland Shares, Replacement Options or Replacement Warrants, as applicable, on completion of the Arrangement, will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
  - (vi) the Alpha Securityholders will be advised that the Lakeland Shares, Replacement Options and Replacement Warrants issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act and may be subject to restrictions on resale under the applicable Securities Legislation of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates of Alpha and Lakeland;
  - (vii) the Interim Order approving the Alpha Meeting will specify that each Alpha Securityholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the Alpha Securityholder enters an appearance within a reasonable time; and
  - (viii) the Final Order is intended to include a statement substantially to the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the *United States Securities Act of 1933, as amended*, from the registration requirements otherwise imposed by that Act, regarding the exchange of Alpha Shares, Alpha Options and Alpha Warrants for Consideration Shares, Replacement Options and Replacement Warrants, respectively, by Alpha Securityholders, pursuant to the Plan of Arrangement.”; and

- (k) for such other matters as Lakeland may reasonably require, subject to obtaining the prior consent of Alpha, such consent not to be unreasonably withheld or delayed.

## **2.3 The Meetings**

Subject to the terms of this Agreement:

- (a) The Parties agree to convene and conduct the Alpha Meeting and the Lakeland Meeting in accordance with their respective constating documents and applicable Law (and in the case of the Alpha Meeting, in accordance with the Interim Order) as soon as reasonably practicable, and in any event on or before the Meeting Deadline.
- (b) Subject to Article 7, except as required for quorum purposes or otherwise permitted under this Agreement, Alpha shall not postpone or cancel the Alpha Meeting and Lakeland shall not postpone or cancel the Lakeland Meeting, except: (i) if a quorum is not present; (ii) if required by applicable Laws; (iii) if required by the Alpha Shareholders or Lakeland Shareholders, as applicable; (iv) if otherwise agreed to by the Parties in writing; or (v) if this Agreement is terminated in accordance with the terms hereof.
- (c) The Parties may advise each other (as may be reasonably requested) as to the aggregate tally of the proxies received in respect of the Alpha Arrangement Resolution and the Lakeland Consolidation Resolution, as applicable.
- (d) Alpha will promptly advise Lakeland of any written notice of dissent or purported exercise by any Alpha Shareholder of Dissent Rights received by Alpha in relation to the Arrangement and any withdrawal of Dissent Rights received by Alpha and any written communications sent by or on behalf of Alpha to any Alpha Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement.

## **2.4 Alpha Circular and Lakeland Circular**

- (a) As promptly as reasonably practicable following execution of this Agreement with a targeted date on or before August 17, 2015, and in any event prior to the close of business on the Mailing Deadline, Alpha and Lakeland shall, as applicable, (i) prepare the Alpha Circular and the Lakeland Circular together with any other documents required by applicable Laws, (ii) file the Alpha Circular and the Lakeland Circular in all jurisdictions where the same is required to be filed, and (iii) mail the Alpha Circular and the Lakeland Circular as required under applicable Laws (and in the case of the Alpha Circular, by the Interim Order). On the date of mailing thereof, the Alpha Circular and the Lakeland Circular shall comply in all material respects with all applicable Laws (and in the case of the Alpha Circular, with the Interim Order) and shall contain sufficient detail to permit the Alpha Securityholders and the Lakeland Shareholders to form a reasoned judgement concerning the matters to be placed before them at the Alpha Meeting and the Lakeland Meeting, as applicable.

- (b) In the event that Alpha provides a notice to Lakeland regarding a possible Acquisition Proposal pursuant to Section 7.1(c) prior to the mailing of the Alpha Circular, then unless the Parties agree otherwise, the Alpha Mailing Deadline will be extended until the date that is seven days following the earlier of either (i) written notification from Alpha to Lakeland that the Alpha Board has determined that the Acquisition Proposal is not a Superior Proposal, or (ii) the date on which Alpha and Lakeland enter into an amended agreement pursuant to Subsection 7.1(f) which results in the Acquisition Proposal in question not being a Superior Proposal. In the event that the Alpha Mailing Deadline is so extended, the Meeting Deadline and the Outside Date shall be extended by the same number of days as the Alpha Mailing Deadline has been extended.
- (c) Alpha and Lakeland, as applicable, shall ensure that the Alpha Circular and the Lakeland Circular comply in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the Alpha Circular and the Lakeland Circular will not contain any misrepresentation (except that Alpha shall not be responsible for any information relating to Lakeland and its affiliates, including the Lakeland Shares, and that Lakeland shall not be responsible for any information relating to Alpha and its affiliates, including the Alpha Shares).
- (d) Subject to Section 7.1, Alpha shall (i) solicit proxies in favour of the Alpha Arrangement Resolution, against any resolution submitted by any other Alpha Shareholder, including, as may be agreed with Lakeland, using the services of dealers and proxy solicitation services and permitting Lakeland to otherwise assist Alpha in such solicitation, and, notwithstanding any other provision in this Agreement, the cost and expenses associated with any such proxy solicitation requested by Lakeland shall be borne by Lakeland, and take all other actions that are reasonably necessary or desirable to seek the approval of the Arrangement by Alpha Securityholders, (ii) unanimously recommend to Alpha Securityholders that they vote in favour of the Alpha Arrangement Resolution, (iii) not make an Alpha Change in Recommendation, except in accordance with Section 7.1 and (iv) include in the Alpha Circular a statement that each director and executive officer of Alpha intends to vote all of such Person's Alpha Shares, Alpha Options and Alpha Warrants in favour of the Alpha Arrangement Resolution, subject to the other terms of this Agreement and the Alpha Voting Agreements.
- (e) Subject to Section 7.2, Lakeland shall (i) solicit proxies in favour of the Lakeland Consolidation Resolution, against any resolution submitted by any other Lakeland Shareholder, including, as may be agreed with Alpha, using the services of dealers and proxy solicitation services and permitting Alpha to otherwise assist Lakeland in such solicitation, and, notwithstanding any other provision in this Agreement, the cost and expenses associated with any such proxy solicitation requested by Alpha shall be borne by Alpha, and take all other actions that are reasonably necessary or desirable to seek the approval of the Lakeland Consolidation Resolution by Lakeland Shareholders, (ii) unanimously recommend to holders of Lakeland Shares that they vote in favour of the Lakeland Consolidation Resolution, and (iii) include in the Lakeland Circular a statement that each director and executive officer of Lakeland intends to vote all of such Person's Lakeland Shares in favour of the Lakeland Consolidation Resolution, subject to the other terms of this Agreement and the Lakeland Voting Agreements.
- (f) Lakeland shall provide to Alpha all information regarding Lakeland, its affiliates and the Lakeland Shares as required by the Interim Order or applicable Laws for inclusion in the Alpha Circular or in any amendments or supplements to such Alpha Circular, and such

other information as may be reasonably requested by Alpha. Lakeland shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Alpha Circular and to the identification in the Alpha Circular of each such advisor. Lakeland shall ensure that such information shall be complete and correct in all material respects, shall comply in all material respects with all applicable Laws and, without limiting the generality of the foregoing, shall not include any misrepresentations.

- (g) Alpha shall provide to Lakeland all information regarding Alpha, its affiliates and the Alpha Shares, including any pro forma financial statements prepared in accordance with IFRS and applicable Laws as required by applicable Laws for inclusion in the Lakeland Circular or in any amendments or supplements to such Lakeland Circular, and such other information as may be reasonably requested by Lakeland. Alpha shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Lakeland Circular and to the identification in the Lakeland Circular of each such advisor. Alpha shall ensure that such information shall be complete and correct in all material respects, shall comply in all material respects with all applicable Laws and, without limiting the generality of the foregoing, shall not include any misrepresentations.
- (h) Alpha, Lakeland and their legal counsel shall be given a reasonable opportunity to review and comment on the Alpha Circular and the Lakeland Circular, as applicable, prior to the Alpha Circular and the Lakeland Circular being printed and filed with any Governmental Entity, and reasonable consideration shall be given to any comments made by Alpha, Lakeland and their legal counsel, as applicable, provided that all information relating solely to Lakeland, its affiliates and the Lakeland Shares included in the Alpha Circular shall be in form and content satisfactory to Lakeland, acting reasonably, and provided that all information relating solely to Alpha, its affiliates and the Alpha Shares included in the Lakeland Circular shall be in form and content satisfactory to Alpha, acting reasonably. Alpha shall provide Lakeland with final copies of the Alpha Circular prior to the mailing to the Alpha Shareholders and Lakeland shall provide Alpha with final copies of the Lakeland Circular prior to the mailing to the Lakeland Shareholders.
- (i) Alpha and Lakeland shall each promptly notify each other if at any time before the Effective Date either becomes aware that the Alpha Circular or the Lakeland Circular contains a misrepresentation, or that otherwise requires an amendment or supplement to the Alpha Circular or the Lakeland Circular and the Parties shall co-operate in the preparation of any amendment or supplement to the Alpha Circular or the Lakeland Circular as required or appropriate, and Alpha or Lakeland, as applicable, shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Alpha Circular to Alpha Securityholders or any amendment or supplement to the Lakeland Circular to the Lakeland Shareholders, and, if required by the Court or applicable Laws, file the same with any Governmental Entity and as otherwise required.

## **2.5 Preparation of Filings**

Lakeland and Alpha shall co-operate and use their commercially reasonable efforts to take, or cause to be taken, all reasonable actions, including the preparation of any applications for Regulatory Approvals and other orders, registrations, consents, filings, rulings, exemptions, no-action

letters, circulars and approvals required in connection with this Agreement and the Arrangement and the preparation of any required documents, in each case as reasonably necessary to discharge their respective obligations under this Agreement, the Arrangement and the Plan of Arrangement, and to complete any of the transactions contemplated by this Agreement, including their obligations under applicable Laws. It is acknowledged and agreed that, unless required to ensure that the Consideration Shares are freely tradeable in Canada and that the Consideration Shares will not be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act upon their issuance, Lakeland shall not be required to file a prospectus or similar document or otherwise become subject to the securities Laws of any jurisdiction (other than a Province of Canada) in order to complete the Arrangement. Lakeland may elect, at its sole discretion, to make such securities and other regulatory filings in the United States or other jurisdictions as may be necessary or desirable in connection with the completion of the Arrangement. Alpha shall provide to Lakeland all information regarding Alpha and its affiliates as required by applicable Securities Laws in connection with such filings. Alpha shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in such filings and to the identification in such filings of each such advisor.

## **2.6 Final Order**

If (a) the Interim Order is obtained; and (b) the Alpha Arrangement Resolution is passed at the Alpha Meeting by the Alpha Securityholders as provided for in the Interim Order and as required by applicable Law and the Lakeland Consolidation Resolution is passed at the Lakeland Meeting by the Lakeland Shareholders as required by applicable Law, subject to the terms of this Agreement, Alpha shall diligently pursue and take all steps necessary or desirable to have the hearing before the Court of the application for the Final Order pursuant to Division 5 of Part 9 of the BCBCA held as soon as reasonably practicable.

## **2.7 Court Proceedings**

Subject to the terms of this Agreement, Lakeland will cooperate with and assist Alpha in seeking the Interim Order and the Final Order, including by providing Alpha on a timely basis any information reasonably required to be supplied by Lakeland in connection therewith. Alpha will provide legal counsel to Lakeland with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Subject to applicable Law, Alpha will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.7 or with Lakeland’s prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided, that, nothing herein shall require Lakeland to agree or consent to any increase in Consideration or other modification or amendment to such filed or served materials that expands or increases Lakeland’s obligations set forth in any such filed or served materials or under this Agreement or the Arrangement. Alpha shall also provide to Lakeland’s legal counsel on a timely basis copies of any notice of appearance or other Court documents served on Alpha in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by Alpha indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. Alpha will ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, Alpha will not object to legal counsel to Lakeland making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that Alpha is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. Alpha will also

oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, Alpha is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, Lakeland.

## **2.8 Effect on the Arrangement and Effective Date**

Unless this Agreement is terminated pursuant to the provisions herein, subject to the satisfaction or, where not prohibited and subject to applicable Law, the waiver of the conditions set forth in Article 6 by the applicable Party for whose benefit such conditions exist (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), upon the Alpha Arrangement Resolution having been approved and adopted by the Alpha Securityholders in accordance with the Interim Order, the Lakeland Consolidation Resolution having been approved and adopted by the Lakeland Shareholders, Alpha obtaining the Final Order, any documents required by the Registrar pursuant to section 292 of the BCBCA shall be submitted to the Registrar, the filings with Lakeland's corporate records office required by section 294 of the BCBCA will be made and the Arrangement shall be effective at the Effective Time on the Effective Date. From and after the Effective Time, the Plan of Arrangement will have all of the effects provided by applicable Law, including the BCBCA. Alpha agrees to amend the Plan of Arrangement at any time prior to the Effective Time in accordance with Section 8.4 of this Agreement to include such other terms determined to be necessary or desirable by Lakeland, provided that the Plan of Arrangement shall not be amended in any manner which has the effect of reducing the Consideration or which is otherwise prejudicial to the Alpha Securityholders or other parties to be bound by the Plan of Arrangement and is not inconsistent with the provisions of this Agreement.

The closing of the Arrangement will take place at the offices of Miller Thomson LLP in Vancouver, British Columbia at 8:00 a.m. on the Effective Date, or at such other time and place as may be agreed to by the Parties.

## **2.9 Payment of Consideration**

Lakeland will, following receipt by Alpha of the Final Order and prior to the Effective Time, deposit in escrow with the Depositary sufficient number of Lakeland Shares to issue the aggregate Consideration Shares as the Consideration pursuant to the Arrangement (other than to Alpha Shareholders exercising Dissent Rights and who have not withdrawn their notice of objection).

## **2.10 Announcement and Shareholder Communications**

Lakeland and Alpha shall each publicly announce the transactions contemplated hereby promptly following the execution of this Agreement by Lakeland and Alpha, the text and timing of each Party's announcement to be approved by the other Party in advance, acting reasonably. Lakeland and Alpha agree to co-operate in the preparation of presentations, if any, to Alpha Shareholders or Lakeland Shareholders regarding the transactions contemplated by this Agreement, and no Party shall (i) issue any news release or otherwise make public announcements with respect to this Agreement or the Plan of Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed) or (ii) make any filing with any Governmental Entity with respect thereto without prior consultation with the other Party; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior written notice to the other Party and a reasonable opportunity to review or comment on the

disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

## **2.11 Withholding Taxes**

Lakeland, Alpha and the Depositary shall be entitled to deduct or withhold from the consideration payable or otherwise deliverable to any Person, including Dissenting Shareholders, pursuant to the Arrangement and from all dividends, other distributions or other amount otherwise payable to any former Alpha Securityholders, such Taxes or other amounts as Lakeland, Alpha or the Depositary is required, entitled or permitted to deduct or withhold with respect to such payment under the Tax Act, the Code, or any other provisions of any applicable Laws, in each case, as amended. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld Taxes or other amounts are actually remitted to the appropriate taxing authority.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF ALPHA**

### **3.1 Representations and Warranties**

Except as disclosed in the Alpha Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), Alpha hereby represents and warrants to Lakeland as follows, and acknowledges that Lakeland is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Qualification. Alpha is duly incorporated and validly existing under the BCBCA and has full corporate power and authority to own its assets and conduct its business as now owned and conducted. Alpha is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary. True and complete copies of the constating documents of Alpha have been delivered or made available to Lakeland, and Alpha has not taken any action to amend or supersede such documents.
- (b) Authority Relative to this Agreement. Alpha has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Alpha and the consummation by Alpha of the transactions contemplated by this Agreement have been duly authorized by the Alpha Board and no other corporate proceedings on the part of Alpha are necessary to authorize this Agreement other than Alpha Securityholder Approval. This Agreement has been duly executed and delivered by Alpha and constitutes a valid and binding obligation of Alpha, enforceable by Lakeland against Alpha in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) No Conflict; Required Filings and Consent. The execution and delivery by Alpha of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement will not violate, conflict with or result in a breach of any provision of

the constating documents of Alpha and, except as would not, individually or in the aggregate, have or reasonably be expected to have an Alpha Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, Authorization, licence or permit to which is a party or by which Alpha is bound; or (ii) to the knowledge of Alpha, any Law to which Alpha is subject; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit, or result in the imposition of any encumbrance, charge or Lien upon any of Alpha's assets. Other than the Alpha TSXV Approval, the Interim Order, the Final Order and any filings made with the Registrar to effect the Arrangement, no Authorization, consent or approval of, or filing with, any Governmental Entity or any court or other authority is necessary on the part of Alpha for the consummation by Alpha of its obligations in connection with the Arrangement under this Agreement or for the completion of the Arrangement not to cause or result in any loss of any rights or assets or any interest therein held by Alpha in any material properties, except for such Authorizations, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the Arrangement.

- (d) Subsidiaries. Other than ESO Uranium (USA) Inc., Alpha does not have Subsidiaries or any material interests in any Person.
- (e) Compliance with Laws.
  - (i) The operations of Alpha have been and are now conducted in material compliance with all Laws of each jurisdiction where Alpha conducted its business, the Laws of which have been and are now applicable to the operations of Alpha and Alpha has not received any notice of any alleged violation of any such Laws, other than non-compliance or violations which, individually or in the aggregate, would not have an Alpha Material Adverse Effect.
  - (ii) Alpha is not in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents; or (b) any agreement or understanding to which it or by which any of its properties or assets is bound or affected, except for failures which, individually or in the aggregate, would not have an Alpha Material Adverse Effect.
- (f) Alpha Authorizations. Alpha has obtained all Authorizations necessary for the ownership, operation, development, maintenance, or use of the material assets of Alpha or otherwise in connection with the material business or operations of Alpha and such Authorizations are in full force and effect. To the knowledge of Alpha, Alpha has fully complied with and is in compliance with all Authorizations, except, in each case, for such non-compliance which, individually or in the aggregate, would not have an Alpha Material Adverse Effect. There is no action, investigation or proceeding pending or, to the knowledge of Alpha, threatened regarding any of the Authorizations. Alpha has not received any notice, whether written or oral, of revocation or non-renewal of any such Authorizations, or of any intention of any Person to revoke or refuse to renew any of such Authorizations, except in each case, for revocations or non-renewals which, individually

or in the aggregate, would not have an Alpha Material Adverse Effect and, to the knowledge of Alpha, all such Authorizations continue to be effective in order for Alpha to continue to conduct its business as it is currently being conducted. No Person other than Alpha owns or has any proprietary, financial or other interest (direct or indirect) in any of the Authorizations.

(g) Capitalization and Listing.

- (i) The authorized share capital of Alpha consists of an unlimited number of Alpha Shares. As at the date of this Agreement there are: (A) 31,187,748 Alpha Shares validly issued and outstanding as fully-paid and non-assessable shares of Alpha; (B) outstanding Alpha Options providing for the issuance of 3,025,000 Alpha Shares upon the exercise thereof and (C) outstanding Alpha Warrants providing for the issuance of 11,392,054 Alpha Shares upon the exercise thereof. The terms of the Alpha Options (including exercise price) and the terms of the Alpha Warrants are disclosed in Schedule 3.1(g) to the Alpha Disclosure Letter. Except as disclosed in Schedule 3.1(g) to the Alpha Disclosure Letter (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Alpha to issue or sell any shares of Alpha or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of Alpha, and (y) no Person is entitled to any pre-emptive or other similar right granted by Alpha. The Alpha Shares are listed on the TSXV, and are not listed or quoted on any market other than the TSXV.
- (ii) Schedule 3.1(g) to the Alpha Disclosure Letter sets forth, as of the date hereof, the holders of all outstanding Alpha Options and Alpha Warrants and the number, exercise prices and expiration dates of each grant to such holders. All Alpha Shares that may be issued pursuant to the exercise of outstanding Alpha Options and Alpha Warrants will, when issued in accordance with its Alpha Options and Alpha Warrants, be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights.
- (iii) There are no outstanding contractual obligations of Alpha to repurchase, redeem or otherwise acquire any Alpha Shares.
- (iv) No order ceasing or suspending trading in securities of Alpha nor prohibiting the sale of such securities has been issued and is outstanding against Alpha or its directors, officers or promoters.

(h) Shareholder and Similar Agreements. Alpha is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Alpha.

(i) U.S. Securities Law Matters.

- (i) Alpha is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act.

- (ii) There is no class of securities of Alpha which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Alpha subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the U.S. Exchange Act. Alpha is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.
  - (iii) Alpha is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.
  - (iv) The Alpha Shares have not been traded on any national securities exchange in the United States during the past 12 calendar months, and will not be so traded prior to the Effective Date.
- (j) Reports. Alpha has filed with all applicable Governmental Entities true and complete copies of the Alpha Public Documents that Alpha is required to file therewith. Alpha Public Documents at the time filed: (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (b) complied in all material respects with the requirements of applicable Securities Laws. Alpha has not filed any confidential material change report with any Governmental Entity which at the date hereof remains confidential.
- (k) Financial Statements.
- (i) The Alpha Financial Statements have been, and all financial statements of Alpha which are publicly disseminated by Alpha in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of Alpha as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by Alpha to any executive officer or director of Alpha.
  - (ii) Neither Alpha nor, to Alpha's knowledge, any director, officer, employee, auditor, accountant or representative of Alpha has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Alpha or its internal accounting controls, including any complaint, allegation, assertion, or claim that Alpha has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Board, or has not been disclosed to Lakeland.
- (l) Undisclosed Liabilities. Alpha does not have any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are specifically presented on the Alpha Annual Financial Statements; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Alpha (other than those disclosed on the Alpha Annual Financial

Statements), have or reasonably be expected to have an Alpha Material Adverse Effect, or have an Alpha Material Adverse Effect or, as a consequence of the consummation of the Arrangement, have or reasonably be expected to have an Alpha Material Adverse Effect. Without limiting the foregoing, the Alpha Annual Financial Statements reflect reasonable reserves in accordance with IFRS for contingent liabilities of Alpha.

(m) Interest in Mineral Rights.

- (i) All of Alpha's mineral interests and rights with respect to the Alpha Mineral Properties, including any material mining claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law, are set out in Schedule 3.1(m)(i) of the Alpha Disclosure Letter (the "**Alpha Mineral Rights**"). Other than the Alpha Mineral Rights set out in Schedule 3.1(m)(i) of the Alpha Disclosure Letter, Alpha does not own or have any interest in any material mineral interests.
- (ii) Other than as set out in Schedule 3.1(m)(ii) of the Alpha Disclosure Letter:
  - (A) Alpha is the legal and beneficial owner of all right, title and interest in and to the Alpha Mineral Rights, free and clear of any Liens.
  - (B) All of the Alpha Mineral Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral claims or mining leases.
  - (C) The Alpha Mineral Rights are in good standing under applicable Law and, to the knowledge of Alpha, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
  - (D) To the knowledge of Alpha, there is no material adverse claim against or challenge to the title to or ownership of the Alpha Mineral Rights.
  - (E) No Person other than Alpha has any interest in the Alpha Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.
  - (F) There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Alpha's interest in the Alpha Mineral Rights.
  - (G) There are no material restrictions on the ability of Alpha to use, transfer or exploit the Alpha Mineral Rights, except pursuant to applicable Law.
  - (H) Alpha has all surface rights, including fee simple estates, leases, easements, rights of way and permits or licences operations from landowners or Governmental Entities permitting the use of land by Alpha, and mineral interests that are required to explore the Alpha Mineral Rights as contemplated in Alpha Public Documents filed (and

available on SEDAR) on or before the date hereof and no third party or group holds any such rights that would be required by Alpha to explore any of the Alpha Mineral Rights as contemplated in Alpha Public Documents filed (and available on SEDAR) on or before the date hereof.

- (I) Alpha has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Alpha in any of the Alpha Mineral Rights.
- (n) Operational Matters. Except as would not, individually or in the aggregate, be reasonably expected to result in an Alpha Material Adverse Effect:
  - (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Alpha and its material joint ventures, have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof; and
  - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Alpha or material joint ventures is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (o) Employment Matters.
  - (i) Other than as disclosed in Schedule 3.1(o) of the Alpha Disclosure Letter, Alpha has not entered into any written or oral agreement or understanding providing for severance or termination payments to any director, officer or employee in connection with the termination of their position or their employment as a direct result of a change in control of Alpha.
  - (ii) Alpha is not (i) a party to any collective bargaining agreement, or (ii) subject to any application for certification or, to the knowledge of Alpha, threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement. To the knowledge of Alpha, no fact or event exists that is likely to give rise to a change in the representation in this Subsection 3.1(o) on or before the Effective Date.
  - (iii) Alpha is not subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Alpha, threatened, or any litigation actual, or to the knowledge of Alpha, threatened, relating to employment or termination of employment of employees or independent contractors, except for such claims or litigation which individually or in the aggregate would not be reasonably expected to have an Alpha Material Adverse Effect. To the knowledge of Alpha, no labour strike, lock-out, slowdown or work stoppage is pending or threatened against or directly affecting Alpha, except as would not be reasonably expected to have an Alpha Material Adverse Effect.

- (iv) Alpha has operated in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy and there are no current, pending, or to the knowledge of Alpha, threatened proceedings before any board or tribunal with respect to any of the areas listed herein, except where the failure to so operate would not have an Alpha Material Adverse Effect.
- (p) Absence of Certain Changes or Events. Since October 31, 2014:
  - (i) Alpha has conducted its business only in the ordinary course of business and consistent with past practice;
  - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is reasonably likely to have an Alpha Material Adverse Effect has been incurred;
  - (iii) to the knowledge of Alpha, there has not been any event, circumstance or occurrence which has had or is reasonably likely to give rise to an Alpha Material Adverse Effect;
  - (iv) there has not been any change in the accounting practices used by Alpha, except as disclosed in the Alpha Public Documents;
  - (v) except as disclosed in the Alpha Public Documents and except for ordinary course adjustments to non-executive employees, there has not been any increase in the salary, bonus, or other remuneration payable to any non-executive employees of any of Alpha;
  - (vi) there has not been any redemption, repurchase or other acquisition of Alpha Shares by Alpha, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Alpha Shares;
  - (vii) there has not been any entering into, or an amendment of, any material Contract other than in the ordinary course of business consistent with past practice;
  - (viii) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in the Alpha Annual Financial Statements, other than the settlement of claims or liabilities incurred in the ordinary course of business consistent with past practice; and
  - (ix) except as disclosed in the Alpha Public Documents and except for ordinary course adjustments, there has not been any increase in the salary, bonus, or other remuneration payable to any officers or senior or executive officers of Alpha.
- (q) Litigation. Other than as set out in Schedule 3.1(q) to the Alpha Disclosure Letter, there is no claim, action, proceeding or investigation pending or, to the knowledge of Alpha, threatened against or relating to Alpha, the business of Alpha or affecting any of its properties, assets, before or by any Governmental Entity which would have, or reasonably could be expected to have, an Alpha Material Adverse Effect or prevent or

materially delay the consummation of the Arrangement, nor to knowledge of Alpha are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation (provided that the representation in this Subsection 3.1(q) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to, nor reasonably be expected to give rise to, an Alpha Material Adverse Effect). Alpha is not subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have an Alpha Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.

(r) Taxes.

- (i) Alpha has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Entity. Such Tax Returns are complete and correct in all respects. Alpha has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it in accordance with applicable Laws whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the balance sheet included in Alpha Annual Financial Statements.
- (ii) Alpha has made adequate provisions or reserves in accordance with IFRS in the Alpha Financial Statements of Alpha for any Taxes of Alpha for the period covered by such the Alpha Financial Statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, reassessed, proposed to be assessed or reassessed, incurred or accrued, other than in the ordinary course of business.
- (iii) Alpha has duly and timely withheld or deducted all Taxes and other amounts required by applicable Law to be withheld or deducted by it (including Taxes and other amounts required to be withheld or deducted by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person including any former or current employees, directors, officers and non-resident Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.
- (iv) Alpha has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in accordance with applicable Laws.

- (v) Alpha has not made, prepared and/or filed any notice of objection, elections, designations or any other similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date. Alpha has not entered into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
- (vi) There are no proceedings, investigations, audits or Claims now pending or, to the knowledge of Alpha, threatened against Alpha in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.
- (vii) Alpha has not acquired property from a non-arm's length Person, within the meaning of the Tax Act: (i) for consideration the fair market value of which is less than the fair market value of the property; or (ii) as a contribution of capital for which no shares were issued by the acquirer of the property.
- (viii) Alpha has prepared proper documentation in accordance with Section 247(4) of the Tax Act in respect of any transaction entered into with a non-resident Person not dealing at arm's length with Alpha for purposes of the Tax Act. Any such transaction has not and should not give rise to a transfer pricing adjustment under Section 247(2) of the Tax Act.
- (ix) other than as disclosed in Schedule 3.1(r) of the Alpha Disclosure Letter, Alpha has not filed any Tax Returns in any jurisdiction other than Canada or paid taxes in any jurisdiction other than Canada and no jurisdiction other than Canada has ever asserted that filing of any Tax Returns or payment of any Taxes is required under any applicable Laws.
- (x) Alpha has made available to Lakeland copies of all federal, provincial and territorial Tax Returns for the taxation years ended October 31, 2012, October 31, 2013 and October 31, 2014, and all assessments or reassessments, correspondence related to any assessment or reassessment, requests for Tax rulings, Tax rulings issued by any Governmental Entity, and correspondence related to any audit or proposed audit of Alpha, to the extent relating to periods or events in respect of which any Governmental Entity may in accordance with applicable Law assess, reassess or otherwise impose any Taxes on Alpha.
- (xi) For the purposes of the Tax Act and any other relevant Tax purposes, Alpha is resident in Canada.
- (xii) There are no Liens for Taxes upon any properties or assets of Alpha (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded in the Alpha Annual Financial Statements).
- (xiii) Alpha has fulfilled all of its obligations to incur and renounce "CEE" and "Canadian development expense" (as defined in the Tax Act) in the full amounts of any subscription funds received pursuant to any "flow-through share" (as

defined in the Tax Act) subscription agreement all in accordance with the Tax Act.

- (s) Books and Records. The corporate records and minute books of Alpha have been maintained in accordance with all applicable Laws, and the minute books of Alpha as provided to Lakeland are complete and accurate in all material respects. The corporate minute books for Alpha contain minutes of all meetings and resolutions of the directors and securityholders held. The financial books and records and accounts of Alpha in all material respects: (a) have been maintained in accordance with good business practices and in accordance with IFRS and with the accounting principles generally accepted in Canada, on a basis consistent with prior years; and (b) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of assets of Alpha.
- (t) Insurance.
  - (i) Schedule 3.1(t) of the Alpha Disclosure Letter sets out a true and complete list of Alpha's policies of insurance. Alpha has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such policies of insurance have been paid and Alpha has not failed to make a claim thereunder on a timely basis.
  - (ii) Each of such policies and other forms of insurance is in full force and effect on the date hereof and Alpha will use reasonable commercial efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written (or to the knowledge of Alpha other) notice of cancellation or termination has been received by Alpha with respect to any such policy.
- (u) Non-Arm's Length Transactions. Except for employment, consulting or employment compensation agreements entered into in the ordinary course of business, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Alpha) between Alpha on the one hand, and any (a) officer or director of Alpha, (b) any holder of record or, to the knowledge of Alpha, beneficial owner of five percent or more of the voting securities of Alpha, or (c) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (v) Benefit Plans.
  - (i) Schedule 3.1(v) of the Alpha Disclosure Letter contains a true and complete list of all Alpha Benefit Plans. Complete copies of all material Alpha Benefit Plans including, but not limited to, any material trust instruments, insurance contracts and all amendments thereto have been provided to Lakeland.
  - (ii) Alpha has no material liability for life, health, medical or other welfare benefits to former employees or beneficiaries or dependents thereof, and there has been no communication to employees by Alpha which could reasonably be interpreted to promise or guarantee such employees retiree health or life insurance or other retiree death benefits on a permanent basis.
  - (iii) No Alpha Benefit Plan is a "registered pension plan" as such term is defined in the Tax Act.

- (iv) Each Alpha Benefit Plan has been operated in accordance with its terms and any contributions required to be made under each Alpha Benefit Plan, as of the date hereof, have been timely made and all obligations in respect of each Alpha Benefit Plan have been properly accrued and reflected in the Alpha Annual Financial Statements.
- (v) There has been no amendment to, announcement by Alpha relating to, or change in employee participation or coverage under, any Alpha Benefit Plan which would increase materially the expense of maintaining such plan above the level of the expense incurred therefor for the most recent fiscal year. Except as disclosed in Schedule 3.1(o) of the Alpha Disclosure Letter, neither the execution of this Agreement, nor the consummation of the Arrangement will (i) entitle any employees of Alpha to severance pay or any increase in severance pay upon any termination of employment after the date hereof, (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or result in any other material obligation pursuant to, any of the Alpha Benefit Plans, or (iii) limit or restrict the right of Alpha or, after the consummation of the Arrangement, Lakeland to merge, amend or terminate any of the Alpha Benefit Plans.
- (w) Environmental. Except for any matters that, individually or in the aggregate, would not have or would not reasonably be expected to have an Alpha Material Adverse Effect:
  - (i) all facilities and operations of Alpha have been conducted, and are now, in material compliance with all Environmental Laws;
  - (ii) Alpha is in possession of, and in compliance with, all Environmental Permits that are required to conduct its business as it is now being conducted;
  - (iii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Alpha and, to the knowledge of Alpha, there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business;
  - (iv) Alpha is not subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;
  - (v) to the knowledge of Alpha, there are no changes in the status, terms or conditions of any Environmental Permits held by Alpha or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such environmental approvals, consents, waivers, permits, orders and exemptions, or any review by, or approval of, any Governmental Entity of such environmental approvals, consents, waivers, permits, orders and exemptions that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Alpha following the Effective Date;

- (vi) Alpha has made available to Lakeland all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental matters; and
- (vii) to the knowledge of Alpha, Alpha is not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws that would individually or in the aggregate, constitute an Alpha Material Adverse Effect.
- (x) Restrictions on Business Activities. There is no agreement, judgement, injunction, order or decree binding upon Alpha that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Alpha, any acquisition of property by Alpha or the conduct of business by Alpha as currently conducted (including following the transaction contemplated by this Agreement) other than such agreements, judgements, injunctions, orders or decrees which would not, individually or in the aggregate, reasonably be expected to have an Alpha Material Adverse Effect.
- (y) Material Contracts. Alpha has performed in all material respects all respective obligations required to be performed by it to date under any material Contracts. Alpha is not in breach or default under any material contract to which it is a party or bound, nor does Alpha have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, except in each case where any such breaches or defaults would not, individually or in the aggregate, reasonably be expected to result in, or result in, an Alpha Material Adverse Effect. Alpha does not know of, or has not received written notice of, any breach or default under (nor, to the knowledge of Alpha, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any such material contract by any other party thereto except where any such violation or default would not, individually or in the aggregate, reasonably be expected to result in, or result in, an Alpha Material Adverse Effect. Prior to the date hereof, Alpha has made available to Lakeland true and complete copies of all of the material contracts of Alpha. All contracts that are material to Alpha are with Alpha. All material contracts are legal, valid, binding and in full force and effect and are enforceable by Alpha in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the product of fair and arms' length negotiations between the parties thereto.
- (z) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Alpha has not received any written (or to the knowledge of Alpha other) notice that any customer, supplier, distributor or sales representative intends to cancel, terminate or otherwise modify or not renew its relationship with Alpha, and, to the knowledge of Alpha, no such action has been threatened, which, in either case, individually or in the aggregate, would reasonably be expected to have an Alpha Material Adverse Effect.
- (aa) Brokers. None of Alpha or any of its respective officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.

- (bb) Reporting Issuer Status. As of the date hereof, Alpha is a reporting issuer not in default (or the equivalent) under the Securities Laws of British Columbia and Alberta.
- (cc) Stock Exchange Compliance. Alpha is in compliance in all material respects with the applicable listing and rules and regulations of the TSXV.
- (dd) No Expropriation. No property or asset of Alpha has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Alpha, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (ee) Corrupt Practices Legislation. Neither Alpha, nor, to the knowledge of Alpha, any of its officers, directors or employees acting on behalf of Alpha or affiliates has taken, committed to take or been alleged to have taken any action which would cause Alpha or any of its affiliates to be in violation of the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law, and to the knowledge of Alpha no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Alpha or any of its affiliates.

### **3.2 Survival of Representations and Warranties**

The representations and warranties of Alpha contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF LAKELAND**

### **4.1 Representations and Warranties**

Except as disclosed in the Lakeland Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made) Lakeland hereby represents and warrants to Alpha as follows, and acknowledges that Alpha is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Qualification. Lakeland is duly incorporated and validly existing under the BCBCA and has full corporate power and authority to own its assets and conduct its business as now owned and conducted. Lakeland is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary. True and complete copies of the constating documents of Lakeland have been delivered or made available to Alpha, and Lakeland has not taken any action to amend or supersede such documents.
- (b) Authority Relative to this Agreement. Lakeland has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Lakeland and the consummation by Lakeland of the transactions contemplated by this Agreement have been duly authorized by the board of directors of Lakeland and no other corporate proceedings on the part of Lakeland are necessary to authorize this Agreement. This Agreement has been duly

executed and delivered by Lakeland and constitutes a valid and binding obligation of Lakeland, enforceable by Alpha against Lakeland in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (c) No Conflict; Required Filings and Consent. The execution and delivery by Lakeland of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement will not violate, conflict with or result in a breach of any provision of the constituting documents of Lakeland, and except as would not, individually or in the aggregate, have or reasonably be expected to have a Lakeland Material Adverse Effect, will not: (a) violate, conflict with or result in a breach of: (i) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, Authorization, licence or permit to which Lakeland or by which is bound; or (ii) to the knowledge of Lakeland, any Law to which Lakeland is subject; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit, or result in the imposition of any encumbrance, charge or Lien upon any of Lakeland's assets. Other than the approval of the TSXV of the Arrangement and the listing of the Consideration Shares, the Option Shares and the Warrant Shares, no Authorization, consent or approval of, or filing with, any Governmental Entity or any court or other authority is necessary on the part of Lakeland for the consummation by Lakeland of its obligations in connection with the Arrangement under this Agreement or for the completion of the Arrangement not to cause or result in any loss of any rights or assets or any interest therein held by Lakeland in any material properties, except for such Authorizations, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the transactions contemplated by this Agreement.
- (d) Subsidiaries. Lakeland does not have Subsidiaries or any material interests in any Person.
- (e) Compliance with Laws.
  - (i) The operations of Lakeland have been and are now conducted in material compliance with all Laws of each jurisdiction where Lakeland conducted its business, the Laws of which have been and are now applicable to the operations of Lakeland and Lakeland has not received any notice of any alleged violation of any such Laws, other than non-compliance or violations which, individually or in the aggregate, would not have a Lakeland Material Adverse Effect.
  - (ii) Lakeland is not in conflict with, or in default (including cross defaults) under or in violation of: (a) its articles or by-laws or equivalent organizational documents; or (b) any agreement or understanding to which it or by which any of its properties or assets is bound or affected, except for failures which, individually or in the aggregate, would not have a Lakeland Material Adverse Effect.

- (f) Lakeland Authorizations. Lakeland has obtained all Authorizations necessary for the ownership, operation, development, maintenance, or use of the material assets of Lakeland or otherwise in connection with the material business or operations of Lakeland and such Authorizations are in full force and effect. Lakeland has fully complied with and are in compliance with all Authorizations, except, in each case, for such non-compliance which, individually or in the aggregate, would not have a Lakeland Material Adverse Effect. There is no action, investigation or proceeding pending or, to the knowledge of Lakeland, threatened regarding any of the Authorizations. Lakeland has not received any notice, whether written or oral, of revocation or non-renewal of any such Authorizations, or of any intention of any Person to revoke or refuse to renew any of such Authorizations, except in each case, for revocations or non-renewals which, individually or in the aggregate, would not have a Lakeland Material Adverse Effect and, to the knowledge of Lakeland, all such Authorizations continue to be effective in order for Lakeland to continue to conduct its business as it is currently being conducted. No Person other than Lakeland thereof owns or has any proprietary, financial or other interest (direct or indirect) in any of the Authorizations.
- (g) Capitalization and Listing.
- (i) The authorized share capital of Lakeland consists of an unlimited number of Lakeland Shares. As at the date of this Agreement there are: (A) 75,973,759 Lakeland Shares validly issued and outstanding as fully-paid and non-assessable shares of Lakeland; (B) Lakeland Options providing for the issuance of 4,920,000 Lakeland Shares upon the exercise thereof; and (C) Lakeland Warrants providing for the issuance of 20,849,631 Lakeland Shares upon the exercise thereof. Except for the securities referred to in this Section 4.1(g)(i), (x) there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of Lakeland to issue or sell any shares of Lakeland or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of Lakeland and (y) no Person is entitled to any pre-emptive or other similar right granted by Lakeland. Lakeland Shares are listed on the TSXV, the Frankfurt Stock Exchange in Germany, the OTCQX of the OTC Markets in the United States, and are not listed or quoted on any other market.
- (ii) There are no outstanding contractual obligations of Lakeland to repurchase, redeem or otherwise acquire any Lakeland Shares.
- (iii) No order ceasing or suspending trading in securities of Lakeland nor prohibiting the sale of such securities has been issued and is outstanding against Lakeland or, its directors, officers or promoters.
- (iv) All Consideration Shares, when issued in accordance with the terms of the Arrangement, the Option Shares, when issued on exercise of the Replacement Options, and the Warrant Shares, when issued on exercise of the Replacement Warrants, will, as the case may be, be duly authorized, validly issued, fully-paid and non-assessable Lakeland Shares.
- (h) Shareholder and Similar Agreements. Lakeland is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Lakeland.

(i) U.S. Securities Law Matters.

- (i) Lakeland is a “foreign private issuer” as defined in Rule 3b-4 under the U.S. Exchange Act.
- (ii) There is no class of securities of Lakeland which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Lakeland subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the U.S. Exchange Act. Lakeland is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.
- (iii) Lakeland is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended.
- (iv) The Lakeland Shares have not been traded on any national securities exchange in the United States during the past 12 calendar months, and will not be so traded prior to the Effective Date, but the Lakeland Shares do trade on the OTCQX of the OTC Markets in the United States.

(j) Reports. Lakeland has filed with all applicable Governmental Entities true and complete copies of Lakeland Public Documents that Lakeland is required to file therewith. Lakeland Public Documents at the time filed: (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable Securities Laws. Lakeland has not filed any confidential material change report with any Governmental Entity which at the date hereof remains confidential.

(k) Financial Statements.

- (i) The Lakeland Financial Statements have been, and all financial statements of Lakeland which are publicly disseminated by Lakeland in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of Lakeland as of the respective dates thereof and its results of operations and cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto). There are no outstanding loans made by Lakeland to any executive officer or director of Lakeland.
- (ii) Neither Lakeland nor, to Lakeland’s knowledge, any director, officer, employee, auditor, accountant or representative of Lakeland has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Lakeland or its internal accounting controls, including any complaint, allegation, assertion, or claim that Lakeland has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Lakeland Board, or has not been disclosed to Alpha.

- (l) Undisclosed Liabilities. Lakeland does not have any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except for: (a) liabilities and obligations that are specifically presented on the Lakeland Annual Financial Statements; or (b) liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not and would not, individually or in the aggregate with all other liabilities and obligations of Lakeland (other than those disclosed on the Lakeland Annual Financial Statements), reasonably be expected to have a Lakeland Material Adverse Effect, or have a Lakeland Material Adverse Effect, or, as a consequence of the consummation of the Arrangement, have or reasonably be expected to have a Lakeland Material Adverse Effect. Without limiting the foregoing, the Lakeland Annual Financial Statements reflect reasonable reserves in accordance with IFRS for contingent liabilities of Lakeland.
- (m) Interest in Mineral Rights.
- (i) All of Lakeland's mineral interests and rights with respect to the Lakeland Mineral Properties, including any material mining claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law, are set out in Schedule 4.1(m) of the Lakeland Disclosure Letter (the "**Lakeland Mineral Rights**"). Other than the Lakeland Mineral Rights set out in Schedule 4.1(m) of the Lakeland Disclosure Letter, Lakeland does not own or have any interest in any material mineral interests.
- (ii) Other than as set out in Schedule 4.1(m) of the Lakeland Disclosure Letter:
- (A) Lakeland is the legal and beneficial owner of all right, title and interest in and to the Lakeland Mineral Rights, free and clear of any Liens.
- (B) All of the Lakeland Mineral Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral claims or mining leases.
- (C) The Lakeland Mineral Rights are in good standing under applicable Law and, to the knowledge of Lakeland, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (D) To the knowledge of Lakeland, there is no material adverse claim against or challenge to the title to or ownership of the Lakeland Mineral Rights.
- (E) No Person other than Lakeland has any interest in the Lakeland Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.
- (F) There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Lakeland's interest in the Lakeland Mineral Rights.

- (G) There are no material restrictions on the ability of Lakeland to use, transfer or exploit the Lakeland Mineral Rights, except pursuant to applicable Law.
- (H) Lakeland has all surface rights, including fee simple estates, leases, easements, rights of way and permits or licences operations from landowners or Governmental Entities permitting the use of land by Lakeland, and mineral interests that are required to explore the Lakeland Mineral Rights as contemplated in Lakeland Public Documents filed (and available on SEDAR) on or before the date hereof and no third party or group holds any such rights that would be required by Lakeland to explore any of the Lakeland Mineral Rights as contemplated in Lakeland Public Documents filed (and available on SEDAR) on or before the date hereof.
- (iii) Lakeland has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Lakeland in any of the Lakeland Mineral Rights.
- (n) Operational Matters. Except as would not, individually or in the aggregate, be reasonably expected to result in an Lakeland Material Adverse Effect:
  - (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Lakeland and its material joint ventures, have been: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof; and
  - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Lakeland or material joint ventures is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (o) Absence of Certain Changes or Events. Since December 31, 2014:
  - (i) Lakeland has conducted its business only in the ordinary course of business and consistent with past practice;
  - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is reasonably likely to have a Lakeland Material Adverse Effect has been incurred;
  - (iii) to the knowledge of Lakeland, there has not been any event, circumstance or occurrence which has had or is reasonably likely to give rise to a Lakeland Material Adverse Effect;
  - (iv) there has not been any change in the accounting practices used by Lakeland, except as disclosed in the Lakeland Public Documents;

- (v) except as disclosed in the Lakeland Public Documents and except for ordinary course adjustments to non-executive employees, there has not been any increase in the salary, bonus, or other remuneration payable to any non-executive employees of Lakeland.
  - (vi) there has not been any redemption, repurchase or other acquisition of Lakeland Shares by Lakeland, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, shares or property) with respect to the Lakeland Shares;
  - (vii) there has not been any entering into, or an amendment of, any material Contract other than in the ordinary course of business consistent with past practice;
  - (viii) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in Lakeland Financial Statements, other than the settlement of claims or liabilities incurred in the ordinary course of business consistent with past practice; and
  - (ix) except as disclosed in the Lakeland Public Documents and except for ordinary course adjustments, there has not been any increase in the salary, bonus, or other remuneration payable to any officers or senior or executive officers of Lakeland.
- (p) Litigation. There is no claim, action, proceeding or investigation pending or, to the knowledge of Lakeland, threatened against or relating to Lakeland, the business of Lakeland or affecting any of its properties, assets, before or by any Governmental Entity which, if adversely determined, would have, or reasonably could be expected to have, a Lakeland Material Adverse Effect or prevent or materially delay the consummation of the Arrangement, nor to knowledge of Lakeland are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation (provided that the representation in this Subsection 4.1(p) shall not apply to claims, actions, proceedings, or investigations which may arise after the date of this Agreement which do not have a reasonable prospect of succeeding or, if successful, would not give rise to, nor reasonably be expected to give rise to, a Lakeland Material Adverse Effect). Lakeland is not subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have a Lakeland Material Adverse Effect or which would prevent or materially delay consummation of the transactions contemplated by this Agreement.
- (q) Taxes.
- (i) Lakeland has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it in accordance with applicable Law, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Entity. Such Tax Returns are complete and correct in all respects. Lakeland has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it in accordance with applicable Laws whether or not assessed by the appropriate Governmental Entity, other than Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded on the balance sheet included in Lakeland Annual Financial Statements.

- (ii) Lakeland has made adequate provisions or reserves in accordance with IFRS in the Lakeland Financial Statements of Lakeland for any Taxes of Lakeland for the period covered by such the Lakeland Financial Statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, reassessed, proposed to be assessed or reassessed, incurred or accrued, other than in the ordinary course of business.
- (iii) Lakeland has duly and timely withheld or deducted all Taxes and other amounts required by applicable Law to be withheld or deducted by it (including Taxes and other amounts required to be withheld or deducted by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person including any former or current employees, directors, officers and non-resident Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by applicable Law to be remitted by it.
- (iv) Lakeland has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including goods and services, harmonized sales, provincial and territorial taxes and state and local taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by applicable Law to be remitted by it and has duly and timely paid any and all sales, use or transfer Taxes required to be paid or self-assessed by it pursuant to applicable Laws and has claimed eligible exemptions, refunds and input Tax credits in respect thereof in accordance with applicable Laws.
- (v) Lakeland has not made, prepared and/or filed any notice of objection, elections, designations or any other similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date. Lakeland has not entered into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
- (vi) There are no proceedings, investigations, audits or Claims now pending or, to the knowledge of Lakeland, threatened against Lakeland in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.
- (vii) Lakeland has not acquired property from a non-arm's length Person, within the meaning of the Tax Act: (i) for consideration the fair market value of which is less than the fair market value of the property; or (ii) as a contribution of capital for which no shares were issued by the acquirer of the property.
- (viii) Lakeland has made available to Alpha copies of all federal, provincial and territorial Tax Returns for the taxation years ended December 31, 2012, December 31, 2013 and December 31, 2014, and all assessments or reassessments, correspondence related to any assessment or reassessment, requests for Tax rulings, Tax rulings issued by any Governmental Entity, and correspondence related to any audit or proposed audit of Lakeland, to the extent relating to periods or events in respect of which any Governmental Entity may in

accordance with applicable Law assess, reassess or otherwise impose any Taxes on Lakeland.

- (ix) For the purposes of the Tax Act and any other relevant Tax purposes, Lakeland is resident in Canada.
- (x) There are no Liens for Taxes upon any properties or assets of Lakeland (other than Liens relating to Taxes not yet due and payable or for Taxes which are being contested in good faith through appropriate proceedings and for which adequate provisions or reserves have been recorded in the Lakeland Annual Financial Statements).
- (r) Books and Records. The corporate records and minute books of Lakeland have been maintained in accordance with all applicable Laws, and the minute books of Lakeland as provided to Alpha are complete and accurate in all material respects. The corporate minute books for Lakeland contain minutes of all meetings and resolutions of the directors and securityholders held. The financial books and records and accounts of Lakeland in all material respects: (a) have been maintained in accordance with good business practices and in accordance with IFRS and with the accounting principles generally accepted in the country of domicile of each such entity, on a basis consistent with prior years; and (b) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of assets of Lakeland.
- (s) Insurance.
  - (i) Lakeland has in place reasonable and prudent insurance policies appropriate for its size, nature and stage of development. All premiums payable prior to the date hereof under such policies of insurance have been paid and Lakeland has not failed to make a claim thereunder on a timely basis.
  - (ii) Each of such policies and other forms of insurance is in full force and effect on the date hereof and Lakeland will use reasonable commercial efforts to keep them in full force and effect or renew them as appropriate through the Effective Date. No written (or to the knowledge of Lakeland) notice of cancellation or termination has been received by Lakeland with respect to any such policy.
- (t) Non-Arm's Length Transactions. Except for employment or employment compensation agreements entered into in the ordinary course of business and as set out in the Lakeland Public Documents, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Lakeland) between Lakeland on the one hand, and any (i) officer or director of Lakeland, (ii) any holder of record or, to the knowledge of Lakeland, beneficial owner of five percent or more of the voting securities of Lakeland, or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (u) Environmental. Except for any matters that, individually or in the aggregate, would not have or would not reasonably be expected to have a Lakeland Material Adverse Effect:
  - (i) all facilities and operations of Lakeland have been conducted, and are now, in material compliance with all Environmental Laws;

- (ii) Lakeland is in possession of, and in compliance with, all Environmental Permits that are required to conduct its business as it is now being conducted;
  - (iii) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Lakeland and, to the knowledge of Lakeland, there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business;
  - (iv) Lakeland is not subject to any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures;
  - (v) to the knowledge of Lakeland, there are no changes in the status, terms or conditions of any Environmental Permits held by Lakeland or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such environmental approvals, consents, waivers, permits, orders and exemptions, or any review by, or approval of, any Governmental Entity of such environmental approvals, consents, waivers, permits, orders and exemptions that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business of Lakeland following the Effective Date;
  - (vi) Lakeland has made available to Alpha all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental matters; and
  - (vii) to the knowledge of Lakeland, Lakeland is not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in liability under any Environmental Laws that would individually or in the aggregate, constitute a Lakeland Material Adverse Effect.
- (v) Restrictions on Business Activities. There is no agreement, judgement, injunction, order or decree binding upon Lakeland that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Lakeland, any acquisition of property by Lakeland or the conduct of business by Lakeland as currently conducted (including following the transaction contemplated by this Agreement) other than such agreements, judgements, injunctions, orders or decrees which would not, individually or in the aggregate, reasonably be expected to have a Lakeland Material Adverse Effect.
- (w) Material Contracts. Lakeland has performed in all material respects all respective obligations required to be performed by them to date under any material contracts. Lakeland is not in breach or default under any material contract to which it is a party or bound, nor does Lakeland have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, except in each case where any such breaches or defaults would not, individually or in the aggregate, reasonably be expected to result in, or result in, a Lakeland Material Adverse Effect. Lakeland does not know of, or has received written notice of, any breach or default under

(nor, to the knowledge of Lakeland, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any such material contract by any other party thereto except where any such violation or default would not, individually or in the aggregate, reasonably be expected to result in, or result in, a Lakeland Material Adverse Effect. Prior to the date hereof, Lakeland has made available to Alpha true and complete copies of all of the material contracts of Lakeland. All material contracts are legal, valid, binding and in full force and effect and are enforceable by Lakeland in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the product of fair and arms' length negotiations between the parties thereto.

- (x) Relationships with Customers, Suppliers, Distributors and Sales Representatives. Lakeland has not received any written (or to the knowledge of Lakeland other) notice that any customer, supplier, distributor or sales representative intends to cancel, terminate or otherwise modify or not renew its relationship with Lakeland, and, to the knowledge of Lakeland, no such action has been threatened, which, in either case, individually or in the aggregate, would reasonably be expected to have an Lakeland Material Adverse Effect.
- (y) Brokers. None of Lakeland or, to the knowledge of any of its officers, directors or employees of Lakeland has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement.
- (z) Reporting Issuer Status. As of the date hereof, Lakeland is a reporting issuer not in default (or the equivalent) under the Securities Laws of British Columbia and Alberta.
- (aa) Stock Exchange Compliance. Lakeland is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.
- (bb) No Expropriation. No property or asset of Lakeland has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Lakeland, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (cc) Corrupt Practices Legislation. Neither Lakeland and its affiliates, nor, to the knowledge of Lakeland, any of their respective officers, directors or employees acting on behalf of Lakeland or its affiliates has taken, committed to take or been alleged to have taken any action which would cause Lakeland or its affiliates to be in violation of the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law of similar effect of another jurisdiction, and to the knowledge of Lakeland, no such action has been taken by any of its agents, representatives or other Persons acting on behalf of Lakeland or its affiliates.

#### **4.2 Survival of Representations and Warranties**

The representations and warranties of Lakeland contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

## **ARTICLE 5 COVENANTS**

### **5.1 Covenants of Alpha Regarding the Conduct of Business**

Alpha covenants and agrees that prior to the Effective Date, unless Lakeland shall otherwise agree in writing or as otherwise expressly contemplated or permitted by this Agreement:

- (a) Alpha shall conduct its business only in, not take any action except in, and maintain its facilities, in the ordinary course of business and to use commercially reasonable efforts to preserve intact its present business organization and goodwill, to preserve intact Alpha, the Alpha Mineral Rights, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with them;
- (b) other than as expressly permitted or required by this Agreement, without limiting the generality of Subsection 5.1(a), Alpha shall not, directly or indirectly:
  - (i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any Alpha Shares, any Alpha Options, any Alpha Warrants or any calls, conversion privileges or rights of any kind to acquire any Alpha Shares or other securities, other than pursuant to the exercise of existing Alpha Options and Alpha Warrants;
  - (ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Alpha or any interest in any assets of Alpha having a value greater than \$15,000 in the aggregate;
  - (iii) amend or propose to amend the articles, by-laws or other constating documents or the terms of any securities of Alpha;
  - (iv) split, combine or reclassify any outstanding Alpha Shares;
  - (v) redeem, purchase or offer to purchase any Alpha Shares or other securities of Alpha;
  - (vi) without the prior written consent of Lakeland, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Alpha Shares;
  - (vii) reorganize, amalgamate or merge Alpha with any other Person;
  - (viii) reduce the stated capital of the shares of Alpha;
  - (ix) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets or otherwise) any Person, or make any investment either by purchase of shares or securities, contributions of capital property transfer or purchase of any property or assets of any other Person that has a value greater than \$10,000 in the aggregate;

- (x) without the prior written consent of Lakeland, such consent not to be unreasonably withheld or delayed, incur, create, assume or otherwise become liable for any indebtedness for borrowed money or any other liability or obligation or issue any debt securities, or guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person or make any loans or advances in amounts exceeding \$1,000 individually and \$10,000 in the aggregate;
- (xi) other than as set out in Schedule 5.1(b)(xi) of the Alpha Disclosure Letter or without the prior written consent of Lakeland, such consent not to be unreasonably withheld or delayed, incur any exploration expenditures or make any property payments with respect to any of its mineral properties;
- (xii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Alpha;
- (xiii) other than as set out in Schedule 5.1(b)(xi) of the Alpha Disclosure Letter or without the prior written consent of Lakeland, such consent not to be unreasonably withheld or delayed, pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations in amounts exceeding \$1,000 individually and \$10,000 in the aggregate, except for expenses incurred in connection with the Arrangement, provided that Alpha shall promptly provide Lakeland with a summary of such expenses upon request;
- (xiv) authorize, recommend or propose any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice;
- (xv) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice, (i) any existing contractual rights in respect of any Alpha Mineral Rights, (ii) any material Authorization, lease, concession, contract or other document, or (iii) any other material legal rights or claims;
- (xvi) waive, release, grant or transfer any rights of value or modify or change in any material respect any existing licence, lease, contract or other document, other than in the ordinary course of business consistent with past practice;
- (xvii) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its business as now conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities;
- (xviii) except as disclosed in Schedule 5.1(b)(xi) of the Alpha Disclosure Letter or without the prior written consent of Lakeland, such consent not to be unreasonably withheld or delayed, incur business expenses other than in the ordinary course and consistent with past practice in amounts exceeding \$1,000 individually and \$10,000 in the aggregate, except for expenses incurred in

connection with the Arrangement, provided that Alpha shall promptly provide Lakeland with a summary of such expenses upon request;

- (xix) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Alpha to consummate the Arrangement or the other transactions contemplated by this Agreement;
  - (xx) other than as set out in Schedule 3.1(o) of the Alpha Disclosure Letter, increase the benefits payable or to become payable to its directors or officers, enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Alpha or member of the Alpha Board;
  - (xxi) other than as set out in Schedule 3.1(o) of the Alpha Disclosure Letter, in the case of employees who are not officers of Alpha or members of the Alpha Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof; or
  - (xxii) take any action, permit any inaction or enter into any transaction other than in accordance with or as contemplated in this Agreement and the Plan of Arrangement, making an investment in securities of any person other than in accordance with or as contemplated in this Agreement and the Plan of Arrangement;
- (c) Alpha shall not, establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of Alpha;
- (d) Alpha shall use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (e) Alpha shall use its commercially reasonable best efforts to maintain and preserve all of its rights under each of its Alpha Mineral Rights and under each of its Authorizations;
- (f) Alpha shall:
- (i) not take any action, which would render, or which reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;

- (ii) provide Lakeland with prompt written notice of: (A) any change (or any condition, event, circumstance or development involving a prospective change) in the business, assets, operations, capitalization, condition (financial or otherwise), prospects, share or debt ownership, results of operations, cash flows, properties (including the Alpha Mineral Rights), articles, by-laws, licenses, permits (including Authorizations), rights, or privileges, whether contractual or otherwise, or liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), of Alpha which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in an Alpha Material Adverse Effect; (B) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would be likely to (x) cause any of the representations of Alpha contained herein to be untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Alpha Material Adverse Effect qualification already contained within such representation or warranty) in any material respect; or (y) result in the failure in any material respect of Alpha to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Effective Time;
  - (iii) not enter into or renew any agreement, contract, lease, licence or other binding obligation of Alpha (A) containing (1) any limitation or restriction on the ability of Alpha or, following completion of the transactions contemplated hereby, the ability of Lakeland, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Alpha or, following consummation of the transactions contemplated hereby, all or any portion of the business of Lakeland, is or would be conducted, or (3) any limit or restriction on the ability of Alpha or, following completion of the transactions contemplated hereby, the ability of Lakeland, to solicit customers or employees, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;
  - (iv) not enter into or renew any agreement, Contract, lease, licence or other binding obligation of Alpha that is not terminable within 30 days of the Effective Date without payment by Alpha; and
  - (v) not incur any capital expenditures or enter into any agreement obligating Alpha to provide for future capital;
- (g) Alpha shall:
  - (i) duly and timely file all Tax Returns required to be filed by it under applicable Laws on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;
  - (ii) duly and timely deduct, withhold, collect, remit and pay all Taxes which are to be deducted, withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

- (iii) not make or rescind any express or deemed election or designation relating to Taxes;
  - (iv) not make a request for a Tax ruling, or file a notice of objection, or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
  - (v) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and
  - (vi) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended October 31, 2014, except as may be required by applicable Laws;
- (h) Alpha shall not authorize or propose, or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other Subsections of this Section 5.1.

## **5.2 Covenants of Alpha Relating to the Arrangement**

Alpha shall perform all obligations required to be performed by Alpha under this Agreement, co-operate with Lakeland in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably possible, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing or the obligations in Section 2.5 of this Agreement, Alpha shall:

- (a) prior to the completion of the Arrangement and if Alpha and Lakeland mutually agree, acting reasonably, that a financing is required, use commercially reasonable efforts to complete a financing on terms and conditions mutually acceptable to Alpha and Lakeland, acting reasonably;
- (b) use its commercially reasonable efforts to complete the Plan of Arrangement;
- (c) use its commercially reasonable efforts to obtain and assist Lakeland in obtaining all required Regulatory Approvals;
- (d) use its commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third party consents, approvals and notices required under any of the material Contracts;
- (e) use its commercially reasonable efforts to obtain the Alpha TSXV Approval;
- (f) defend all lawsuits or other legal, regulatory or other proceedings against Alpha challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (g) subject to applicable Law, make available and cause to be made available to Lakeland, and the agents and advisors thereto, information reasonably requested by Lakeland for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Lakeland and Alpha following completion of the

Arrangement and confirming the representations and warranties of Alpha set out in Section 3.1 of this Agreement;

- (h) use commercially reasonable efforts to cause all outstanding Alpha Options to be cancelled or exercised prior to the Effective Date;
- (i) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and take all steps set forth in the Interim Order;
- (j) use commercially reasonable efforts to assist in effecting the resignations of Alpha directors and cause them to be replaced as of the Effective Date by persons nominated by Lakeland; and
- (k) elect under Section 256(9) of the Tax Act for Alpha's taxation year-end to be deemed to occur immediately before Lakeland's acquisition of the Alpha Shares pursuant to the Plan of Arrangement.

### **5.3 Covenants of Lakeland Regarding the Conduct of Business**

Lakeland covenants and agrees that prior to the Effective Date, unless Alpha shall otherwise agree in writing or as otherwise expressly contemplated or permitted by this Agreement:

- (a) Lakeland shall conduct its business only in, not take any action except in, and maintain its facilities, the ordinary course of business and to use commercially reasonable efforts to preserve intact its present business organization and goodwill, to preserve intact Lakeland, the Lakeland Mineral Rights, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships consistent with past practice with suppliers, distributors, employees, Governmental Entities and others having business relationships with it;
- (b) Other than as contemplated in this Agreement, without limiting the generality of Subsection 5.3(a), Lakeland shall not, directly or indirectly:
  - (i) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any Lakeland Shares, any Lakeland Options, any Lakeland Warrants or any, calls, conversion privileges or rights of any kind to acquire any Lakeland Shares, other than pursuant to the exercise of the existing Lakeland Options and the Lakeland Warrants;
  - (ii) sell, pledge, lease, dispose of, mortgage, licence, encumber or agree to sell, pledge, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Lakeland or any interest in any assets of Lakeland having a value greater than \$15,000 in the aggregate;
  - (iii) amend or propose to amend the articles, by-laws or other constating documents or the terms of any securities of Lakeland;
  - (iv) other than pursuant to the Consolidation, split, combine or reclassify any outstanding Lakeland Shares;

- (v) redeem, purchase or offer to purchase any Lakeland Shares or other securities of Lakeland;
- (vi) without the prior written consent of Alpha, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Lakeland Shares;
- (vii) reorganize, amalgamate or merge Lakeland with any other Person;
- (viii) reduce the stated capital of the shares of Lakeland;
- (ix) without the prior written consent of Alpha, make a proposal to acquire any Person;
- (x) without the prior written consent of Alpha, such consent not to be unreasonably withheld or delayed, incur, create, assume or otherwise become liable for any indebtedness for borrowed money or any other liability or obligation or issue any debt securities, or guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person or make any loans or advances in amounts exceeding \$1,000 individually and \$10,000 in the aggregate;
- (xi) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Lakeland;
- (xii) other than as set out in Lakeland Disclosure Letter or without the prior written consent of Alpha, such consent not to be unreasonably withheld or delayed, pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations in amounts exceeding \$1,000 individually and \$10,000 in the aggregate, except for expenses incurred in connection with the Arrangement, provided that Lakeland shall promptly provide Alpha with a summary of such expenses upon request;
- (xiii) authorize, recommend or propose any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice;
- (xiv) other than as set out in the Lakeland Disclosure Letter or without the prior written consent of Alpha, such consent not to be unreasonably withheld or delayed, incur any exploration expenditures or make any property payments with respect to any of its mineral properties;
- (xv) waive, release, grant, transfer, exercise, modify or amend in any material respect, other than in the ordinary course of the business consistent with past practice,
  - (i) any existing contractual rights in respect of any Lakeland Mineral Rights,
  - (ii) any material Authorization, lease, concession, contract or other document, or
  - (iii) any other material legal rights or claims;
- (xvi) waive, release, grant or transfer any rights of value or modify or change in any material respect any existing licence, lease, contract or other document, other than in the ordinary course of business consistent with past practice;

- (xvii) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits necessary to conduct its business as now conducted; or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities;
  - (xviii) except as set out in the Lakeland Disclosure Letter or without the prior written consent of Alpha, such consent not to be unreasonably withheld or delayed, incur business expenses other than in the ordinary course and consistent with past practice in amounts exceeding \$1,000 individually and \$10,000 in the aggregate, except for expenses incurred in connection with the Arrangement, provided that Lakeland shall promptly provide Alpha with a summary of such expenses upon request;
  - (xix) increase the benefits payable or to become payable to its directors or officers, enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer of Lakeland or member of the Lakeland Board;
  - (xx) in the case of employees who are not officers of Lakeland or members of the Lakeland Board, take any action with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof; or
  - (xxi) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Lakeland to consummate the Arrangement or the other transactions contemplated by this Agreement;
- (c) Lakeland shall not, establish, adopt, enter into, amend or waive any performance or vesting criteria or accelerate vesting, exercisability or funding under any bonus, profit sharing, thrift, incentive, compensation, stock option, restricted stock, pension, retirement, deferred compensation, savings, welfare, employment, termination, severance or other employee benefit plan, agreement, trust, fund, policy or arrangement for the benefit or welfare of any directors, officers, current or former employees of Lakeland;
- (d) Lakeland shall use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (e) Lakeland shall use its commercially reasonable best efforts to maintain and preserve all of its rights under each of its Lakeland Mineral Rights and under each of its Authorizations;

(f) Lakeland shall:

- (i) not take any action which would render, or which reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;
- (ii) provide Alpha with prompt written notice of: (A) any change (or any condition, event, circumstance or development involving a prospective change) in the business, assets, operations, capitalization, condition (financial or otherwise), prospects, share or debt ownership, results of operations, cash flows, properties (including the Lakeland Mineral Rights), articles, by-laws, licenses, permits (including Authorizations), rights, or privileges, whether contractual or otherwise, or liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), of Lakeland which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in a Lakeland Material Adverse Effect; (B) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would be likely to (x) cause any of the representations of Lakeland contained herein to be untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Lakeland Material Adverse Effect qualification already contained within such representation or warranty) in any material respect; or (y) result in the failure in any material respect of Lakeland to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Effective Time;
- (iii) not enter into or renew any agreement, contract, lease, licence or other binding obligation of Lakeland (A) containing (1) any limitation or restriction on the ability of Lakeland or, following completion of the transactions contemplated hereby, the ability of Lakeland, to engage in any type of activity or business, (2) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Lakeland or, following consummation of the transactions contemplated hereby, all or any portion of the business of, is or would be conducted, or (3) any limit or restriction on the ability of Lakeland or, following completion of the transactions contemplated hereby, the ability of Lakeland, to solicit customers or employees, or (B) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement;

(g) Lakeland shall:

- (i) duly and timely file all Tax Returns required to be filed by it under applicable Laws on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;
- (ii) duly and timely deduct, withhold, collect, remit and pay all Taxes which are to be deducted, withheld, collected, remitted or paid by it under applicable Law to the extent due and payable;

- (iii) not make or rescind any express or deemed election or designation relating to Taxes;
  - (iv) not make a request for a Tax ruling, or file a notice of objection, or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
  - (v) not settle or compromise any Claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and
  - (vi) not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended December 31, 2014, except as may be required by applicable Laws;
- (h) Lakeland shall not authorize or propose, or enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other Subsections of this Section 5.3.

#### **5.4 Covenants of Lakeland Relating to the Arrangement**

Lakeland shall perform all obligations required to be performed by under this Agreement, co-operate with Alpha in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing or the obligations in Section 2.5 of this Agreement, Lakeland shall:

- (a) prior to the completion of the Arrangement and if Alpha and Lakeland mutually agree, acting reasonably, that a financing is required, use commercially reasonable efforts to complete a financing on terms and conditions mutually acceptable to Alpha and Lakeland, acting reasonably;;
- (b) use its commercially reasonable efforts to obtain and assist Alpha in obtaining all required Regulatory Approvals;
- (c) use its commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third party consents, approvals and notices required under any of the material Contracts;
- (d) defend all lawsuits or other legal, regulatory or other proceedings against Lakeland challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (e) apply for and use commercially reasonable efforts to obtain conditional approval of the listing and posting for trading on the TSXV, the Frankfurt Stock Exchange and the OTCQX of the Consideration Shares, the Option Shares and the Warrant Shares, subject only to satisfaction by Lakeland of customary listing conditions of the TSXV, the Frankfurt Stock Exchange and the OTCQX;
- (f) subject to applicable Law, make available and cause to be made available to Alpha, and its agents and advisors, information reasonably requested by Alpha for the purposes of

confirming the representations and warranties of Lakeland set out in Section 4.1 of this Agreement;

- (g) use commercially reasonable efforts to cause all outstanding Lakeland Options to be cancelled or exercised prior to the Effective Date;
- (h) immediately prior to the Effective Time, effect an ordinary resolution such that the Lakeland Board shall have no more than four members and obtain the resignation of three directors of Lakeland such that there shall be three vacancies on the Lakeland Board;
- (i) immediately following the Effective Time, appoint two individuals designated by Alpha to the Lakeland Board;
- (j) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement; and
- (k) following the completion of the Arrangement, use commercially reasonable efforts to change its name to a name mutually acceptable to Alpha and Lakeland (the “**Name Change**”).

## **ARTICLE 6 CONDITIONS**

### **6.1 Mutual Conditions Precedent**

The obligations of the Parties to complete the Arrangement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived with the mutual consent of the Parties:

- (a) the Alpha Arrangement Resolution shall have been approved and adopted by the Alpha Securityholders at the Alpha Meeting by not less than the vote required by the Alpha Securityholder Approval in accordance with the Interim Order and applicable Laws;
- (b) the Lakeland Consolidation Resolution shall have been approved and adopted by the Lakeland Shareholders at the Lakeland Meeting in accordance with applicable Laws;
- (c) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to Alpha and Lakeland, acting reasonably, on appeal or otherwise;
- (d) prior to the completion of the Arrangement, Lakeland shall have completed a consolidation of its share capital on the basis of one (1) post-consolidation Lakeland Share for every three (3) pre-consolidation Lakeland Shares issued and outstanding (the “**Consolidation**”);
- (e) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law, judgment, decision, order or decree which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement;

- (f) all Regulatory Approvals shall have been obtained on terms and conditions satisfactory to each of Alpha and Lakeland, acting reasonably;
- (g) each of Alpha and Lakeland shall have obtained waivers of any change of control severance payments under any management, employment or consulting agreements to which it is a party;
- (h) Alpha and Lakeland shall have entered into the Supplemental Agreement;
- (i) the Alpha TSXV Approval shall have been obtained;
- (j) the approval of the listing and posting for trading on the TSXV of the Consideration Shares, the Option Shares and the Warrant Shares subject only to satisfaction of the customary listing conditions of the TSXV, shall have been obtained;
- (k) the Consideration Shares, the Replacement Options and the Replacement Warrants to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption; and
- (l) this Agreement shall not have been terminated.

## **6.2 Additional Conditions Precedent to the Obligations of Lakeland**

The obligation of Lakeland to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Lakeland and may be waived by Lakeland):

- (a) all covenants of Alpha under this Agreement to be performed on or before the Effective Time which have not been waived by Lakeland shall have been duly performed by Alpha in all material respects and Lakeland shall have received a certificate of Alpha addressed to Lakeland and dated the Effective Date, signed on behalf of Alpha by two senior executive officers of Alpha (on Alpha's behalf and without personal liability), confirming the same as at the Effective Time;
- (b) the representations and warranties of Alpha set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Alpha Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have an Alpha Material Adverse Effect, provided that the representations and warranties of Alpha set forth in Subsections 3.1(m) and 3.1(ee) shall be true and correct in all material respects as of the Effective Time, and Lakeland shall have received a certificate of Alpha addressed to Lakeland and dated the Effective Date, signed on behalf of Alpha by two senior executive officers of Alpha (on Alpha's behalf and without personal liability), confirming the same as at the Effective Date;
- (c) there shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity or any other Person that is reasonably likely to result in a:

- (i) prohibition or restriction on the acquisition by Lakeland of any Alpha Shares, restriction or prohibition of the consummation of the Arrangement or a Person obtaining from Alpha or Lakeland any material damages directly or indirectly in connection with the Arrangement;
  - (ii) prohibition or material limit on the ownership by Lakeland of Alpha or any material portion of its business; or
  - (iii) imposition of limitations on the ability of Lakeland to acquire or hold, or exercise full rights of ownership of, any Alpha Shares, including the right to vote the Alpha Shares to be acquired by it on all matters properly presented to the Alpha Shareholders;
- (d) there shall not have occurred an Alpha Material Adverse Effect that has not been publicly disclosed by Alpha prior to the date hereof or disclosed to Lakeland in writing prior to the date hereof, and since the date of this Agreement, there shall not have occurred an Alpha Material Adverse Effect, and Lakeland shall have received a certificate signed on behalf of Alpha by the chief executive officer and the chief financial officer of Alpha (on Alpha's behalf and without personal liability) to such effect;
- (e) each of the Alpha Voting Agreements shall be in full force and effect and there shall not have occurred any material non-fulfilment or breach of any covenant or agreement, or any material misrepresentation or any incorrectness in or any breach of any representation or warranty, contained in an Alpha Voting Agreement on the part of an Alpha Locked-up Shareholder;
- (f) Lakeland shall have received the resignations of each director and officer of Alpha dated as of the Effective Date;
- (g) all required third party consents shall have been received on terms satisfactory to Lakeland, acting reasonably; and
- (h) holders of no more than 5% of the Alpha Shares shall have exercised Dissent Rights.

The foregoing conditions will be for the sole benefit of Lakeland and may be waived by it in whole or in part at any time.

### **6.3 Additional Conditions Precedent to the Obligations of Alpha**

The obligation of Alpha to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Alpha and may be waived by Alpha):

- (a) all covenants of Lakeland under this Agreement to be performed on or before the Effective Time which have not been waived by Alpha shall have been duly performed by Lakeland in all material respects and Alpha shall have received a certificate of Lakeland, addressed to Alpha and dated the Effective Date, signed on behalf of Lakeland by two senior executive officers of Lakeland (on Lakeland's behalf and without personal liability), confirming the same as of the Effective Time;

- (b) the representations and warranties of Lakeland set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Lakeland Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Lakeland Material Adverse Effect, provided that the representations and warranties of Lakeland set forth Sections 4.1(m) and 4.1(cc) shall be true and correct in all material respects as of the Effective Time, and Alpha shall have received a certificate of Lakeland addressed to Alpha and dated the Effective Date, signed on behalf of Lakeland by two senior executive officers of Lakeland (on Lakeland's behalf and without personal liability), confirming the same as at the Effective Time;
- (c) Lakeland shall have complied with its obligations under Section 2.9 and the Depositary shall have confirmed receipt of the Consideration;
- (d) the Alpha Fairness Opinion shall have been completed and delivered to the Alpha Board;
- (e) there shall not have occurred a Lakeland Material Adverse Effect that has not been publicly disclosed by Lakeland prior to the date hereof or disclosed to Alpha in writing prior to the date hereof, and since the date of this Agreement, there shall not have occurred a Lakeland Material Adverse Effect and Alpha shall have received a certificate signed on behalf of Lakeland by the chief executive officer and chief financial officer of Lakeland (on Lakeland's behalf and without personal liability) to such effect; and
- (f) the distribution of the Consideration Shares, the Replacement Options and the Replacement Warrants shall be exempt from the prospectus requirements of Canadian securities laws and shall be exempt from the registration requirements of the U.S. Securities Act and: (x) there shall be no resale restrictions on the Consideration Shares, the Replacement Options and the Replacement Warrants under Securities Laws in Canada, except in respect of those holders who are subject to restrictions on resale as a result of being a "control person" under Securities Laws in Canada; and (y) the Consideration Shares shall not be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, except in respect of Consideration Shares held by Persons who are deemed to be an "affiliate" of Lakeland as defined in Rule 144 under the U.S. Securities Act.

The foregoing conditions will be for the sole benefit of Alpha and may be waived by it in whole or in part at any time.

#### **6.4 Satisfaction of Conditions**

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

**ARTICLE 7  
ADDITIONAL AGREEMENTS**

**7.1 Alpha Non-Solicitation**

- (a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Alpha shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:
  - (i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or employees) relating to any Acquisition Proposal for Alpha, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;
  - (ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for Alpha provided that, for greater certainty, Alpha may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Alpha Board has so determined;
  - (iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Lakeland, the approval or recommendation of the Alpha Board or any committee thereof of this Agreement or the Arrangement;
  - (iv) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal for Alpha (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal in respect of which a confidentiality agreement has been executed in accordance with Subsection 7.1(d) shall not be considered a violation of this Subsection 7.1(a)(iv)); or
  - (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal,

provided, however, that nothing contained in this Subsection 7.1(a) or any other provision of this Agreement shall prevent the Alpha Board from, and the Alpha Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a bona fide unsolicited written Acquisition Proposal that the Alpha Board has determined in good faith that it constitutes or could reasonably be expected to result in a Superior Proposal, or provide information pursuant to Subsection 7.1(d) to any Person where the requirements of that Section are met;

- (b) Alpha shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than Lakeland) with respect to any potential Acquisition Proposal and, in connection therewith, Alpha will discontinue access to any

of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request the return or destruction of all confidential information provided in connection therewith to the extent such information has not already been returned or destroyed. Alpha agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and Alpha undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it has entered into prior to the date hereof or enter into after the date hereof.

- (c) From and after the date of this Agreement, Alpha shall immediately provide notice to Lakeland of any unsolicited *bona fide* Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to Alpha in connection with such an Acquisition Proposal or for access to the properties, books or records of Alpha by any Person that informs Alpha, any member of the Alpha Board that it is considering making, or has made, an Acquisition Proposal. Such notice to Lakeland shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal, inquiry or contact, all material terms thereof and such other details of the proposal, inquiry or contact known to Alpha, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Alpha shall keep Lakeland promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by Lakeland with respect thereto.
- (d) If the Alpha Board receives a request for material non-public information from a Person who proposes to Alpha an unsolicited *bona fide* written Acquisition Proposal, Alpha may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is a Superior Proposal or could reasonably be expected to lead to a Superior Proposal; provided that Alpha shall promptly provide Lakeland with copies of all correspondence and information provided to or received from such Person. If: (x) the Alpha Board determines that such Acquisition Proposal constitutes or could reasonably be expected to result in a Superior Proposal; and (y) in the opinion of the Alpha Board, acting in good faith and on advice from its outside legal advisor, the failure to provide such party with access to information regarding Alpha would be inconsistent with the fiduciary duties of the Alpha Board, then, and only in such case, Alpha may provide such Person with access to information regarding Alpha, subject to the execution of a confidentiality and standstill agreement which is customary in such situations; provided that Alpha sends a copy of any such confidentiality agreement to Lakeland promptly upon its execution and Lakeland is provided with a list of, and, at the request of Lakeland, copies of or access to, the information provided to such Person that was not previously made available to Lakeland.
- (e) Alpha agrees that it will not accept, approve or enter into any agreement (an “**Alpha Proposed Agreement**”), other than a confidentiality agreement as contemplated by Subsection 7.1(d), with any Person providing for or to facilitate any Acquisition Proposal unless:

- (i) the Alpha Board determines that the Acquisition Proposal constitutes a Superior Proposal;
- (ii) the Alpha Meeting has not occurred;
- (iii) Alpha has complied with Subsections 7.1(a) through 7.1(d) inclusive;
- (iv) Alpha has provided Lakeland with a notice in writing that there is a Superior Proposal together with all documentation related to and detailing the Superior Proposal, including a copy of any Alpha Proposed Agreement relating to such Superior Proposal, and a written notice from the Alpha Board regarding the value in financial terms that the Alpha Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal, such documents to be so provided to Lakeland not less than five business days prior to the proposed acceptance, approval, recommendation or execution of the Alpha Proposed Agreement by Alpha.
- (v) Five business days shall have elapsed from the date Lakeland received the notice and documentation referred to in Subsection 7.1(e)(iv) from Alpha and, if Lakeland has proposed to amend the terms of the Arrangement in accordance with Subsection 7.1(f), the Alpha Board shall have determined, in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Arrangement by Lakeland;
- (vi) Alpha concurrently terminates this Agreement pursuant to Subsection 8.2(a)(iv)(D); and
- (vii) Alpha has previously, or concurrently will have, paid to Lakeland the Alpha Termination Fee;

and Alpha further agrees that it will not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Lakeland the approval or recommendation of the Arrangement, nor accept, approve or recommend any Acquisition Proposal unless the requirements of this Subsection 7.1(e)(i) through 7.1(e)(v) have been satisfied.

- (f) Alpha acknowledges and agrees that, during the five business day periods referred to in Subsections 7.1(e)(iv) and 7.1(e)(v) or such longer period as Alpha may approve for such purpose, Lakeland shall have the opportunity, but not the obligation, to propose to amend the terms of this Agreement and the Arrangement and Alpha shall co-operate with Lakeland with respect thereto, including negotiating in good faith with Lakeland to enable Lakeland to make such adjustments to the terms and conditions of this Agreement and the Arrangement as Lakeland deems appropriate and as would enable Lakeland to proceed with the Arrangement and any related transactions on such adjusted terms. The Alpha Board will review any proposal by Lakeland to amend the terms of the Arrangement in order to determine, in good faith in the exercise of its fiduciary duties and consistent with Subsection 7.1(a), whether Lakeland's proposal to amend the Arrangement would, if consummated in accordance with its terms, result in the Acquisition Proposal not being a Superior Proposal compared to the proposed amendment to the terms of the Arrangement.

- (g) The Alpha Board shall promptly reaffirm its recommendation of the Arrangement by press release after: (x) any Acquisition Proposal which the Alpha Board determines not to be a Superior Proposal is publicly announced or made; or (y) the Alpha Board determines that a proposed amendment to the terms of the Arrangement would result in the Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and Lakeland has so amended the terms of the Arrangement. Lakeland and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are appropriate will be determined by Alpha, acting reasonably.
- (h) Nothing in this Agreement shall prevent the Alpha Board from responding through a directors' circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal that it determines is not a Superior Proposal, or from withdrawing, modifying or changing its recommendation as a result of Lakeland having suffered a Lakeland Material Adverse Effect. Further, nothing in this Agreement shall prevent the Alpha Board from making any disclosure to the securityholders of Alpha if the Alpha Board, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Alpha Board or such disclosure is otherwise required under applicable Law, provided, however, that, notwithstanding the Alpha Board shall be permitted to make such disclosure, the Alpha Board shall not be permitted to make an Alpha Change in Recommendation, other than as permitted by Subsection 7.1(e) or the first sentence of this paragraph. Lakeland and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are appropriate will be determined by Alpha, acting reasonably.
- (i) Alpha acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 7.1.
- (j) Alpha shall ensure that the officers, directors and employees of Alpha and any investment bankers or other advisors or representatives retained by Alpha in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and Alpha shall be responsible for any breach of this Section 7.1 by such officers, directors, employees, investment bankers, advisors or representatives.
- (k) If Alpha provides Lakeland with the notice of an Acquisition Proposal contemplated in this Section 7.1 on a date that is less than seven calendar days prior to the Alpha Meeting, Alpha shall be entitled to adjourn the Alpha Meeting to a date that is not less than seven calendar days and not more than ten calendar days after the date of such notice, provided, however, that the Alpha Meeting shall not be adjourned or postponed to a date later than the seventh business day prior to the Outside Date.

## **7.2 Lakeland Non-Solicitation**

- (a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Lakeland shall not, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise:
  - (i) make, solicit, assist, initiate, encourage or otherwise facilitate any inquiries, proposals or offers from any other Person (including any of its officers or

employees) relating to any Acquisition Proposal for Lakeland, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek to do any of the foregoing;

- (ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to make or complete any Acquisition Proposal for Lakeland;
- (iii) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal involving Lakeland (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal in respect of which a confidentiality agreement has been executed in accordance with Subsection 7.2(d) shall not be considered a violation of this Subsection 7.2(a)(iii)); or
- (iv) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal involving Lakeland,

provided, however, that nothing contained in this Subsection 7.2(a) or any other provision of this Agreement shall prevent the Lakeland Board from, and the Lakeland Board shall be permitted to engage in discussions or negotiations with, or respond to enquiries from any Person that has made a *bona fide* unsolicited written Acquisition Proposal, or provide information pursuant to Subsection 7.2(d) to any Person where the requirements of that Section are met.

- (b) Lakeland shall immediately cease and cause to be terminated any existing discussions or negotiations with any Person (other than Alpha) with respect to any potential Acquisition Proposal and, in connection therewith, Lakeland will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request the return or destruction of all confidential information provided in connection therewith to the extent such information has not already been returned or destroyed. Lakeland agrees not to release any third party from any confidentiality, non-solicitation or standstill agreement to which such third party is a party, or terminate, modify, amend or waive the terms thereof and Lakeland undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it has entered into prior to the date hereof or enter into after the date hereof.
- (c) From and after the date of this Agreement, Lakeland shall immediately provide notice to Alpha of any unsolicited *bona fide* Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to Lakeland in connection with such an Acquisition Proposal or for access to the properties, books or records of Lakeland by any Person that informs Lakeland or any member of the Lakeland Board that it is considering making, or has made, an Acquisition Proposal. Such notice to Alpha shall be made, from time to time, first immediately orally and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the Person making such proposal,

inquiry or contact, all material terms thereof and such other details of the proposal, inquiry or contact known to Lakeland, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Lakeland shall keep Alpha promptly and fully informed of the status, including any change to the material terms, of any such Acquisition Proposal, offer, inquiry or request and will respond promptly to all inquiries by Lakeland with respect thereto.

- (d) If the Lakeland Board receives a request for material non-public information from a Person who proposes to Lakeland an unsolicited *bona fide* written Acquisition Proposal, Lakeland may contact the Person making the Acquisition Proposal and its representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation; provided that Lakeland shall promptly provide Alpha with copies of all correspondence and information provided to or received from such Person. If in the opinion of the Lakeland Board, acting in good faith and on advice from its outside legal advisor, the failure to provide such party with access to information regarding Lakeland would be inconsistent with the fiduciary duties of the Lakeland Board, then, and only in such case, Lakeland may provide such Person with access to information regarding Lakeland, subject to the execution of a confidentiality and standstill agreement which is customary in such situations; provided that Lakeland sends a copy of any such confidentiality and standstill agreement to Alpha promptly upon its execution and Alpha is provided with a list of, and, at the request of Alpha, copies of or access to, the information provided to such Person that was not previously made available to Alpha.
- (e) Lakeland agrees that it will not, without the prior written consent of Alpha, accept, approve or enter into any agreement (an “**Lakeland Proposed Agreement**”), other than a confidentiality agreement as contemplated by Subsection 7.2(d), with any Person providing for or to facilitate any Acquisition Proposal unless:
  - (i) Lakeland has complied with Subsections 7.2(a) through 7.2(d) inclusive;
  - (ii) Lakeland has provided Alpha with a notice in writing that there is an Acquisition Proposal together with all documentation related to and detailing the Acquisition Proposal, including a copy of any Lakeland Proposed Agreement relating to such Acquisition Proposal, and a written notice from the Lakeland Board regarding the value in financial terms that the Lakeland Board has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Acquisition Proposal, such documents to be so provided to Alpha not less than five business days prior to the proposed acceptance, approval, recommendation or execution of the Lakeland Proposed Agreement by Lakeland.
  - (iii) Lakeland concurrently terminates this Agreement pursuant to Subsection 8.2(a)(iii); and
  - (iv) Lakeland has previously, or concurrently will have, paid to Alpha the Lakeland Termination Fee.
- (f) Nothing in this Agreement shall prevent the Lakeland Board from responding through a directors’ circular or otherwise as required by applicable Securities Laws to an Acquisition Proposal. Further, nothing in this Agreement shall prevent the Lakeland Board from making any disclosure to the securityholders of Lakeland if the Lakeland

Board, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Lakeland Board or such disclosure is otherwise required under applicable Law. Alpha and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such disclosure, recognizing that whether or not such comments are appropriate will be determined by Lakeland, acting reasonably.

- (g) Lakeland acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 7.2.
- (h) Lakeland shall ensure that the officers, directors and employees of Lakeland and any investment bankers or other advisors or representatives retained by Lakeland in connection with the transactions contemplated by this Agreement are aware of the provisions of this Section, and Lakeland shall be responsible for any breach of this Section 7.2 by such officers, directors, employees, investment bankers, advisors or representatives.
- (i) If Lakeland provides Alpha with the notice of an Acquisition Proposal contemplated in this Section 7.2 on a date that is less than seven calendar days prior to the Alpha Meeting, if requested by Lakeland, Alpha shall adjourn the Alpha Meeting to a date that is not less than seven calendar days and not more than 10 calendar days after the date of such notice, provided, however, that the Alpha Meeting shall not be adjourned or postponed to a date later than the seventh (7) business day prior to the Outside Date.

### **7.3 Access to Information; Confidentiality**

From the date hereof until the earlier of the Effective Time and the termination of this Agreement pursuant to its terms, subject to compliance with applicable Law and the terms of any existing Contracts, each of Alpha and Lakeland shall, and shall cause their respective Representatives to afford to the other Party and its Representatives such access as the other Party may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to its officers, employees, agents, properties, books, records and contracts, and shall furnish the requesting Party with all data and information as the other Party may reasonably request.

### **7.4 Notices of Certain Events**

- (a) Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement pursuant to its terms and the Effective Time 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 on the date hereof or at the Effective Time (provided that this clause (i) shall not apply in the case of any event or state of facts resulting from the actions or omissions of a Party which are required under this Agreement); or
  - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Time,

*provided, however*, that the delivery of any notice pursuant to this Section 7.4 shall not limit or otherwise affect the remedies available hereunder to the Party receiving that notice.

- (b) No Party may elect not to complete the transactions contemplated hereby pursuant to the conditions set forth herein or any termination right arising therefrom under Subsection 8.2(a)(iii)(B) or Subsection 8.2(a)(iv)(B) unless, prior to the Effective Date, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Agreement until the expiration of a period of five Business Days from such notice.

## **7.5 Insurance and Indemnification**

- (a) Prior to the Effective Date, Alpha shall purchase customary “tail” or “run-off” policies of directors’ and officers’ liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by Alpha which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and Lakeland will, or will cause Alpha to maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date; provided, that Lakeland shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided, further, that the cost of such policy shall not exceed 200% of Alpha’s current annual aggregate premium for policies currently maintained by Alpha.
- (b) From and after the Effective Time, Lakeland shall, or cause Alpha to, indemnify and hold harmless, all past and present directors, officers and employees of Alpha to the greatest extent such persons are indemnified by Alpha as of the date of this Agreement pursuant to the articles of Alpha and any indemnity agreements between Alpha and such individuals in existence as of the date of this Agreement, for acts or omissions occurring on or prior to the Effective Time.
- (c) The provisions of this Section 7.5 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose, Lakeland hereby confirms that it is acting as agent on their behalf. Furthermore, this Section 7.5 shall survive the termination of this Agreement as a result of the occurrence of the Effective Time for a period of six years.

## **ARTICLE 8 TERM, TERMINATION, AMENDMENT AND WAIVER**

### **8.1 Term**

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

## 8.2 Termination

- (a) This Agreement may be terminated at any time prior to the Effective Time (notwithstanding any approval of this Agreement, the Alpha Arrangement Resolution by the Alpha Shareholders, the Lakeland Consolidation Resolution by the Lakeland Shareholders, or the Arrangement by the Court):
  - (i) by mutual written agreement of Alpha and Lakeland;
  - (ii) by either Alpha or Lakeland, if:
    - (A) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Subsection 8.2(a)(ii)(A) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;
    - (B) after the date hereof, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Alpha or Lakeland from consummating the Arrangement and such applicable Law or injunction shall have become final and non-appealable;
    - (C) Alpha Securityholder Approval shall not have been obtained at the Alpha Meeting in accordance with the Interim Order; or
    - (D) the Lakeland Consolidation Resolution is not approved at the Lakeland Meeting in accordance with applicable Laws.
  - (iii) by Lakeland, if:
    - (A) prior to the Effective Time: (1) subject to Subsection 7.1(a)(iv), the Alpha Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, in a manner adverse to Lakeland or fails to publicly reaffirm its unanimous recommendation of the Arrangement within three calendar days (and in any case prior to the Alpha Meeting) after having been requested in writing by Lakeland to do so, in a manner adverse to Lakeland (a “**Alpha Change in Recommendation**”); (2) the Alpha Board or a committee thereof shall have approved or recommended any Acquisition Proposal; or (3) Alpha shall have breached Section 7.1 in any material respect;
    - (B) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Alpha set forth in this Agreement shall have occurred that would cause the conditions set forth in Subsection 6.2(a) or Subsection 6.2(b) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, as reasonably determined by Lakeland and provided that Lakeland is not then in breach of this Agreement so as to cause any condition in Subsection 6.2(a) or Subsection 6.2(b) not to be satisfied;

- (C) Lakeland has been notified in writing by Alpha of an Alpha Proposed Agreement in accordance with Subsection 7.1(e), and either: (i) Lakeland does not deliver an amended Arrangement proposal within five Business Days of delivery of the Alpha Proposed Agreement to Lakeland; or (ii) Lakeland delivers an amended Arrangement proposal pursuant to Subsection 7.1(f) but the Alpha Board determines, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the Alpha Proposed Agreement continues to be a Superior Proposal in comparison to the amended Arrangement terms offered by Lakeland; or
  - (D) it wishes to enter into a binding written agreement with respect to an Acquisition Proposal (other than a non-disclosure agreement permitted by Subsection 7.2(e), subject to compliance with Section 7.2 in all material respects and provided that no termination under this Subsection 8.2(a)(iii)(D) shall be effective unless and until Lakeland shall have paid to Alpha the amount required to be paid pursuant to Section 8.3.
- (iv) by Alpha, if
  - (A) prior to the Effective Time: (1) the Lakeland Board or a committee thereof shall have approved or recommended any Acquisition Proposal; or (2) Lakeland shall have breached Section 7.2 in any material respect;
  - (B) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Lakeland set forth in this Agreement shall have occurred that would cause the conditions set forth in Subsection 6.3(a) or 6.3(b) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date as reasonably determined by Alpha and provided that Alpha is not then in breach of this Agreement so as to cause any condition in Subsection 6.3(a) or Subsection 6.3(b) not to be satisfied;
  - (C) Alpha has been notified in writing by Lakeland of a Lakeland Proposed Agreement to which it did not consent in accordance with Subsection 7.2(e); or
  - (D) it wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a non-disclosure and standstill agreement permitted by Subsection 7.1(d)), subject to compliance with Section 7.1 in all material respects and provided that no termination under this Subsection 8.2(a)(iv)(D) shall be effective unless and until Alpha shall have paid to Lakeland the amount required to be paid pursuant to Section 8.3.
- (b) The Party desiring to terminate this Agreement pursuant to this Section 8.2 (other than pursuant to Subsection 8.2(a)(i)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

If this Agreement is terminated pursuant to this Section 8.2, this Agreement shall become void and be of no further force or effect without liability of any Party (or any shareholder,

director, officer, employee, agent, consultant or representative of such Party) to any other Party hereto, except that the provisions of this Subsection 8.2(b) and Subsections 8.3, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6 and 9.8 and all related definitions set forth in Section 1.1 shall survive any termination hereof pursuant to Subsection 8.2(a).

### 8.3 Expenses and Termination Fees

- (a) Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses. After the Effective Time, Lakeland shall pay, or shall cause Alpha to pay, all outstanding invoices requiring payment by Alpha for services rendered and products purchased prior to the Effective Time, which were incurred in the ordinary course of business consistent with past practices or in connection with the Arrangement, upon presentation of such invoices to Lakeland.
- (b) For the purposes of this Agreement:
  - (i) “**Fee**” means a (A) Lakeland Termination Fee, or (B) Alpha Termination Fee;
  - (ii) “**Lakeland Termination Fee**” means \$200,000;
  - (iii) “**Alpha Termination Fee**” means \$200,000.
- (c) For the purposes of this Agreement, “**Alpha Termination Fee Event**” means the termination of this Agreement:
  - (i) by Lakeland pursuant to Subsection 8.2(a)(iii)(A) (but not including a termination by Lakeland pursuant to Subsection 8.2(a)(iii)(A) in circumstances where the Alpha Change in Recommendation resulted from the occurrence of a Lakeland Material Adverse Effect) or Subsection 8.2(a)(iii)(C);
  - (ii) by Alpha pursuant to Subsection 8.2(a)(iv)(D); or
  - (iii) by either Party pursuant to Subsection 8.2(a)(ii)(C) or by either Party pursuant to Subsection 8.2(a)(ii)(A), but only if, in these termination events, (x) prior to such termination, a *bona fide* Acquisition Proposal shall have been made or publicly announced by any Person other than Lakeland and (y) within twelve months following the date of such termination, Alpha (A) enters into a definitive agreement in respect of one or more Acquisition Proposals or (B) there shall have been consummated one or more Acquisition Proposals.

If an Alpha Termination Fee Event occurs, Alpha shall pay the Alpha Termination Fee to Lakeland by wire transfer of immediately available funds, as follows:

- (A) if the Alpha Termination Fee is payable pursuant to Subsection 8.3(c)(iii), the Alpha Termination Fee shall be payable concurrently upon the earlier of the entering into of the applicable agreement referred to therein or upon the consummation of the Acquisition Proposal referred to therein;

- (B) if the Alpha Termination Fee is payable pursuant to Subsection 8.3(c)(i), the Alpha Termination Fee shall be payable within two business days following such termination; or
  - (C) if the Alpha Termination Fee is payable pursuant to Subsection 8.3(c)(ii), the Alpha Termination Fee shall be payable prior to or simultaneously with such termination.
- (d) For the purposes of this Agreement, “**Lakeland Termination Fee Event**” means the termination of this Agreement:
  - (i) by Alpha pursuant to Subsection 8.2(a)(iv)(A) or Subsection 8.2(a)(iv)(C);
  - (ii) by Lakeland pursuant to Subsection 8.2(a)(iii)(D); or
  - (iii) by either Party pursuant to Subsection 8.2(a)(ii)(A) but only if, (x) prior to such termination, a *bona fide* Acquisition Proposal shall have been made or publicly announced by any Person, and (y) within twelve months following the date of such termination, Lakeland (A) enters into a definitive agreement in respect of one or more Acquisition Proposals or (B) there shall have been consummated one or more Acquisition Proposals.

If a Lakeland Termination Fee Event occurs, Lakeland shall pay the Lakeland Termination Fee to Alpha by wire transfer of immediately available funds, as follows:

- (A) if the Lakeland Termination Fee is payable pursuant to Subsection 8.3(d)(iii), the Lakeland Termination Fee shall be payable concurrently upon the earlier of the entering into of the applicable agreement referred to therein or upon the consummation of the Acquisition Proposal referred to therein;
  - (B) if the Lakeland Termination Fee is payable pursuant to Subsection 8.3(d)(i), the Lakeland Termination Fee shall be payable within two business days following such termination; or
  - (C) if the Lakeland Termination Fee is payable pursuant to Subsection 8.3(d)(ii), the Lakeland Termination Fee shall be payable prior to or simultaneously with such termination.
- (e) Each of the Parties acknowledges that the agreements contained in this Section 8.3 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Each Party acknowledges that all of the payment amounts set out in this Section 8.3 are payments of liquidated damages which are a genuine pre-estimate of the damages, which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each of Alpha and Lakeland irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Party agrees that, upon any termination of this Agreement under circumstances where Alpha or Lakeland is entitled to a Fee and such Fee is paid in full, Alpha or Lakeland, as the case may be, shall be precluded from any other remedy against the other Party at Law or in

equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Party or any of its directors, officers, employees, partners, managers, members, shareholders or affiliates or its Representatives in connection with this Agreement or the transactions contemplated hereby, provided, however that payment by a Party of a Fee shall not be in lieu of any damages or any other payment or remedy available in the event of any wilful or intentional breach by such Party of any of its obligations under this Agreement.

#### **8.4 Amendment**

Subject to the provisions of the Interim Order, the Plan of Arrangement and applicable Laws, this Agreement and the Plan of Arrangement and may, at any time and from time to time before or after the holding of the Alpha Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or Authorization on the part of the Alpha Shareholders, 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; and
- (d) waive compliance with or modify any mutual conditions precedent herein contained.

#### **8.5 Waiver**

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

### **ARTICLE 9 GENERAL PROVISIONS**

#### **9.1 Notices**

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given and received on the day it is delivered, provided that it is delivered on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if notice is delivered after 5:00 p.m. local time or if such day is not a business day then the notice shall be deemed to have been given and received on the next business day. Notice shall be sufficiently given if delivered (either in Person, by courier service or other personal method of delivery), or if transmitted by facsimile or email to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

(a) if to Alpha:

Alpha Exploration Inc.  
408 - 1199 West Pender Street  
Vancouver, British Columbia V6E 2R1

Attention: Michael H. Gunning, President and CEO  
Facsimile: (604) 684-9365  
Email: mgunning@renntiger.com

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

Miller Thomson LLP  
1000 – 840 Howe Street  
Vancouver, British Columbia V6Z 2M1

Attention: Gregory C. Smith  
Facsimile: (604) 643-1200  
Email: gsmith@millerthomson.com

(b) if to Lakeland:

Lakeland Resources Inc.  
Suite 1450 – 789 West Pender Street  
Vancouver, British Columbia V6C 1H2

Attention: Jonathan Armes, President and CEO  
Facsimile: (604) 681-8240  
Email: jarmes@lakelandresources.com

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

Clark Wilson LLP  
900 – 885 West Georgia Street  
Vancouver, BC V6C 3H1

Attention: Bernard Pinsky  
Facsimile: (604) 697-6314  
Email: bpinsky@cwilson.com

## **9.2 Governing Law; Waiver of Jury Trial**

This Agreement shall be governed, including as to validity, interpretation and effect, by the Laws of the Province of British Columbia and the Laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement and the Arrangement. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE

## NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

### **9.3 Injunctive Relief**

Subject to Section 8.3, the Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by a Party, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, and the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at Law. Subject to Section 8.3, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at Law or equity to each of the Parties.

### **9.4 Time of Essence**

Time shall be of the essence in this Agreement.

### **9.5 Entire Agreement, Binding Effect and Assignment**

This Agreement (including the exhibits and schedules hereto and the Alpha Disclosure Letter and the Lakeland Disclosure Letter) constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Parties.

### **9.6 No Liability**

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

### **9.7 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. 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.

## **9.8 Counterparts, Execution**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[Remainder of page intentionally left blank.]*

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

**ALPHA EXPLORATION INC.**

By: "Michael H. Gunning"  
Name: Michael H. Gunning  
Title: President and CEO

**LAKELAND RESOURCES INC.**

By: "Jonathan Armes"  
Name: Jonathan Armes  
Title: President and CEO

**SCHEDULE A  
PLAN OF ARRANGEMENT**

**UNDER DIVISION 5 OF PART 9 OF THE  
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE 1  
INTERPRETATION**

- 1.1 **Definitions.** In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:
- (a) “**Alpha**” means Alpha Exploration Inc., a corporation incorporated under the laws of British Columbia;
  - (b) “**Alpha Meeting**” means the special meeting of the Alpha Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution;
  - (c) “**Alpha Options**” means the issued and outstanding options to purchase Alpha Shares pursuant to the Alpha Option Plan or any predecessor plan of Alpha;
  - (d) “**Alpha Optionholders**” means the holders of Alpha Options;
  - (e) “**Alpha Option Plan**” means the stock option plan of Alpha approved by Alpha Shareholders;
  - (f) “**Alpha Securityholders**” means, together, the Alpha Shareholders, the Alpha Optionholders and the Alpha Warrantholders;
  - (g) “**Alpha Shareholders**” means holders of Alpha Shares;
  - (h) “**Alpha Shares**” means the voting common shares without per value which Alpha is authorized to issue as the same are constituted on the date hereof;
  - (i) “**Alpha Warrantholders**” means the holders of Alpha Warrants;
  - (j) “**Alpha Warrants**” means the outstanding warrants to purchase Alpha Shares;
  - (k) “**Arrangement**” means an arrangement under Division 5 of Part 9 of the BCBCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or variation thereto made in accordance with the terms of the Arrangement Agreement, the Plan of Arrangement, or at the direction of the Court in the Final Order;
  - (l) “**Arrangement Agreement**” means the arrangement agreement dated as of July 22, 2015 between Alpha and Lakeland to which this Plan of Arrangement is attached as Schedule A, as may be supplemented or amended from time to time;
  - (m) “**Arrangement Resolution**” means the special resolution of the Alpha Securityholders approving the Arrangement;

- (n) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (o) “**Business Day**” means any day that is not a Saturday, a Sunday or a statutory or civic holiday in Vancouver, British Columbia;
- (p) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended;
- (q) “**Consideration Shares**” means the Lakeland Shares to be issued to Former Alpha Shareholders pursuant to the Arrangement;
- (r) “**Court**” means the Supreme Court of British Columbia;
- (s) “**Depository**” means any trust company, bank or financial institution agreed to in writing between Lakeland and Alpha for the purpose of, among other things, exchanging certificates representing Alpha Shares for Lakeland Shares in connection with the Arrangement;
- (t) “**Dissent Rights**” means the rights of dissent in respect to the Arrangement under the BCBCA as described in Article 4;
- (u) “**Dissenting Shareholder**” means a registered Alpha Shareholder who duly exercises its Dissent Rights pursuant to Article 4 of this Plan of Arrangement and the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (v) “**Effective Date**” means the date the Arrangement becomes effective under the BCBCA;
- (w) “**Effective Time**” means the time at which the Arrangement becomes effective on the Effective Date pursuant to the Final Order;
- (x) “**Final Order**” means the final order of the Court in form acceptable to Alpha and Lakeland, each acting reasonably, approving the Arrangement pursuant to Section 291 of the BCBCA, as such order may be amended by the Court with the consent of the Parties at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (y) “**Former Alpha Shareholders**” means the holders of Alpha Shares immediately prior to the Effective Time;
- (z) “**Interim Order**” means the interim order of the Court relating to the Arrangement and providing for, among other things, the calling and holding of the Alpha Meeting, as the same may be amended, supplemented or varied by the Court;
- (aa) “**Governmental Entity**” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any stock exchange, including the TSXV; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

- (bb) “**Lakeland**” means Lakeland Resources Inc., a corporation incorporated under the BCBCA;
- (cc) “**Lakeland Shares**” means the voting common shares without per value which Lakeland is authorized to issue as the same are constituted on the date hereof;
- (dd) “**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the TSXV), and the term “applicable” with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;
- (ee) “**Lien**” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims or other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (ff) “**Notice of Dissent**” means a notice given in respect of the Dissent Rights as contemplated in the Interim Order and as described in Article 4;
- (gg) “**Parties**” means Alpha and Lakeland, and “**Party**” means any of them;
- (hh) “**Person**” or “**person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative, government (including any Governmental Entity, as such term is defined in the Arrangement Agreement) or any other entity, whether or not having legal status;
- (ii) “**Plan of Arrangement**” means this plan of arrangement, proposed under Division 5 of Part 9 of the BCBCA, and any amendments or variations hereto made in accordance herewith and Section 8.4 of the Arrangement Agreement or at the direction of the Court;
- (jj) “**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;
- (kk) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;
- (ll) “**Taxes**” means all taxes, duties, fees, premiums, assessments, imposts, levies, fees and other charges of any kind whatsoever imposed, assessed, reassessed or collected by any Governmental Entity, including all interest, penalties, fines, instalments, additions to tax or other additional amounts imposed, assessed, reassessed or collected by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, gross income, net income, profits, windfall, royalty, capital, capital gains, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, premium, alternative, real property, excise, stamp, withholding,

business, franchise, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other pension plan premiums or contributions imposed by any Governmental Entity, all withholdings on amounts paid to or by the relevant Person and any liability as a transferee, successor, guarantor or by contract or by operation of applicable Laws in respect of any of the foregoing; and

(mm) “**TSXV**” means the TSX Venture Exchange.

- 1.2 **Sections and Headings.** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.3 **Number, Gender and Persons.** In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing gender shall include all genders.
- 1.4 **Meaning.** Words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA, unless the context otherwise requires.
- 1.5 **Statutory References.** Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.
- 1.6 **Currency.** Unless otherwise stated all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.
- 1.7 **Business Day.** In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.8 **Governing Law.** This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 1.9 **Binding Effect.** This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on: (i) Alpha; (ii) Lakeland; (iii) all registered and beneficial Alpha Shareholders; (v) all registered Alpha Optionholders; (vi) all registered Alpha Warrantholders; (vi) the Dissenting Shareholders; (vii) the registrar and transfer agent in respect of the Alpha Shares; and (viii) the Depositary.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

- 2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

## **ARTICLE 3 THE ARRANGEMENT**

- 3.1 **The Arrangement.** At the Effective Time, the following events or transactions shall occur and be deemed to occur in the following chronological order without any further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Alpha or Lakeland, but subject to the provisions of Article 4:
- (a) each Alpha Share held by a Dissenting Shareholder shall, and shall be deemed to be, transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to Lakeland and Lakeland shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and the name of each such holder shall be removed from the securities register as a holder of Alpha Shares. Lakeland shall, and shall be deemed to be, the transferee of such Alpha Shares (free and clear of any Liens) and the securities register of Alpha shall be revised accordingly.
  - (b) each outstanding Alpha Share held by a Former Alpha Shareholder (other than a Dissenting Shareholder) shall be and be deemed to be irrevocably transferred to Lakeland, free and clear of any Liens, without any further act or formality on its part, and Lakeland shall issue, as consideration, the Consideration Shares on the basis of one Consideration Share for every two Alpha Shares, and:
    - (i) each Former Alpha Shareholder shall cease to be the holder of such Alpha Shares and such holder's name shall be removed from the securities register of Alpha with respect to such Alpha Shares;
    - (ii) Lakeland shall, and shall be deemed to be, the transferee of such shares (free and clear of any Liens) and shall be entered in the securities register of Alpha as the holder thereof; and
    - (iii) Former Alpha Shareholders shall, and shall be deemed to hold, the Consideration Shares and shall be entered in the securities register of Lakeland as holders thereof.
  - (c) each holder of an Alpha Option outstanding immediately prior to the Effective Time shall receive (and such holder shall accept), upon the exercise of such holder's Alpha Option, in lieu of such Alpha Shares to which such holder was theretofore entitled, upon such exercise and for the same aggregate consideration payable therefor, the number of Lakeland Shares equal to the product of: (i) the number of Alpha Shares subject to such Alpha Option immediately prior to the Effective Time; and (ii) 0.5. Each such Alpha Option shall be governed by and subject to the terms of the stock option plan of Lakeland. All other terms and conditions of the Alpha Options, including the term to expiry, conditions to and manner of exercising, remain the same.

- (d) each holder of an Alpha Warrant outstanding immediately prior to the Effective Time shall receive (and such holder shall accept), upon the exercise of such holder's Alpha Warrant, in lieu of such Alpha Shares to which such holder was theretofore entitled, upon such exercise and for the same aggregate consideration payable therefor, the number of Lakeland Shares equal to the product of: (i) the number of Alpha Shares subject to such Alpha Warrant immediately prior to the Effective Time; and (ii) 0.5. All other terms and conditions of the Alpha Warrants, including the term to expiry, conditions to and manner of exercising, remain the same.
- 3.2 **No Fractional Shares.** Notwithstanding any other provision of this Arrangement, no fractional Consideration Shares shall be transferred to the Former Alpha Shareholders. Where the aggregate number of Consideration Shares to be issued under this Plan of Arrangement would result in a fraction of an Lakeland Share being issuable, the number of Consideration Shares to be received by such Former Alpha Shareholder shall be rounded down to the nearest whole Lakeland Share, as the case may be.
- 3.3 **Deemed Fully Paid and Non-Assessable Shares.** All Consideration Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes.
- 3.4 **Arrangement Effectiveness.** The Arrangement shall become final and conclusively binding on the Alpha Shareholders, the Alpha Optionholders, the Alpha Warrantholders, each of Alpha and Lakeland, the registrar and transfer agent in respect of the Alpha Shares and the Depositary on the Effective Date.
- 3.5 **Supplementary Actions.** Notwithstanding that the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Alpha and Lakeland shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.
- 3.6 **Withholding Rights.** Lakeland, Alpha and the Depositary shall be entitled to deduct or withhold from the consideration payable or otherwise deliverable to any Person, including to Dissenting Shareholders pursuant to Article 4, and from all dividends, other distributions or other amount otherwise payable to any Former Alpha Securityholder, such Taxes or other amounts as Lakeland, Alpha or the Depositary is required, entitled or permitted to deduct and withhold with respect to such payment under the Tax Act, the Code or any other provisions of any applicable Laws, in each case, as amended. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes of this Plan of Arrangement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld Taxes or other amounts are actually remitted to the appropriate taxing authority.

## **ARTICLE 4 RIGHTS OF DISSENT**

- 4.1 **Rights of Dissent.** Notwithstanding Section 3.1 hereof, the Alpha Shareholders may exercise rights of dissent (the “**Dissent Rights**”) in connection with the Arrangement pursuant to the Interim Order and the Final Order and in the manner set forth in Division 2 of Part 8 of the BCBCA, provided that the written notice setting forth the objection of such registered Alpha Shareholders to the Arrangement and exercise of Dissent Rights must be received by Alpha not later than 5:00 p.m. (Vancouver Time) on the Business Day that is two Business Days before the Alpha Meeting or any date to which the Alpha Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:
- (a) are ultimately entitled to be paid fair value for their Alpha Shares, which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be determined immediately prior to the approval of the Arrangement Resolution, shall be deemed to have transferred their Alpha Shares to Lakeland as of the Effective Time in consideration for a debt claim against Lakeland to be paid the fair value of such Alpha Shares and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights; and
  - (b) are ultimately not entitled, for any reason, to be paid fair value for their Alpha Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Alpha Shares, and shall be entitled to receive only the consideration contemplated in Section 3.1 hereof (less any Taxes or other amounts deducted or withheld pursuant to Section 3.6 hereof) that such Alpha Shareholder would have received pursuant to the Arrangement if such Alpha Shareholder had not exercised Dissent Rights.
- 4.2 **Recognition of Dissenting Shareholders.** In no circumstances shall Alpha or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of those Alpha Shares in respect of which such rights are sought to be exercised. From and after the Effective Date, neither Alpha nor any other Person shall be required to recognize a Dissenting Shareholder as a shareholder of Alpha and the names of the Dissenting Shareholders shall be deleted from the register of holders of Alpha Shares previously maintained or caused to be maintained by Alpha.

## **ARTICLE 5 CERTIFICATES AND PAYMENTS**

- 5.1 **Lakeland Share Certificates.** Lakeland shall deliver or arrange to be delivered to the Depositary certificates representing the Consideration Shares required to be issued to registered Former Alpha Shareholders, which certificates shall be held by the Depositary as agent and nominee for such Former Alpha Shareholders for distribution to such Former Alpha Shareholders in accordance with the provisions of Subsection 6.1(a) hereof.

## **ARTICLE 6 DELIVERY OF SHARES**

### **6.1 Delivery of Lakeland Shares.**

- (a) Upon surrender to the Depositary for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Alpha Shares that were transferred in consideration for the Consideration Shares in accordance with Section 3.1 hereof together with a duly completed and executed letter of transmittal and such other documents and instruments as would have been required to effect the transfer of the Alpha Shares formerly represented by such certificate under the BCBCA and the articles and by-laws of Alpha and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver on behalf of Lakeland to such holder following the Effective Time, a certificate representing the Consideration Shares that such holder is entitled to receive in accordance with Section 3.1 hereof.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Subsection 6.1(a) hereof, each certificate that immediately prior to the Effective Time represented one or more Alpha Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the Consideration Shares that the holder of such certificate is entitled to receive in accordance with Section 3.1 hereof.

### **6.2 Lost Certificates.** If any certificate that immediately prior to the Effective Time represented one or more outstanding Alpha Shares that were exchanged for Consideration Shares in accordance with Section 3.1 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver, in exchange for such lost, stolen or destroyed certificate, a certificate representing the Consideration Shares that such holder is entitled to receive in accordance with Section 3.1 hereof. When authorizing such delivery in exchange for such lost, stolen or destroyed certificate, the holder to whom such delivery is to be made shall, as a condition precedent to such delivery, give a bond satisfactory to Lakeland and the Depositary in such amount as Lakeland and the Depositary may direct, or otherwise indemnify Lakeland and the Depositary in a manner satisfactory to Lakeland and the Depositary, against any claim that may be made against Lakeland or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed, and shall otherwise take such actions as may be required by the articles or by-laws of Alpha.

### **6.3 Distributions with Respect to Unsurrendered Certificates.** No dividend or other distribution declared or made after the Effective Time with respect to Lakeland Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Alpha Shares, unless and until the holder of such certificate shall have complied with the provisions of Section 6.1 hereof. Subject to applicable Law and to Section 6.4 hereof, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Consideration Shares to which such holder is entitled in accordance with Section 3.1 hereof, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Consideration Shares.

- 6.4 **Limitation and Proscription.** To the extent that a Former Alpha Shareholder shall not have complied with the provisions of Section 6.1 or Section 6.2 hereof on or before the date that is six years after the Effective Date (the “**final proscription date**”), then the Consideration Shares that such Former Alpha Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and, as of such final proscription date, the Depositary shall deliver the certificates representing such Consideration Shares to Lakeland and Lakeland shall cancel such share certificate, and the interest of the Former Alpha Shareholder in such Consideration Shares to which it was entitled shall be terminated.

## **ARTICLE 7 AMENDMENT AND FURTHER ASSURANCES**

### **7.1 Amendments to Plan of Arrangement**

- (a) The Arrangement Agreement and the Plan of Arrangement may be amended at any time and from time to time before or after the holding of the Alpha Meeting but not later than the Effective Time; provided that any such amendment (i) is in writing and is agreed to in writing by the Parties; (ii) if required, is filed with the Court; and (iii) if made following the Alpha Meeting, is approved by the Court and, if and as required by the Court, is communicated to Former Alpha Shareholders and/or consented to by Former Alpha Shareholders.
- (b) Any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:
  - (i) change the time for performance of any of the obligations or acts of the Parties;
  - (ii) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant to the Arrangement Agreement;
  - (iii) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the Parties; and/or
  - (iv) waive compliance with or modify any mutual conditions precedent contained in the Arrangement Agreement.
- (c) Any amendment made before the Alpha Meeting in accordance with this Section 7.1 may be made with or without any other prior notice or communication and, if accepted by the Alpha Shareholders voting at the Alpha Meeting (other than as may be required under the Interim Order), shall become part of this Agreement and the Plan of Arrangement for all purposes.

- 7.2 **Further Assurances.** Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur at the time and in the manner set out in this Plan of Arrangement without any further act or formality, Alpha and Lakeland shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

**SCHEDULE B**  
**ALPHA ARRANGEMENT RESOLUTION**

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

1. The arrangement (the “**Arrangement**”) under Division 5 of Part 9 of British Columbia’s *Business Corporations Act* (the “**BCBCA**”) involving Alpha Exploration Inc., (“**Alpha**”), all as more particularly described and set forth in the Management Proxy Circular (the “**Circular**”) of Alpha dated August [●], 2015, accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”), involving Alpha and implementing the Arrangement, the full text of which is set out in Schedule A to the Arrangement Agreement dated July 22, 2015 (the “**Arrangement Agreement**”) between Alpha and Lakeland Resources Inc. (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The Arrangement Agreement and all the transactions contemplated therein, the actions of the directors of Alpha in approving the Arrangement and the actions of the directors and officers of Alpha in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Alpha or that the Arrangement has been approved by the Supreme Court of British Columbia (the “**Court**”), the directors of Alpha are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Alpha:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and
  - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of Alpha is hereby authorized and directed for and on behalf of Alpha to make application to the Court for an order approving the Arrangement and to execute, whether under corporate seal of Alpha or otherwise, and to deliver such documents as are necessary or desirable to the Registrar under the BCBCA in accordance with the Arrangement Agreement.
6. Any director or officer of Alpha is hereby authorized and directed, for and on behalf of Alpha, to execute and deliver or cause to be executed or delivered, whether under corporate seal of Alpha or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to perform or cause to be performed all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - (a) all actions required to be taken by or on behalf of Alpha, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities;

- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Alpha; and
- (c) such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**SCHEDULE C**  
**LAKELAND CONSOLIDATION RESOLUTION**

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

1. the issued and outstanding shares in the capital of Lakeland Resources Inc. (the “**Company**”) be consolidated on the basis of one post-consolidation common share for every three common shares currently issued and outstanding (the “**Consolidation**”);
2. no fractional shares shall be issued upon the Consolidation, each fractional common share that is less than one-half of one post-Consolidation common share will be cancelled and each fractional common share that is at least one-half of one post- Consolidation common share will be rounded up to one whole post-Consolidation common share;
3. notwithstanding the approval of holders of the common shares of the Company to the above resolutions, the directors of the Company may revoke the foregoing resolutions before they are acted on without any further approval by the persons eligible to vote on this special resolution;
4. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute, whether under corporate seal of the Company or otherwise, and to deliver such documents as are necessary or desirable to the Registrar under the *Business Corporation Act* (British Columbia) to effect the Consolidation;
5. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and deliver or cause to be executed or delivered, whether under corporate seal of the Company or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to perform or cause to be performed all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to Consolidation, including:
  - a. all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities;
  - b. the signing of the certificates, consents and other documents or declarations required to effect the Consolidation; and
  - c. such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.