



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on November 6, 2018

and

INFORMATION CIRCULAR and PROXY STATEMENT

with respect to a proposed amalgamation of

IRON BRIDGE RESOURCES INC.

and

VELVET ACQUISITION COMPANY LTD., a wholly-owned subsidiary of VELVET ENERGY LTD.

October 11, 2018

The transaction contemplated by these documents has not been approved by any securities regulatory authority nor has any securities regulatory authority expressed an opinion about the fairness or merits of the transaction, the securities offered pursuant to the transaction or the adequacy of the information contained in this document. Any representation to the contrary is an offence. Shareholders in the United States should read the "Information for Shareholders in the United States" on page 3 of the information circular and proxy statement.

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- Form of Proxy
- Letter of Transmittal
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October 11, 2018

Dear Iron Bridge Shareholder:

You are invited to attend a special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Iron Bridge Shares**") of Iron Bridge Resources Inc. ("**Iron Bridge**") to be held at the offices of Burnet, Duckworth & Palmer LLP, located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, on November 6, 2018 at 9:00 a.m. (Calgary time).

The purpose of the Meeting is for Shareholders to consider and, if thought advisable, to approve an amalgamation (the "**Amalgamation**") between Iron Bridge and Velvet Acquisition Company Ltd. ("**AcquisitionCo**"), a wholly-owned subsidiary of Velvet Energy Ltd. ("**Velvet**"). Further details regarding the Amalgamation, including Shareholder dissent rights, are set out in the accompanying Notice of Meeting and Information Circular – Proxy Statement (the "**Information Circular**").

In summary, if the resolution in respect of the Amalgamation (the "**Amalgamation Resolution**") is approved and all of the conditions of the Amalgamation are satisfied at the effective time, each Shareholder (other than Velvet and/or its affiliates, and dissenting Shareholders) will receive one redeemable preferred share of Amalco (an "**Amalco Redeemable Preferred Share**") for each Iron Bridge Share held. Immediately following the issuance of the certificate of amalgamation in relation to the Amalgamation, each Amalco Redeemable Preferred Share will be redeemed for \$0.845 in cash per share (the "**Redeemable Preferred Share Redemption Amount**" or the "**Amalgamation Consideration**") which is the same form and amount of consideration offered to Shareholders under Velvet's take-over bid for Iron Bridge dated May 29, 2018, as amended (the "**Offer**"). Shareholders will not receive certificates representing the Amalco Redeemable Preferred Shares but instead will just receive the aggregate Redeemable Preferred Share Redemption Amount to which they are entitled (after deduction for any applicable withholding taxes required by law).

Upon completion of the Amalgamation on the terms described in the Information Circular, Velvet will hold all of the voting shares of Amalco, the successor to Iron Bridge. As soon as practicable following the effective date of the Amalgamation, Iron Bridge expects that the Iron Bridge Shares will be de-listed from the Toronto Stock Exchange. In connection with the Amalgamation, Iron Bridge also expects that an application will be made to have Iron Bridge cease as a reporting issuer in all provinces of Canada.

Registered Shareholders will be entitled to exercise dissent rights in respect of the Amalgamation. Accordingly, Shareholders wishing to exercise rights of dissent in respect of the Amalgamation should do so in accordance with the dissent provisions of the *Business Corporations Act* (Alberta), as discussed in the Information Circular.

Please take the time to review the accompanying Information Circular, which contains important information about the Meeting, the proposed Amalgamation and voting. In order for the Amalgamation to be approved, holders of at least 66⅔% of the Iron Bridge Shares voted in person or by proxy at the Meeting must vote in favour of the Amalgamation Resolution. In addition, pursuant to applicable securities laws, the Amalgamation must also be approved by a simple majority of the votes cast by "minority" Shareholders represented in person or by proxy at the Meeting. Velvet currently holds approximately 87.7% of the issued and outstanding Iron Bridge Shares, all of which are entitled to be treated as "minority" Iron Bridge Shares, and Velvet has advised that it intends to vote all of its Iron Bridge Shares in favour of the Amalgamation.

The Board of Directors of Iron Bridge recommends that Shareholders vote in favour of the Amalgamation Resolution.

The Information Circular contains a detailed description of the Amalgamation. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors.

If you are unable to attend the Meeting in person, please complete and deliver the form of proxy, in the case of registered Shareholders, or voting instruction form, in the case of Shareholders who hold their Iron Bridge Shares indirectly through a broker or other intermediary, which is enclosed in order to ensure your representation at the Meeting.

Also enclosed is a letter of transmittal for use by registered Shareholders, containing complete instructions on how to exchange your Iron Bridge Shares for the Amalgamation Consideration you will be entitled to receive upon completion of the Amalgamation. You should complete the accompanying letter of transmittal and deliver the completed document, together with the certificates representing your Iron Bridge Shares, to Odyssey Trust Company (in accordance with the instructions set forth in the letter of transmittal), to facilitate delivery of the Amalgamation Consideration that you will be entitled to upon the completion of the Amalgamation. Shareholders whose Iron Bridge Shares are registered in the name of a broker, dealer bank, trust company or other nominee should immediately contact such person to arrange for the deposit of their Iron Bridge Shares.

Yours truly,

(signed) "*Kenneth Woolner*"
Kenneth Woolner
President and Chief Executive Officer
Iron Bridge Resources Inc.

IRON BRIDGE RESOURCES INC.

**NOTICE OF SPECIAL MEETING
to be held November 6, 2018**

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Iron Bridge Shares**") of Iron Bridge Resources Inc. ("**Iron Bridge**" or the "**Corporation**") will be held at the offices of Burnet, Duckworth & Palmer LLP, located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, on November 6, 2018 at 9:00 a.m. (Calgary time) for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix A to the accompanying information circular and proxy statement of Iron Bridge dated October 11, 2018 (the "**Information Circular**"), to approve the amalgamation (the "**Amalgamation**") of Iron Bridge and Velvet Acquisition Company Ltd. ("**AcquisitionCo**"), a wholly-owned subsidiary of Velvet Energy Ltd. ("**Velvet**"), substantially on the terms and conditions provided for in the amalgamation agreement dated October 11, 2018 between Iron Bridge and AcquisitionCo (the "**Amalgamation Agreement**") and confirm, approve and ratify the Amalgamation Agreement (the "**Amalgamation Resolution**"); and
2. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The Amalgamation Resolution must be approved by not less than 66⅔% of the eligible votes cast by Shareholders, either in person or by proxy, at the Meeting. In addition, pursuant to applicable securities laws, the Amalgamation must also be approved by a simple majority of the votes cast by "minority" Shareholders represented in person or by proxy at the Meeting. Velvet currently holds approximately 87.7% of the issued and outstanding Iron Bridge Shares, all of which are entitled to be treated as "minority" Iron Bridge Shares, and Velvet has advised that it intends to vote all of its Iron Bridge Shares in favour of the Amalgamation. Specific details of the matters to be put before the Meeting are set forth in the accompanying Information Circular.

The record date for the Meeting has been fixed at the close of business on October 2, 2018 (the "**Record Date**"). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Iron Bridge Shares included in the list of Shareholders prepared as at the Record Date. If a Shareholder transfers Iron Bridge Shares after the Record Date and the transferee of those Iron Bridge Shares, having produced properly endorsed certificates evidencing such Iron Bridge Shares or having otherwise established that the transferee owns such Iron Bridge Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Iron Bridge Shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed proxy must be received by Odyssey Trust Company: (i) by mail or by hand delivery to Odyssey Trust Company, 350, 300 – 5th Avenue SW, Calgary, Alberta T2P 3C4; or (ii) by internet at <http://odysseytrust.com/Transfer-Agent/Login> in each case, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. You will require your control number found on your proxy form in order to vote by internet. A person appointed as a proxyholder need not be a Shareholder.

The proxyholder has discretion under the accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

If you are not a registered holder of Iron Bridge Shares and receive these materials through your broker or through another intermediary, please complete the form of proxy or voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein.

Registered holders of Iron Bridge Shares have the right to dissent with respect to the Amalgamation and to be paid the fair value of their Iron Bridge Shares in accordance with the provisions of Section 191 of the *Business Corporations Act* (Alberta) (the "ABCA"). A Shareholder's right to dissent is more particularly described in the accompanying Information Circular and the text of Section 191 of the ABCA, which is set forth in Appendix C, to the accompanying Information Circular. **Failure to strictly comply with the requirements set forth in Section 191 of the ABCA may result in the loss of any right of dissent. A dissenting Shareholder must send to Iron Bridge a written objection to the Amalgamation Resolution at or before the Meeting. Written objections sent before the Meeting may be delivered to Iron Bridge, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Joanne Luu.**

Persons who are beneficial owners of Iron Bridge Shares registered in the name of a broker, dealer bank, trust company or other nominee who wish to dissent should be aware that only registered holders of Iron Bridge Shares are entitled to dissent. Accordingly, a beneficial owner of Iron Bridge Shares who desires to exercise the right of dissent must make arrangements for the Iron Bridge Shares beneficially owned by such holder to be registered in the holder's name prior to the time written objection to the Amalgamation Resolution is required to be received by Iron Bridge or, alternatively, make arrangements for the registered holder of such Iron Bridge Shares to dissent on the holder's behalf. It is strongly encouraged that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA may prejudice such Shareholders' right to dissent.

The attached Information Circular contains important information regarding the business to be conducted at the Meeting. Shareholders are strongly urged to review this information carefully.

Dated at the City of Calgary, in the Province of Alberta, this 11th day of October, 2018.

Yours truly,

(signed) "*Kenneth Woolner*"
Kenneth Woolner
President and Chief Executive Officer
Iron Bridge Resources Inc.

INFORMATION CIRCULAR

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Iron Bridge for use at the Meeting and any adjournments or postponements thereof. No Person has been authorized to give any information or make any representation in connection with the Amalgamation other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

The information concerning Velvet and AcquisitionCo contained in this Information Circular has been provided by Velvet. Although Iron Bridge has no knowledge that would indicate that any of such information is untrue or incomplete, Iron Bridge does not assume any responsibility for the accuracy or completeness of such information or the failure by Velvet to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Iron Bridge.

All summaries of, and references to, the Amalgamation Agreement in this Information Circular are qualified in their entirety by reference to the complete text of the Amalgamation Agreement which is attached as Appendix B to this Information Circular. **You are urged to carefully read the full text of the Amalgamation Agreement (including the schedules attached thereto).**

Information contained in or otherwise accessed through Iron Bridge's website, or any other website, does not constitute part of this Information Circular.

This Information Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Information Circular.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*".

Information contained in this Information Circular is given as of October 11, 2018, unless otherwise specifically stated.

Availability of Disclosure Documents

Iron Bridge is a reporting issuer or the equivalent in all of the provinces and territories of Canada and files its continuous disclosure documents with the applicable securities regulatory authorities. Such documents are available under Iron Bridge's issuer profile through the SEDAR website (www.sedar.com). Such documents do not form part of this Information Circular.

Forward-looking Statements

Certain statements contained in this Information Circular constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions or the negative thereof.

In particular, this Information Circular contains forward-looking statements pertaining to:

- the timing of the Meeting;
- the expected effective date of the Amalgamation and the timing for redemption of the Amalco Redeemable Preferred Shares;
- the number of Amalco Redeemable Preferred Shares to be issued under the Amalgamation;
- the delisting from the TSX of the Iron Bridge Shares and the timing thereof;
- Iron Bridge ceasing to be a reporting issuer under Canadian Securities Laws and the timing thereof; and
- the expected tax consequences of the Amalgamation.

These forward-looking statements are based on certain expectations and assumptions, including expectations and assumptions respecting:

- the structure, steps, timing and effect of the Amalgamation;
- the timing of the Meeting;
- the receipt of the requisite approval of the Amalgamation Resolution from Shareholders at the Meeting;
- the satisfaction or waiver (to the extent capable of waiver) of all conditions to the completion of the Amalgamation in accordance with the terms of the Amalgamation Agreement;
- the completion of the Amalgamation and the anticipated Effective Date;
- no significant event occurring outside the ordinary course of business of either or both of Iron Bridge or AcquisitionCo, such as a natural disaster or other calamity.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Iron Bridge believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Information Circular should not be unduly relied upon. These statements speak only as of the date of this Information Circular.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include:

- the Amalgamation Agreement may be terminated in certain circumstances;
- if the Amalgamation is not completed, Iron Bridge's future businesses and operations could be harmed;
- the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Iron Bridge or AcquisitionCo;
- forward-looking information contained in this Information Circular may prove inaccurate;
- Iron Bridge has not verified the reliability of the information regarding Velvet and AcquisitionCo included in, or which may have been omitted from, this Information Circular;
- failure to realize anticipated benefits of other acquisitions or dispositions;
- general economic conditions in Canada and the United States and elsewhere; and
- industry conditions, including commodity price volatilities and other factors that may affect the marketability of oil, natural gas and natural gas liquids.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Information Circular are expressly qualified by this cautionary statement. Except as required by law, Iron Bridge does not undertake any obligation to publicly update or revise any forward-looking statements.

Readers should also carefully consider the matters discussed under the headings "*Risk Factors*", "*Certain Canadian Federal Income Tax Considerations*" and other risks described elsewhere in this Information Circular. Additional information on these and other factors that could affect the operations or financial results of Iron Bridge are included in documents on file with applicable Canadian Securities Administrators and may be accessed on Iron Bridge's issuer profile through the SEDAR website (www.sedar.com).

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Iron Bridge Shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of Iron Bridge as the registered holders of Iron Bridge Shares can be recognized and acted upon at the Meeting. If Iron Bridge Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases, those Iron Bridge Shares will not be registered in the Shareholder's name on the records of Iron Bridge. Such Iron Bridge Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. If you are a Beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete the form of proxy or voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein.

For further information, see "*General Proxy Matters – Beneficial Shareholders*".

Information for Shareholders in the United States

The offering under the Amalgamation is being made by a Canadian foreign private issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this document in accordance with the disclosure requirements of Canadian Securities Laws. Shareholders should be aware that such requirements are different from those of the United States.

Shareholders who are resident in, or citizens of, the United States, should be aware that the disposition of their Iron Bridge Shares and the acquisition by them of Amalco Redeemable Preferred Shares may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein and such Shareholders are encouraged to consult their tax advisors. See "*Certain Canadian Federal Income Tax Considerations*" and "*Other Tax Considerations*".

The enforcement by Shareholders of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that each of Velvet, AcquisitionCo and Iron Bridge are incorporated under the laws of Canada, that some or all of their respective officers and directors may be residents of a foreign country and that all or a substantial portion of the assets of Velvet and Iron Bridge and said persons may be located outside the United States.

THE ISSUANCE OF THE AMALCO REDEEMABLE PREFERRED SHARES UNDER THE AMALGAMATION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Currency

All dollar amounts set forth in this Information Circular, including the Appendices hereto, are expressed in Canadian dollars, except where otherwise indicated. References to "Canadian dollars", "CDN\$" or "\$" are to the currency of Canada and references to "U.S. dollars" or "US\$" are to the currency of the United States.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular.

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9 as amended, including the regulations promulgated thereunder;

"**AcquisitionCo**" means Velvet Acquisition Company Ltd., a wholly-owned subsidiary of Velvet;

"**AcquisitionCo Shares**" means the common shares in the capital of AcquisitionCo;

"**affiliate**" has the meaning given to that term in the *Securities Act*, R.S.A. 2000, c. S-4, as amended;

"**Amalco**" means the continuing corporation resulting from the Amalgamation;

"**Amalco Board**" means the board of directors of Amalco;

"**Amalco Redeemable Preferred Shares**" means the Series A redeemable, retractable preferred shares in the capital of Amalco, having the rights, privileges, restrictions and conditions set out in Schedule B to the Amalgamation Agreement;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamation**" means the amalgamation of Iron Bridge and AcquisitionCo under the provisions of Section 181 of the ABCA, on the terms set out herein;

"**Amalgamation Agreement**" means the amalgamation agreement entered into as of October 11, 2018 among Iron Bridge and AcquisitionCo, a copy of which is included as Appendix B to this Information Circular;

"**Amalgamation Resolution**" means the special resolution to approve the Amalgamation and to approve and ratify the Amalgamation Agreement to be presented to Shareholders for approval at the Meeting;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation, substantially in the form set out in Schedule A hereto, required under subsection 185(1) of the ABCA to be filed with the Registrar to give effect to the Amalgamation;

"**Beneficial Shareholder**" means a beneficial owner of Iron Bridge Shares;

"**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;

"**Canadian Securities Authorities**" means the Alberta Securities Commission and other applicable securities commissions and securities regulatory authorities of the provinces and territories of Canada;

"**Canadian Securities Laws**" means the *Securities Act* (Alberta) and other applicable corporate and securities laws in force in Canada, including the rules, regulations, notices, instruments, orders and policies published and/or promulgated thereunder and the rules and policies of the TSX, as such may be amended from time to time prior to the Effective Date;

"**Certificate**" means the certificate of amalgamation to be issued by the Registrar, pursuant to subsection 185(4) of the ABCA, in respect of the Amalgamation;

"**Depository**" means the trust company appointed by AcquisitionCo and Iron Bridge for the purpose of receiving the deposit of certificates formerly representing Iron Bridge Shares;

"**Dissent Rights**" means the rights of dissent in relation to the Amalgamation as provided for in Section 191 of the ABCA;

"**Dissenting Shareholder**" means a registered Shareholder that validly exercises Dissent Rights;

"**Effective Date**" means the date shown on the Certificate;

"**Excluded Iron Bridge Shares**" means Iron Bridge Shares beneficially owned over which control or direction is exercised by Velvet or any of its affiliates other than Iron Bridge Shares acquired under the Offer or any other Iron Bridge Shares that are required to be excluded from voting on the Amalgamation Resolution pursuant to Canadian Securities Laws;

"**Governmental Entity**" means: (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the above; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (d) any government-controlled corporation or similar entity; or (e) any stock exchange;

"**Information Circular**" means this information circular and proxy statement;

"**Iron Bridge**" means Iron Bridge Resources Inc. and its Subsidiaries;

"**Iron Bridge AIF**" means the annual information form of Iron Bridge dated March 20, 2018;

"**Iron Bridge Board**" means the board of directors of Iron Bridge;

"**Iron Bridge Notice of Change**" means the notice of change dated September 12, 2018 to Iron Bridge's directors' circular dated June 13, 2018;

"**Iron Bridge Shares**" means the common shares in the capital of Iron Bridge;

"**ITA**" means the *Income Tax Act* (Canada), and the regulations thereunder from time to time, as amended;

"**Law(s)**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law, orders, ordinances, judgments, decrees, guidelines, policies 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 and the term "applicable" with respect to such Laws and in a context that refers to a Person, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or its business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal to be sent to Shareholders (other than Velvet and its affiliates) pursuant to which Shareholders may deliver certificate(s) representing Iron Bridge Shares to the Depositary;

"**Material Adverse Change**" or "**Material Adverse Effect**" means any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances:

- (a) is or could reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition, liabilities (contingent or otherwise), of Iron Bridge, except any such change, event, occurrence, effect, or circumstance resulting from or arising in connection with:
 - (i) any change affecting the oil and gas services industry as a whole;

- (ii) any changes in currency exchange, interest or inflation rates or commodity, securities or general economic, financial, or credit market conditions in Canada or elsewhere;
- (iii) any changes in the market price of crude oil, natural gas or related hydrocarbons;
- (iv) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism);
- (v) any change in applicable Law;
- (vi) any change in Canadian generally accepted accounting principles;
- (vii) any natural disaster;
- (viii) any matters or actions required, permitted, restricted or contemplated by the Amalgamation Agreement or consented to or approved in writing by the other Parties, or, in all such cases, occurring as a direct result thereof;
- (ix) the failure of Iron Bridge to meet any internal or published projections, forecasts or estimates, of revenues, earnings, cash flows, utilization rates or other matters (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred);
- (x) the announcement or performance of the Amalgamation Agreement or consummation of the Amalgamation;
- (xi) any change in the market price or trading volume of any securities of Iron Bridge (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred); or
- (xii) any matter that has been expressly disclosed by Iron Bridge in writing to the other Party,;

provided, however, that with respect to clauses (i) through to and including (v) and (vii); such matter does not have a materially disproportionate effect on Iron Bridge relative to other comparable companies and entities operating in the industries in which Iron Bridge operates. Provided further, for greater certainty, that any change, event, occurrence, effect or circumstance arising from Iron Bridge carrying on its business in the ordinary course shall not be construed to be excluded, pursuant to clauses (viii) or (x) above, from the definition of "Material Adverse Change" or "Material Adverse Effect" by reason Iron Bridge being obligated to carry on its business in the Ordinary Course; or

- (b) prevents or materially impairs or could reasonably be expected to prevent or materially impair the ability of Iron Bridge to consummate the Amalgamation, and unless expressly provided in any particular section of the Amalgamation Agreement, references in certain sections of the Amalgamation Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

"Mandatory Extension Period" means the mandatory ten day extension period following the satisfaction of the conditions under the Offer required under applicable Canadian Securities Laws;

"Meeting" means the special meeting of Shareholders (including any adjournment or postponement thereof permitted under the Amalgamation Agreement) that is to be convened to consider, and, if deemed advisable, to approve the Amalgamation Resolution;

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

"**Notice of Meeting**" means the Notice of the Meeting accompanying this Information Circular;

"**Notice of Variation and Change**" means the notice of variation and change dated September 12, 2018 to Velvet's offer to purchase and take-over bid circular dated May 29, 2018;

"**Offer**" means the offer by Velvet dated May 29, 2018, as amended, to acquire all of the issued and outstanding Iron Bridge Shares;

"**Offer and Circular**" means, collectively, the offer to purchase and take-over bid circular of Velvet dated May 29, 2018, as amended by a Notice of Variation and Change dated September 12, 2018 and a notice of extension dated September 24, 2018;

"**Ordinary Course**" means, with respect to an action taken by Iron Bridge that such action is consistent with the past practices of Iron Bridge and is taken in the ordinary course of the normal day-to-day operations of the business of Iron Bridge;

"**Parties**" means, collectively, the parties to the Amalgamation Agreement, and "**Party**" shall be construed to mean Iron Bridge or AcquisitionCo;

"**Person**" includes any individual, partnership, association, body corporate, company, organization, trust, estate, trustee, executor, administrator, legal representative, government (including any Governmental Entity), syndicate or other entity, whether or not having legal status;

"**Record Date**" means October 2, 2018, the record date for determining Shareholders entitled to receive notice of and vote at the Meeting;

"**Redeemable Preferred Share Redemption Amount**" or "**Amalgamation Consideration**" means \$0.845 in cash per Amalco Redeemable Preferred Share, payable on redemption of the Amalco Redeemable Preferred Shares to be issued by Amalco to Shareholders (other than Dissenting Shareholders, Velvet and its affiliates) in connection with the Amalgamation;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

"**Representatives**" means officers, directors, employees, legal and financial advisors, representatives and agents of Iron Bridge or AcquisitionCo, as the context requires;

"**SEC**" means the United States Securities and Exchange Commission;

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

"**Shareholders**" means the holders of Iron Bridge Shares;

"**Subsidiary**" has the meaning ascribed thereto in the ABCA;

"**Support Agreement**" means the support agreement entered into between Velvet and Iron Bridge dated September 10, 2018 in respect of the Offer;

"**TSX**" means the Toronto Stock Exchange; and

"**Velvet**" means Velvet Energy Ltd.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Information Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Appendices hereto. Terms with initial capital letters used in this summary are defined in the "Glossary of Terms".

The Meeting

The Meeting will be held at the offices of Burnet, Duckworth & Palmer LLP, located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, on November 6, 2018 at 9:00 a.m. (Calgary time) for the purposes set forth in the Notice of Meeting. At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, the Amalgamation Resolution.

The record date for determining Shareholders entitled to receive notice of, and to vote at, the Meeting is October 2, 2018. Shareholders of record will be entitled to vote those Iron Bridge Shares included in the list of Shareholders prepared as at the Record Date. If a Shareholder transfers Iron Bridge Shares after the Record Date and the transferee of those Iron Bridge Shares, having produced properly endorsed certificates evidencing such Iron Bridge Shares or having otherwise established that the transferee owns such Iron Bridge Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Iron Bridge Shares at the Meeting. See "*General Proxy Matters*".

The Amalgamation

Iron Bridge entered into the Amalgamation Agreement with AcquisitionCo as of October 11, 2018. A copy of the Amalgamation Agreement is attached as Appendix B to this Information Circular.

Under the Amalgamation, Iron Bridge and AcquisitionCo will amalgamate as one corporation, being Amalco, under the name "Iron Bridge Resources Inc." and, among other things:

- (a) each issued and outstanding Iron Bridge Share (other than Iron Bridge Shares held by Velvet, its affiliates and any Dissenting Shareholders) will be converted into one Amalco Redeemable Preferred Share;
- (b) each issued and outstanding Iron Bridge Share held by Velvet and its affiliates will be converted into one Amalco Share;
- (c) each issued and outstanding Iron Bridge Share held by an a Dissenting Shareholder will be cancelled and the Dissenting Shareholder will be entitled to be paid the fair value of such Iron Bridge Shares by Amalco in accordance with the ABCA; and
- (d) each issued and outstanding AcquisitionCo Share will be converted into one Amalco Share.

Each Amalco Redeemable Preferred Share will be redeemed by Amalco immediately following the Effective Time for the Redeemable Preferred Share Redemption Amount.

Provided the Amalgamation becomes effective, each Dissenting Shareholder will be entitled to be paid the fair value of the Iron Bridge Shares in respect of which the holder dissents in accordance with Section 191 of the ABCA. See "*The Amalgamation – Dissent Rights*".

As a result of the Amalgamation: (i) Shareholders (other than Velvet or its affiliates and any Dissenting Shareholders) will receive the Amalgamation Consideration for their Iron Bridge Shares; and (ii) Amalco will become a wholly-owned subsidiary of Velvet. See "*The Amalgamation – The Amalgamation Agreement*". The Amalgamation Consideration is the same as the consideration that was available to Shareholders under the Offer.

As of the date of this Information Circular, there are currently 163,914,887 Iron Bridge Shares outstanding, of which 20,126,650 Iron Bridge Shares are not otherwise owned, controlled or directed by Velvet. Assuming that there are no Dissenting Shareholders, Amalco will issue 20,126,650 Amalco Redeemable Preferred Shares which will be redeemed for an aggregate of approximately \$17 million in cash, in exchange for all of the issued and outstanding Iron Bridge Shares (excluding those Iron Bridge Shares held by Velvet or its affiliates in accordance with 182(2) of the ABCA). Under the Offer and after giving effect to the Amalgamation, Velvet expects to have paid, directly or indirectly, to former Shareholders an aggregate of approximately \$138.5 million in cash for the issued and outstanding Iron Bridge Shares.

See "*The Amalgamation – The Amalgamation Agreement*" and "*The Amalgamation – Procedure for Exchange of Iron Bridge Shares*".

Background to the Amalgamation

The execution of the Amalgamation Agreement by Iron Bridge and AcquisitionCo represents the culmination of a process involving Iron Bridge and Velvet that commenced in May 2018 with the Offer and subsequent negotiations between representatives of Iron Bridge and Velvet in late August and early September of 2018. In the Offer and Bid Circular and other documents prepared by Velvet in respect of the Offer, Velvet disclosed its intention to acquire all of the Iron Bridge Shares not deposited under the Offer by means of a subsequent acquisition transaction. Because the statutory right of compulsory acquisition under the ABCA is not available, Iron Bridge and AcquisitionCo are proceeding with the Amalgamation. This Information Circular contains a summary of the events leading up to the negotiation of the Amalgamation Agreement that preceded the execution and public announcement of the Amalgamation Agreement.

The negotiation of the definitive terms and conditions of the Amalgamation Agreement was completed and the Amalgamation Agreement was executed on October 11, 2018. Iron Bridge and Velvet issued a joint news release on October 11, 2018 announcing the entering into of the Amalgamation Agreement.

The Iron Bridge Board has approved the contents and mailing of this Information Circular to Shareholders and the recommendation that Shareholders vote in favour of the Amalgamation Resolution.

See "*The Amalgamation – Background to the Amalgamation*".

The Amalgamation Agreement

The obligations of Iron Bridge and AcquisitionCo to complete the transactions contemplated by Amalgamation Agreement are subject to the satisfaction or waiver of certain conditions set out in the Amalgamation Agreement. These conditions include, among others, the receipt of the approval of the Amalgamation Resolution by Shareholders. Upon all the conditions to the Amalgamation being fulfilled or waived, Iron Bridge is required to file the Articles of Amalgamation with the Registrar in order to give effect to the Amalgamation.

The above is a summary of certain terms of the Amalgamation Agreement and is qualified in its entirety by the full text of the Amalgamation Agreement, which is attached as Appendix B to this Information Circular, and by the more detailed summary contained elsewhere in this Information Circular.

See "*The Amalgamation – The Amalgamation Agreement*" and Appendix B for a copy of the Amalgamation Agreement.

Shareholder Approval

To be passed, the Amalgamation Resolution must be approved by not less than 66⅔% of the votes cast by holders of Iron Bridge Shares, either in person or by proxy, at the Meeting. See Appendix A to this Information Circular for the full text of the Amalgamation Resolution.

MI 61-101 requires that, unless exempted, in addition to any other required securityholder approval, in order to complete a business combination, going private transaction or a related party transaction, as applicable, the approval of a majority of the votes cast by "minority" holders of the affected securities be obtained.

MI 61-101 also provides that the Iron Bridge Shares acquired by Velvet pursuant to the Offer may be treated as "minority" Iron Bridge Shares and may be voted or considered voted in favour of the Amalgamation if the consideration per Iron Bridge Share under the Amalgamation is at least equal in value to and is in the same form as the consideration per Iron Bridge Share paid under the Offer and certain other conditions are met. All of the 143,788,237 Iron Bridge Shares acquired by Velvet under the Offer to date, representing approximately 87.7% of the issued and outstanding Iron Bridge Shares as of October 11, 2018, are entitled to be treated as "minority" Iron Bridge Shares, and Velvet has advised that they will be voted in favour of the Amalgamation Resolution. Accordingly, Velvet holds a sufficient number of Iron Bridge Shares to ensure the Amalgamation Resolution is approved.

See "*The Amalgamation – Shareholder Approvals*", "*The Amalgamation – Securities Law Matters*" and "*General Proxy Matters – Procedure and Votes Required*".

Timing

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions at that point in time are satisfied or waived, and all other conditions set forth in the Amalgamation Agreement are satisfied or waived, Iron Bridge expects the Effective Date will be on or about November 6, 2018. It is not possible, however, to state with certainty when the Effective Date will occur.

See "*The Amalgamation – Timing*".

Required Approvals

To the best of the knowledge of Iron Bridge, there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Entities in connection with the Amalgamation.

Velvet also previously obtained approval under the *Competition Act* (Canada) in respect of the acquisition of all of the issued and outstanding Iron Bridge Shares.

Plans for Iron Bridge Following Completion of the Amalgamation

In the event that the Amalgamation is completed, it is expected that the Iron Bridge Shares will be delisted from the TSX and Iron Bridge will cease to be a reporting issuer under Canadian Securities Laws as soon as reasonably practicable following the Effective Date.

Dissent Rights

Only registered holders of Iron Bridge Shares have Dissent Rights with respect to the Amalgamation Resolution. To exercise such Dissent Rights a registered Shareholder must send to Iron Bridge a written objection to the Amalgamation Resolution at or before the Meeting. Written objections sent before the Meeting may be delivered to Iron Bridge, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Joanne Luu, and such holder must otherwise comply with Section 191 of the ABCA. Provided the Amalgamation becomes effective, each Dissenting Shareholder will be entitled to be paid the fair value of the Iron Bridge Shares in respect of which the holder dissents in accordance with Section 191 of the ABCA. See Appendix C for a copy of Section 191 of the ABCA.

The statutory provisions covering the right to dissent are technical and complex. **Failure to strictly comply with the requirements set forth in Section 191 of the ABCA may result in the loss of any right to dissent. Persons who are Beneficial Shareholders registered in the name of a broker, dealer bank, trust company or other**

nominee who wish to dissent, should be aware that only the registered holder of such Iron Bridge Shares is entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise their Dissent Right must make arrangements for such Iron Bridge Shares beneficially owned to be registered in such holder's name prior to the time the written objection to the Amalgamation Resolution is required to be received by Iron Bridge, or alternatively, make arrangements for the registered holder to dissent on such holder's behalf. A registered Shareholder may not exercise their Dissent Right in respect of only a portion of such holder's Iron Bridge Shares. **It is strongly encouraged that any Shareholder wishing to dissent seeks independent legal advice, as the failure to strictly comply with the provisions of the ABCA may prejudice such Shareholders' Dissent Rights.**

See "*The Amalgamation – Dissent Rights*".

Iron Bridge

Iron Bridge is a Calgary, Alberta-based crude oil and natural gas company. Iron Bridge is amalgamated under the ABCA and the Iron Bridge Shares are publicly-listed and traded on the TSX under the trading symbol "IBR". IBR is presently a reporting issuer in each of the provinces of Canada.

Velvet

Velvet is a privately-held exploration and production company, based in Calgary Alberta and focused on the liquids-rich gas and light oil window of the Deep Basin of Alberta. The securities of Velvet are not listed or posted for trading on any exchange and Velvet is not a reporting issuer or the equivalent in any province or territory of Canada.

AcquisitionCo

AcquisitionCo is a private company, incorporated under the ABCA for the sole purpose of completing the Amalgamation with Iron Bridge. All of the issued and outstanding AcquisitionCo Shares are held by Velvet.

Amalco

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date. Following completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of Velvet, and Velvet will continue its business as a private Alberta-based exploration and production company focused on the liquids-rich gas and light oil window of the Deep Basin of Alberta.

Canadian Federal Income Tax Considerations

This Information Circular contains a summary of the principal Canadian federal income tax considerations relevant to Shareholders with respect to the Amalgamation. See "*Certain Canadian Federal Income Tax Considerations*".

Other Tax Considerations

This Information Circular does not address any tax considerations of the Amalgamation other than Canadian federal income tax considerations to Shareholders. Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Amalgamation, including any associated filing requirements, in such jurisdictions. All Shareholders should also consult their own tax advisors regarding relevant provincial, territorial or state tax considerations of the Amalgamation.

Risk Factors

Shareholders should review and carefully consider all of the information disclosed in this Information Circular prior to voting their Iron Bridge Shares at the Meeting. The following are risks related specifically to the Amalgamation.

- the Amalgamation Agreement may be terminated in certain circumstances;
- if the Amalgamation is not completed, Iron Bridge's future businesses and operations could be harmed;

- the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Iron Bridge or AcquisitionCo; and
- forward-looking information contained in this Information Circular may prove inaccurate;

In addition, if the Amalgamation is not completed, Iron Bridge will continue to face many of the risks that it currently faces with respect to its business and affairs. For a description of these risk factors see "*Risk Factors*" in the Iron Bridge AIF, which is available on SEDAR at www.sedar.com.

See "*Risk Factors*".

THE AMALGAMATION

Background to the Amalgamation

On May 29, 2018, Velvet made an offer to purchase all of the issued and outstanding Iron Bridge Shares (including any Iron Bridge Shares that became issued and outstanding upon the exercise, exchange or conversion of any convertible securities of Iron Bridge) on the basis of \$0.75 in cash for each Iron Bridge Share. On September 4, 2018, Velvet approached Iron Bridge with a desire to pursue a friendly transaction conditional on certain major Shareholders supporting the transaction and a satisfactory 24-hour due diligence review. On September 5, 2018, Iron Bridge and Velvet entered into a non-binding letter of intent providing for a 24-hour due diligence review by Velvet. On September 6, 2018, Velvet commenced its due diligence review and discussions and negotiations between Velvet and Iron Bridge and their respective legal counsel continued in the ensuing days. On September 9, 2018, the Iron Bridge Board met to discuss potential amendments to the Offer and authorized management to enter into the Support Agreement and agree to the other amendments to the Offer. On September 10, 2018, Velvet and Iron Bridge entered into the Support Agreement pursuant to which, among other things, Velvet agreed to amend certain terms and conditions of the Offer and to increase the consideration offered to \$0.845 in cash for each Iron Bridge Share. In turn, the Iron Bridge Board determined that the Offer, as amended, was in the best interests of Iron Bridge and agreed to recommend to Shareholders that they deposit their Iron Bridge Shares to the Offer. On September 12, 2018, the Iron Bridge Board issued the Iron Bridge Notice of Change unanimously recommending that Shareholders accept and tender their Iron Bridge Shares to the Offer, and Velvet issued the Notice of Variation and Change formally amending the terms of the Offer to increase the price to \$0.845 in cash for each Iron Bridge Share and to extend the expiry time of the Offer to September 24, 2018.

On September 24, 2018, Velvet took-up and agreed to pay for 126,915,362 Iron Bridge Shares which were validly deposited under the Offer, representing approximately 81.98% of the then issued and outstanding Iron Bridge Shares, for total cash consideration of \$107,243,480.89 and announced the commencement of the Mandatory Extension Period thereby further extending the expiry time of the Offer to October 5, 2018.

On September 26, 2018, Joshua Young, Chairman, Dean Bernhard, Robert Colcleugh, Jay Paul McWilliams, Steve Oldham and Marshall Abbott resigned from the Iron Bridge Board and were replaced by Harvey Doerr as Chairman and Vincent Chahley, Debbie Stein and Ken Woolner. In addition to the changes to the Iron Bridge Board, on September 26, 2018, all of the members of Iron Bridge's executive leadership team, being Robert Colcleugh, Tim Krysak, Dean Bernhard, Jeremy Smith, Gregg Nixon and Zoran Jankovic resigned and a new officer slate consisting of Ken Woolner as President & CEO, Chris Theal as Chief Financial Officer, Peter Henry as Vice President, Finance and Jeremy Kwasnecha as Vice President, Operations was appointed.

On October 5, 2018, Velvet took-up and agreed to pay for an additional 16,872,875 Iron Bridge Shares which were validly deposited under the Offer, representing approximately 10.3% of the then issued and outstanding Iron Bridge, for total cash consideration of approximately \$14.3 million. As of the date hereof, pursuant to the Offer, Velvet has taken up and paid for 143,788,237 Iron Bridge Shares (representing approximately 87.7% of the Iron Bridge Shares issued and outstanding).

In the Offer and Circular, Velvet disclosed that if Velvet took up and paid for less than 90% of the Iron Bridge Shares under the Offer (calculated on a fully-diluted basis), or a compulsory acquisition under the ABCA was not available or Velvet elected not to pursue such compulsory acquisition, Velvet intended to acquire the remainder of the Iron Bridge Shares by way of amalgamation, statutory arrangement, capital reorganization or other transaction, for consideration per Iron Bridge Share not less than, and in the same form as, the consideration paid by Velvet under the Offer (a "**Subsequent Acquisition Transaction**"). Accordingly, the Iron Bridge Board approved the Amalgamation and the Amalgamation Agreement and effective October 11, 2018, AcquisitionCo and Iron Bridge executed the Amalgamation Agreement. Iron Bridge agreed in the Amalgamation Agreement to call the Meeting and present the Amalgamation Resolution to the Shareholders for approval as part of a Subsequent Acquisition Transaction as disclosed in the Offer and Circular. The consideration to be received by Shareholders (other than Velvet and any of its affiliates and Dissenting Shareholders) in connection with the Amalgamation is the same form and amount of consideration offered to Shareholders under the Offer.

Approval of the Iron Bridge Board

The Iron Bridge Board has approved the Amalgamation and the Amalgamation Agreement and recommends that Shareholders vote in favour of Amalgamation Resolution.

Notwithstanding the recommendation of the Iron Bridge Board that Shareholders vote in favour of the Amalgamation Resolution, Shareholders should make their own decision whether to vote their Iron Bridge Shares in favour of the Amalgamation Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

This Information Circular has also been approved and the delivery of this Information Circular to Shareholders has been authorized by the Iron Bridge Board. Given their nomination to the Iron Bridge Board by Velvet and their affiliation with Velvet, in accordance with the ABCA, all of the members of the Iron Bridge Board declared their interest in respect of the Amalgamation prior to approving the Amalgamation and the Amalgamation Agreement.

Reasons for the Amalgamation

In reaching the above-described approval, the Iron Bridge Board noted that the completion of the Subsequent Acquisition Transaction was in accordance with Velvet's previously publicly disclosed intention as contained in the Offer and Circular and is also a requirement of the Support Agreement.

For additional details with respect to Velvet's reasons for undertaking the Offer and this Subsequent Acquisition Transaction and the proposed benefits of the transaction for Shareholders, Shareholders are urged to consult the Offer and Circular.

Shareholder Approvals

To be passed, the Amalgamation Resolution must be approved by not less than 66⅔% of the votes cast by holders of Iron Bridge Shares, either in person or by proxy, at the Meeting. See Appendix A to this Information Circular for the full text of the Amalgamation Resolution.

MI 61-101 requires that, unless exempted, in addition to any other required securityholder approval, in order to complete a business combination, going private transaction or a related party transaction, as applicable, the approval of a majority of the votes cast by "minority" holders of the affected securities be obtained.

MI 61-101 also provides that the Iron Bridge Shares acquired by Velvet pursuant to the Offer may be treated as "minority" Iron Bridge Shares and may be voted or considered voted in favour of the Amalgamation if the consideration per Iron Bridge Share under the Amalgamation is at least equal in value to and is in the same form as the consideration per Iron Bridge Share paid under the Offer and certain other conditions are met. All of the 143,788,237 Iron Bridge Shares acquired by Velvet under the Velvet Offer to date, representing approximately 87.7% of the issued and outstanding Iron Bridge Shares as of October 11, 2018, are entitled to be treated as "minority" Iron Bridge Shares, and Velvet has advised that they will be voted in favour of the Amalgamation Resolution. Accordingly, Velvet holds a sufficient number of Iron Bridge Shares to ensure the Amalgamation Resolution is approved.

See "*General Proxy Matters – Procedure and Votes Required*" and "*The Amalgamation – Securities Law Matters*".

The Amalgamation Agreement

The following is a summary of certain material terms of the Amalgamation Agreement. This summary has been included to provide Shareholders with factual information respecting the terms of the Amalgamation Agreement and is qualified in its entirety by reference to the full text thereof, a copy of which is included as Appendix B to this Information Circular. Readers are urged to consult the full text of the Amalgamation Agreement for further information.

The Amalgamation will be carried out pursuant to sections 181 and 182 of the ABCA, and will be effected in accordance with the terms of the Amalgamation Agreement among Iron Bridge and AcquisitionCo. Upon approval by the Shareholders, satisfaction of all other conditions as provided in the Amalgamation Agreement and the filing of articles of amalgamation, the Amalgamation will become effective on the Effective Date.

The Effective Date of the Amalgamation is expected to be November 6, 2018. On the Effective Date, Iron Bridge and AcquisitionCo will amalgamate and continue as one corporation, Amalco under the name "Iron Bridge Resources Inc." and:

- (a) each issued and outstanding Iron Bridge Share (other than Iron Bridge Shares held by Velvet and its affiliates and any Dissenting Shareholders) will be converted into one Amalco Redeemable Preferred Share;
- (b) each issued and outstanding Iron Bridge Share held by Velvet or its affiliates will be converted into one Amalco Share;
- (c) each issued and outstanding Iron Bridge Share held by a Dissenting Shareholder will be cancelled and such Dissenting Shareholder will be entitled to be paid the fair value of such Iron Bridge Shares by Amalco in accordance with the ABCA; and
- (d) each issued and outstanding AcquisitionCo Share will be converted into one Amalco Share.

Each Amalco Redeemable Preferred Share will be redeemed by Amalco immediately following the Amalgamation for the Redeemable Preferred Share Redemption Amount.

In accordance with the ABCA, upon the Effective Date:

- (a) the amalgamation of Iron Bridge and AcquisitionCo and their continuance as one corporation, Amalco, under the terms and conditions prescribed in the Amalgamation Agreement, will be effective;
- (a) the property of each of Iron Bridge and AcquisitionCo will continue to be the property of Amalco;
- (b) Amalco will continue to be liable for the obligations of each of Iron Bridge and AcquisitionCo;
- (c) any existing cause of action, claim or liability to prosecution pending by or against either of Iron Bridge and AcquisitionCo will be unaffected;
- (d) any civil, criminal or administrative action or proceeding pending by or against either of Iron Bridge and AcquisitionCo may be continued to be prosecuted by or against Amalco;
- (e) any conviction against, or ruling, order or judgment in favour or against, either of Iron Bridge and AcquisitionCo may be enforced by or against Amalco; and
- (f) the Articles of Amalgamation of Amalco shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of Amalco.

As of the date of this Information Circular, there are currently 163,914,887 outstanding Iron Bridge Shares, of which 20,126,650 Iron Bridge Shares are not otherwise owned, controlled or directed by Velvet. Assuming that there are no Dissenting Shareholders, Amalco will issue 20,126,650 Amalco Redeemable Preferred Shares which will be redeemed for an aggregate of approximately \$17 million in cash, in exchange for all of the issued and outstanding Iron Bridge Shares (excluding those Iron Bridge Shares held by Velvet and its affiliates in accordance with 182(2) of the ABCA). Under the Offer and after giving effect to the Amalgamation, Velvet expects to have paid to former Shareholders an aggregate of approximately \$138.5 million in cash (assuming no Dissenting Shareholders).

The Amalgamation Agreement contains certain customary representations, warranties and covenants of each of AcquisitionCo and Iron Bridge relating to, among other things, their respective organization, capitalization, qualification, compliance with laws and regulations and other matters, including their authority to enter into the Amalgamation Agreement and to consummate the Amalgamation. Pursuant to the Amalgamation Agreement, AcquisitionCo and Iron Bridge have agreed to advise each other of material changes. Further, AcquisitionCo and Iron Bridge have agreed to obtain all necessary consents, waivers and approvals required for the consummation of the Amalgamation.

The respective obligations of Iron Bridge and AcquisitionCo to consummate the transactions contemplated under the Amalgamation Agreement, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of the Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Amalgamation Resolution shall have been passed by not less than 66 2/3% of the votes cast by Shareholders present in person or represented by proxy at the Meeting and by a majority of the of the votes cast by Shareholders present in person or represented by proxy at the Meeting excluding any votes cast in respect of Excluded Iron Bridge Shares, if any;
- (b) the Articles of Amalgamation to be filed with the Registrar in accordance with the Amalgamation shall be in form and substance satisfactory to each of AcquisitionCo and Iron Bridge, acting reasonably;
- (c) there shall be no action taken under any existing applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Entity, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the Amalgamation; and
- (e) all other required domestic and foreign regulatory, governmental and third party approvals and consents in respect of the completion of the Amalgamation shall have been obtained on terms and conditions satisfactory to AcquisitionCo and Iron Bridge, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory regulatory period.

The obligation of AcquisitionCo to consummate the transactions contemplated under the Amalgamation Agreement, and in particular the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the material covenants, acts and undertakings of Iron Bridge to be performed on or before the Effective Date pursuant to the terms of the Amalgamation Agreement shall have been duly performed by Iron Bridge;
- (b) Iron Bridge shall have furnished AcquisitionCo with:
 - (i) a certified copy of the resolutions duly passed by the Iron Bridge Board approving the Amalgamation Agreement and the Amalgamation and directing the submission of the Amalgamation Resolution for approval at the Meeting and recommending that Shareholders vote in favour of the Amalgamation Resolution; and
 - (ii) a certified copy of the Amalgamation Resolution, duly passed at the Meeting;

- (c) the representations and warranties of Iron Bridge contained in Section 4.1 of the Amalgamation Agreement shall be true as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak of an earlier date or except as affected by transactions contemplated or permitted by the Amalgamation Agreement) and Iron Bridge shall have complied with its covenants in the Amalgamation Agreement, except where the failure or failures of such representations and warranties to be so true and correct or the failure to perform such covenants would not, or would not reasonably be expected to have a Material Adverse Effect on Iron Bridge or to materially impede or reasonably be expected to materially impede the completion of the Amalgamation, and AcquisitionCo shall have received a certificate to that effect dated the Effective Date from an executive officer of Iron Bridge acting solely on behalf of Iron Bridge and not in their personal capacity, to the best of their information and belief having made reasonable inquiry, and Velvet will have no knowledge to the contrary;
- (d) the Iron Bridge Board shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in Section 2.5 of the Amalgamation Agreement in a manner materially adverse to AcquisitionCo or the completion of the Amalgamation;
- (e) there shall not have occurred any Material Adverse Change in respect of Iron Bridge since June 30, 2018; and
- (f) immediately prior to the Effective Date, Velvet shall be satisfied there shall be not more than 163,914,887 Iron Bridge Shares outstanding and Velvet shall be satisfied that upon completion of the Amalgamation no person shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued securities of Iron Bridge.

The obligation of Iron Bridge to consummate the transactions contemplated thereby, and in particular the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the material covenants, acts and undertakings of AcquisitionCo to be performed on or before the Effective Date pursuant to the terms of the Amalgamation Agreement shall have been duly performed by AcquisitionCo;
- (b) AcquisitionCo shall have deposited cash or immediately accessible funds greater or equal to the aggregate Redeemable Preferred Share Redemption Amount with the Depositary for the Amalco Redeemable Preferred Shares issuable pursuant to the Amalgamation;
- (c) AcquisitionCo shall have furnished Iron Bridge with:
 - (i) a certified copy of the resolutions duly passed by the board of directors of AcquisitionCo approving the Amalgamation Agreement and the Amalgamation; and
 - (ii) a certified copy of the resolution of the sole shareholder of AcquisitionCo approving the Amalgamation;
- (d) the representations and warranties of AcquisitionCo contained in Section 4.2 of the Amalgamation Agreement, shall be true as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak of an earlier date or except as affected by transactions contemplated or permitted by the Amalgamation Agreement) and AcquisitionCo shall have complied with its covenants in the Amalgamation Agreement, except where the failure or failures of such representations and warranties to be so true and correct or the failure to perform such covenants would not, or would not reasonably be expected to have a Material Adverse Effect on AcquisitionCo, or to materially impede or reasonably be expected to materially impede the completion of the Amalgamation, and Iron Bridge shall have received a certificate to that effect

dated the Effective Date from an executive officer of AcquisitionCo acting solely on behalf of AcquisitionCo and not in their personal capacity, to the best of their information and belief having made reasonable inquiry, and Iron Bridge will have no knowledge to the contrary.

The Amalgamation Agreement may be terminated, prior to the filing of the Articles of Amalgamation, by mutual written consent of Iron Bridge and AcquisitionCo without further action on the part of the shareholders of Iron Bridge or AcquisitionCo.

Notwithstanding any other rights contained in the Amalgamation Agreement, AcquisitionCo may terminate the Amalgamation Agreement upon written notice to Iron Bridge as provided in Section 5.4 of the Amalgamation Agreement, provided that AcquisitionCo is not then in breach of the Amalgamation Agreement so as to cause any of the conditions set out in Sections 5.1, 5.2 or 5.3 of the Amalgamation Agreement not to be satisfied.

Notwithstanding any other rights contained in the Amalgamation Agreement, Iron Bridge may terminate the Amalgamation Agreement upon written notice to AcquisitionCo as provided in Section 5.4 of the Amalgamation Agreement, provided that Iron Bridge is not then in breach of the Amalgamation Agreement so as to cause any of the conditions set out in Sections 5.1, 5.2 or 5.3 of the Amalgamation Agreement not to be satisfied.

The Amalgamation Agreement provides that any certificate formerly representing Iron Bridge Shares not deposited together with all other documents as required by the Letter of Transmittal on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, and the right of the holder of such Iron Bridge Shares to receive the Amalgamation Consideration to which such holder is entitled pursuant to the Amalgamation shall be deemed to be surrendered to Velvet.

Timing

If the Shareholders approve the Amalgamation Resolution on the basis described herein, Iron Bridge currently expects that the Effective Date will be November 6, 2018. Although AcquisitionCo's and Iron Bridge' objective is to have the Effective Date occur as soon as possible after the Meeting, the Effective Date could be delayed for a number of reasons.

The Amalgamation will be deemed to be effective at 12:01 a.m. on the date the Certificate is issued.

Required Approvals

To the best knowledge of Iron Bridge, there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Entities in connection with the Amalgamation.

Velvet also previously obtained approval under the *Competition Act* (Canada) in respect of the acquisition of all of the issued and outstanding Iron Bridge Shares.

Plans for Iron Bridge Following Completion of the Amalgamation

If the Amalgamation Resolution is approved, as soon as practicable after the Effective Date Iron Bridge expects that the Iron Bridge Shares will be de-listed from the TSX. In addition, in connection with the Amalgamation, Iron Bridge expects that applications will be made to cease Iron Bridge as a reporting issuer in all provinces of Canada in which it currently is a reporting issuer.

Procedure for Exchange of Iron Bridge Shares

General

In order to receive the Amalgamation Consideration following completion of the Amalgamation, Shareholders must deposit with the Depositary (at the address specified on the last page of the Letter of Transmittal) a duly completed

Letter of Transmittal together with the holder's certificates representing Iron Bridge Shares and such other documents as may be required thereby. **No certificates for Amalco Redeemable Preferred Shares will be issued to Shareholders by the Depository, as such shares will be redeemed immediately following the Effective Time. Instead, Shareholders who validly deliver a Letter of Transmittal with all other required documentation will receive a cheque for the aggregate Redeemable Preferred Share Redemption Amount (after deduction for any applicable withholding taxes required by law) in respect of the Amalco Redeemable Preferred Shares deemed to be issued and forthwith redeemed immediately following the Effective Time.**

Shareholders whose Iron Bridge Shares are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee to exchange their Iron Bridge Shares for the Amalgamation Consideration.

The use of the mail to transmit certificates representing Iron Bridge Shares and the Letter of Transmittal is at each holder's risk. Iron Bridge recommends that such certificates and documents be delivered by hand to the Depository and a receipt therefor be obtained or, if mailed, that registered mail with return receipt be used and that the appropriate insurance be obtained.

If the Letter of Transmittal is executed by a Person other than the registered holder(s) of the Iron Bridge Shares being deposited or if the cheque representing the aggregate Redeemable Preferred Share Redemption Amount issuable in exchange for the Iron Bridge Shares is to be issued to a Person other than such registered owner(s) or sent to an address other than the address of the registered holder(s) as shown on the register of Shareholders maintained by Iron Bridge's registrar and transfer agent, the signature on the Letter of Transmittal must be medallion guaranteed by an Eligible Institution. If the Letter of Transmittal is executed by a Person other than the registered owner(s) of the Iron Bridge Shares deposited therewith, and in certain other circumstances as set forth in the Letter of Transmittal, then the certificate(s) representing Iron Bridge Shares must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s). The signature(s) on the endorsement panel or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be medallion guaranteed by an Eligible Institution.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Iron Bridge Shares deposited pursuant to the Amalgamation will be determined by Iron Bridge and the Depository. Depositing Shareholders agree that such determination shall be final and binding. Iron Bridge reserves the absolute right to reject any and all deposits which Iron Bridge determines not to be in proper form or which may be unlawful for it to accept under the laws of any jurisdiction. Iron Bridge reserves the absolute right to waive any defect or irregularity in the deposit of any Iron Bridge Shares. There shall be no duty or obligation on Iron Bridge, the Depository or any other Person to give notice of any defect or irregularity in any deposit of Iron Bridge Shares and no liability shall be incurred by any of them for failure to give such notice.

Iron Bridge and AcquisitionCo reserve the right to permit the procedure for the exchange of securities pursuant to the Amalgamation to be completed other than as set forth above.

Iron Bridge and AcquisitionCo have retained the services of the Depository for the receipt of certificates representing Iron Bridge Shares and the related Letters of Transmittal deposited under the Amalgamation and for the payment for Iron Bridge Shares by AcquisitionCo pursuant to the Amalgamation. The Depository will receive reasonable and customary compensation from AcquisitionCo or its successor for its services in connection with the Amalgamation, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

From and after the Effective Time, certificates formerly representing Iron Bridge Shares exchanged pursuant to the Amalgamation shall represent only the right to receive the Amalgamation Consideration to which the holders are entitled, and any dividends distributions and payments thereon.

Cancellation of Rights

Each certificate formerly representing Iron Bridge Shares that is not deposited with all other documents as required pursuant to the Amalgamation on or prior to the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature to receive the Amalgamation Consideration to which a former Shareholder is entitled, and for greater certainty, the right of such former Shareholder to receive the Amalgamation Consideration shall be deemed to be returned to AcquisitionCo or its successor.

Return of Iron Bridge Shares

Should the Amalgamation not be completed, any deposited Iron Bridge Shares will be returned to the depositing Shareholder at Iron Bridge's expense upon written notice to the Depositary from Iron Bridge by returning the deposited Iron Bridge Shares (and any other relevant documents) by first class insured mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if such name and address is not so specified, in such name and to such address as shown on the register maintained by Iron Bridge's registrar and transfer agent.

Mail Services Interruption

Notwithstanding the provisions of this Information Circular, the Letter of Transmittal, Amalgamation Agreement, certificates representing Iron Bridge Shares and the cheques representing the aggregate Redeemable Preferred Share Redemption Amount to be returned if applicable, will not be mailed if Iron Bridge and AcquisitionCo determine that delivery thereof by mail may be delayed.

Persons entitled to cheques and other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the deposited certificates representing Iron Bridge Shares were originally deposited upon application to the Depositary until such time as Iron Bridge has determined that delivery by mail will no longer be delayed.

Notwithstanding the foregoing paragraph, certificates and other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery at the office of the Depositary at which the Iron Bridge Shares were deposited.

Dissent Rights

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such holder's Iron Bridge Shares and is qualified in its entirety by the reference to the text of Section 191 of the ABCA, which is attached to this Information Circular as Appendix C. A Dissenting Shareholder who intends to exercise the Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A registered Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by Iron Bridge the fair value of the Iron Bridge Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last Business Day before the day on which Amalgamation Resolution was adopted. **Only registered Shareholders may dissent. Persons who are Beneficial Shareholders who hold Iron Bridge Shares registered in the name of a broker, dealer bank, trust company or other nominee who wish to dissent should be aware that they may only do so through the registered owner of such Iron Bridge Shares. Accordingly, a Beneficial Shareholder desiring to exercise Iron Bridge Dissent Rights must make arrangements for the Iron Bridge Shares beneficially owned by such Beneficial Shareholder to be registered in the name of such Beneficial Shareholder prior to the time the written objection to the Amalgamation Resolution is required to be received by Iron Bridge or, alternatively, make arrangements for the registered holder of such Iron Bridge Shares to dissent on behalf of the Beneficial Shareholder.**

A Dissenting Shareholder must send to Iron Bridge a written objection to the Amalgamation Resolution (a "Dissent Notice"), which Dissent Notice must be received by Iron Bridge, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Joanne Luu, at or before the Meeting. The ABCA does not provide, and Iron Bridge will not assume, that a vote against the Amalgamation Resolution constitutes a Dissent Notice. A registered holder of Iron Bridge Shares may not exercise the right to dissent in respect of only a portion of such holder's Iron Bridge Shares, but may dissent only with respect to all of the Iron Bridge Shares held by the holder.

An application may be made to the Court by Amalco or by a Dissenting Shareholder after adoption of the Amalgamation Resolution to fix the fair value of the Dissenting Shareholder's Iron Bridge Shares. If such an application to the Court is made by either Amalco or a Dissenting Shareholder, Amalco must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such Person an amount considered by the Amalco Board to be the fair value of the Iron Bridge Shares held by such Dissenting Shareholder. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if Amalco is the applicant, or within 10 days after Amalco is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with Amalco for the purchase of such Dissenting Shareholder's Iron Bridge Shares in the amount of Iron Bridge's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Iron Bridge Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Iron Bridge Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Iron Bridge and in favour of each of those Dissenting Shareholders, and fixing the time within which Amalco must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder until the date of payment.

On the Amalgamation becoming effective, or upon the making of an agreement between Amalco and the Dissenting Shareholder as to the payment to be made by Amalco to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Iron Bridge Shares in the amount agreed to between Amalco and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw such holder's dissent, or if the Amalgamation has not yet become effective Iron Bridge may rescind the Amalgamation Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

Amalco shall not make a payment to a Dissenting Shareholder under Section 191 if there are reasonable grounds for believing that Amalco is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of Amalco would thereby be less than the aggregate of its liabilities. In such event, Amalco shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Iron Bridge Shares in which case the Dissenting Shareholder may, by written notice to Amalco within 30 days after receipt of such notice, withdraw such holder's written objection, in which case such Dissenting Shareholder shall be deemed to have participated in the Amalgamation as a Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection such Dissenting Shareholder retains status as a claimant against Amalco to be paid as soon as Amalco is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to its shareholders.

All Iron Bridge Shares held by Shareholders who exercise their Dissent Rights will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to Iron Bridge on the Effective Date in exchange for the fair value as of the close of business on the last Business Day before the Amalgamation Resolution is approved by holders of Iron Bridge Shares. If such Dissenting Shareholders ultimately are not entitled to be paid the fair value for the Iron Bridge Shares, such Dissenting Shareholders will be deemed to have participated in the

Amalgamation on the same basis as a non-dissenting holder of Iron Bridge Shares notwithstanding the provisions of Section 191 of the ABCA.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Iron Bridge Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Dissenting Shareholder who is considering the right to dissent and appraisal should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix C, to this Information Circular and consult their own legal advisor. It is strongly encouraged that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA, may prejudice such Shareholders right to dissent.**

Interests of Certain Persons in the Amalgamation

The proposed Amalgamation includes the amalgamation between Iron Bridge and AcquisitionCo. AcquisitionCo is a wholly-owned subsidiary of Velvet. The Amalgamation has been proposed in order to permit Velvet to acquire, through AcquisitionCo, the remainder of the Iron Bridge Shares that were not deposited pursuant to the Offer. As at October 11, 2018, Velvet holds approximately 87.7% of the total Iron Bridge Shares issued and outstanding.

Each of Harvey Doerr, Vincent Chahley, Debbie Stein and Ken Woolner, who were appointed to the Iron Bridge Board following the take up of Iron Bridge Shares by Velvet pursuant to the Offer, also serve as directors of Velvet. Each of Ken Woolner, Chris Theal, Peter Henry and Jeremy Kwasnecha, who were appointed officers of Iron Bridge following the take up of Iron Bridge Shares by Velvet pursuant to the Offer, are also officers of Velvet.

None of the current members of the Iron Bridge Board and none of the executive officers of Iron Bridge holds, directly or indirectly, any Iron Bridge Shares.

It is expected that no change of control payments or similar payments shall be payable to any executive officer of Iron Bridge as a consequence of the Amalgamation.

Securities Law Matters

Canada

Iron Bridge is a reporting issuer (or the equivalent) under applicable Canadian securities legislation in all provinces of Canada and is, among other things, subject to applicable Canadian Securities Laws.

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment to securityholders generally by requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" and "going private transactions", respectively, which terminate the interests of securityholders without their consent.

Minority Approval Requirement

Pursuant to MI 61-101, unless exempted, in addition to any other required shareholder approval, in order to complete a business combination, the approval of a majority of the votes cast by each class of affected securities at a meeting of securityholders of that class called to consider the transaction must be obtained. In relation to the Amalgamation, this "minority approval" must be obtained from, unless an exemption is available or discretionary relief is granted by the Canadian Securities Authorities, all holders of Iron Bridge Shares, excluding the votes attached to Iron Bridge Shares beneficially owned or over which control or direction is exercised by Velvet, any "interested party", any "related party" of an "interested party" (unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor issuer insiders of the issuer) or a joint actor with any such interested party or related party of an interested party for purposes of MI 61-101.

However, MI 61-101 provides that, subject to certain terms and conditions, the votes attached to the Iron Bridge Shares acquired by Velvet under the Offer may be included as votes in favour of the Amalgamation Resolution in determining whether minority approval has been obtained if, among other things, the business combination is completed no later than 120 days after the expiry of the Offer, the consideration per Iron Bridge Share that the holders of affected securities would be entitled to receive in the Amalgamation is at least equal in value to and is in the same form as the consideration that the tendering Shareholders were entitled to receive in the Offer, and the Offer and Bid Circular disclosed, among other things: (i) that if Velvet acquired Iron Bridge Shares under the Offer, Velvet intended to acquire the remainder of the securities under a statutory right of acquisition or under a business combination no later than 120 days after the expiry of the bid for consideration per security at least equal in value to and is in the same form as the consideration that the Shareholders were entitled to receive in the Offer; (ii) that the business combination would be subject to minority approval; (iii) the number of votes attached to the securities that, to the knowledge of Velvet after reasonable inquiry, would be required to be excluded in determining whether minority approval for the business combination had been obtained; and (iv) the identity of holders of such securities excluded from the minority approval determination, setting out their individual holdings.

Velvet, AcquisitionCo and Iron Bridge believe that the consideration offered under the Amalgamation is at least equal in value to and in the same form as the consideration paid to tendering Shareholders under the Offer and that the Amalgamation will be completed no later than 120 days after the expiry of the Offer. Accordingly, Velvet intends that the votes attached to the Iron Bridge Shares acquired by it under the Offer will be included as votes in favour of the Amalgamation in determining whether minority approval has been obtained in connection with the Amalgamation. Based on the number of votes attached to Iron Bridge Shares currently held by Velvet, Iron Bridge believes the minority approval requirement will be satisfied through the voting of such Iron Bridge Shares by Velvet, regardless of the number of Iron Bridge Shares voted against the Amalgamation Resolution. However, any additional Iron Bridge Shares acquired by Velvet and any Iron Bridge Shares acquired by any directors and executive officers of Iron Bridge who are also directors or officers of Velvet following the date hereof will be excluded for purposes of determining if the minority approval requirements have been met pursuant to MI 61-101.

Valuation Requirement

MI 61-101 provides that, unless exempted, an issuer proposing to carry out "business combinations" and "going private transactions", is required to engage an independent valuator to prepare a valuation of the affected securities and provide to the holders of the affected securities a summary of such valuation. Iron Bridge is relying on an exemption from the valuation requirement under MI 61-101 for a second step business combination completed within 120 days after the expiry of a formal take-over bid for consideration at least equal to and in the same form as that paid to holders of Iron Bridge Shares tendered to the take-over bid, and provided certain tax and other stipulated disclosure is included in the take-over bid disclosure documents, all of which have been satisfied.

Legal Matters

Certain legal matters in connection with the Amalgamation will be passed upon for Velvet and AcquisitionCo by Burnet, Duckworth & Palmer LLP insofar as Canadian legal matters are concerned.

As at the date hereof, the partners and associates of each of Burnet, Duckworth & Palmer LLP, as a group, each owned, directly or indirectly, less than 1% of the outstanding Iron Bridge Shares and none of the outstanding shares of AcquisitionCo. Other than Mr. John Brussa, the Chairman of Burnet, Duckworth & Palmer LLP and a director of Velvet, no associate or partner of Burnet, Duckworth & Palmer LLP is or is expected to be elected, appointed or employed as a director, officer or employee of Iron Bridge, AcquisitionCo or Velvet or of any associate or affiliate of Iron Bridge, AcquisitionCo or Velvet in connection with the transaction.

Expenses of the Amalgamation

The estimated fees, costs and expenses of Iron Bridge in connection with the Amalgamation including, without limitation, filing fees, legal fees, and printing and mailing costs are anticipated to be approximately \$150,000.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Iron Bridge is authorized to issue an unlimited number of Iron Bridge Shares. As at October 11, 2018, there were 163,914,887 Iron Bridge Shares issued and outstanding. Holders of Iron Bridge Shares are entitled to one vote for each Iron Bridge Share.

To the knowledge of Iron Bridge's directors and executive officers, as at October 11, 2018, no person or company beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the Iron Bridge Shares other than Velvet who owns 143,788,237 Iron Bridge Shares or approximately 87.7% of the issued and outstanding Iron Bridge Shares.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Burnet, Duckworth & Palmer LLP, legal counsel to Iron Bridge ("**Counsel**"), the following is, at the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations under the ITA generally applicable to Shareholders who dispose of their Iron Bridge Shares pursuant to the Amalgamation and who, for the purposes of the ITA, and at all relevant times, hold their Iron Bridge Shares and Amalco Redeemable Preferred Shares acquired pursuant to the Amalgamation, as capital property, deal at arm's length with, and are not affiliated with Iron Bridge, Velvet or any of their respective affiliates.

Iron Bridge Shares and Amalco Redeemable Preferred Shares generally will be considered to be capital property to a holder thereof provided the holder does not hold their Iron Bridge Shares or Amalco Redeemable Preferred Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who are residents of Canada for the purposes of the ITA and who might not otherwise be considered to hold their Iron Bridge Shares or Amalco Redeemable Preferred Shares as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" as defined in the ITA treated as capital property by making the irrevocable election permitted by subsection 39(4) of the ITA. Holders whose Iron Bridge Shares or Amalco Redeemable Preferred Shares are not capital property should consult their own tax advisors.

This summary does not apply to a Shareholder: (i) that is a "financial institution" for the purposes of the mark-to-market rules in the ITA; (ii) if an interest in such Shareholder is a "tax shelter investment"; (iii) that is a "specified financial institution"; (iv) that makes a foreign currency reporting election for the purposes of the ITA; (v) that has entered, or will enter, into, with respect to the Iron Bridge Shares or the Amalco Redeemable Preferred Shares, a "derivative forward agreement"; (vi) that is exempt from taxation under Part I of the ITA; (vii) that is a partnership or trust; or (viii) that is a "foreign affiliate" of a taxpayer resident in Canada, all within the meaning of the ITA. In addition, this summary does not address all of the tax considerations applicable to a Shareholder in respect of Iron Bridge Shares acquired upon the exercise of options or pursuant to other employee compensation plans. Any Shareholders to whom this paragraph applies should consult their own tax advisor with respect to the Amalgamation.

This summary assumes that the paid-up capital (for purposes of the ITA) of each Amalco Redeemable Preferred Share is equal to the Redeemable Preferred Share Redemption Amount.

This summary is based on the provisions of the ITA in force as of the date hereof and Counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practices whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is not exhaustive of all Canadian federal income tax considerations. It is of a general nature only and is neither intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Shareholder. Accordingly, Shareholders should consult their own legal and tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

Shareholders Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the application of the ITA, is, or is deemed to be, resident in Canada (a "**Resident Shareholder**").

Exchange of Iron Bridge Shares for Amalco Redeemable Preferred Shares on Amalgamation

A Resident Shareholder (other than a Resident Dissenting Shareholder) will realize no capital gain (or loss) on the disposition of Iron Bridge Shares for Amalco Redeemable Preferred Shares. A Resident Shareholder will be deemed to have disposed of its Iron Bridge Shares for proceeds of disposition equal to the aggregate adjusted cost base of such Iron Bridge Shares to such shareholder immediately before the disposition. Such shareholder will be deemed to have acquired the Amalco Redeemable Preferred Shares at an aggregate cost equal to such proceeds of disposition.

Redemption of Amalco Redeemable Preferred Shares

A Resident Shareholder whose Amalco Redeemable Preferred Shares are redeemed will be considered to have disposed of each such share for proceeds of disposition equal to Redeemable Preferred Share Redemption Amount and will realize a capital gain (or capital loss) to the extent that the aggregate of the deemed proceeds of disposition exceed (or are less than) the aggregate of the Resident Shareholder's adjusted cost base of all Amalco Redeemable Preferred Shares, and any reasonable costs of disposition. The income tax treatment of such capital gain or capital loss is discussed below.

Dissenting Resident Shareholders

Under the current and long-standing administrative practice of the CRA, a Resident Shareholder who exercises a right of dissent in respect of the Amalgamation (a "**Dissenting Resident Shareholder**") and who receives a payment from Amalco should be considered to have disposed of such Dissenting Resident Shareholder's Iron Bridge Shares for proceeds of disposition equal to the amount paid to the Dissenting Resident Shareholder for such shares (less the amount of any interest awarded by the court). A Dissenting Resident Shareholder will generally realize a capital gain (or capital loss) to the extent that those proceeds of disposition exceed (or are less than) the aggregate of the Dissenting Resident Shareholder's adjusted cost base of such shares immediately before the Amalgamation and any reasonable costs of disposition. Any interest awarded to a Dissenting Resident Shareholder will be included in the Dissenting Resident Shareholder's income. The tax treatment of capital gains and capital losses is discussed below. **Dissenting Resident Shareholders should consult their own tax advisors with respect to the tax implications to them of the exercise of their right of dissent.**

Taxation of Capital Gains and Losses

A Resident Shareholder or a Dissenting Resident Shareholder who, as described above, realizes a capital gain or a capital loss on the redemption of the Amalco Redeemable Preferred Shares or, in the case of a Dissenting Resident Shareholder, on the disposition of Iron Bridge Shares, will generally be required to include in such person's income one-half of any such capital gain ("**taxable capital gain**") and may apply one-half of any such capital loss ("**allowable capital loss**") against taxable capital gains in accordance with the detailed rules in the ITA. Generally, allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and applied to reduce taxable capital gains in any of the three preceding years or carried forward and applied to reduce taxable capital gains in any subsequent year in accordance with the detailed rules of the ITA. If the Resident Shareholder or Dissenting Resident Shareholder is a corporation or a partnership or trust of which a corporation is a partner or a beneficiary, any capital loss realized on the redemption of any Amalco Redeemable Preferred Shares, may be reduced by the amount of certain dividends which have been received or are deemed to have been received on the

share or, in the case of the redemption of an Amalco Redeemable Preferred Share, on the share exchanged therefor, in accordance with detailed provisions of the ITA. Such holders should consult their tax advisors for specific information regarding the application of these provisions.

A Resident Shareholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the ITA) may be liable to pay an additional refundable tax of 10 $\frac{2}{3}$ % on its "aggregate investment income" for the year, which will include taxable capital gains.

Shareholders Not Resident in Canada

The following section of the summary is applicable to a Shareholder who, for the purposes of the ITA and any applicable income tax treaty and at all relevant times, (i) is not, and is not deemed to be, a resident of Canada, (ii) does not, and is not deemed to, use or hold their Iron Bridge Shares and Amalco Redeemable Preferred Shares received pursuant to the Amalgamation in or in the course of, carrying on a business in Canada, and (iii) is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (in this section, a "**Non-Resident Shareholder**"). **Non-Resident Shareholders should consult their own tax advisors for advice with respect to the Canadian and foreign tax consequences of the Amalgamation.**

Exchange of Iron Bridge Shares for Amalco Redeemable Preferred Shares

The tax treatment to a Non-Resident Shareholder (other than a Non-Resident Dissenter) generally will be the same as described above under the heading "*Shareholders Resident in Canada – Exchange of Iron Bridge Shares for Amalco Redeemable Preferred Shares*".

Redemption of Amalco Redeemable Preferred Shares

A Non-Resident Shareholder will realize a capital gain (or capital loss) on the redemption of the Total Redeemable Preferred Shares in the same manner as a Resident Shareholder (see "*Shareholders Resident in Canada - Redemption of Amalco Redeemable Preferred Shares*" above). However, a Non-Resident Shareholder will not be subject to tax under the ITA on any capital gain realized on the redemption unless the Amalco Redeemable Preferred Shares constitute "taxable Canadian property" to the Non-Resident Shareholder for purposes of the ITA at the time of the disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident.

Taxable Canadian Property

The Amalco Redeemable Preferred Shares will generally not constitute "taxable Canadian property" to a Non-Resident Shareholder at the time of the redemption provided that: (a) the Iron Bridge Shares and the Amalco Redeemable Preferred Shares are listed or deemed to be listed on a designated stock exchange (which includes the TSX) at the time of the redemption; and (b) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, or the Non-Resident Shareholder together with such persons have not owned 25% or more of the shares of any class or series of the capital stock of Iron Bridge or 25% or more of the Amalco Redeemable Preferred Shares at any time during the 60-month period immediately preceding the time of the redemption.

Provided that, immediately prior to the Amalgamation, the Iron Bridge Shares are listed on a "designated stock exchange" (which includes the TSX), and provided that the Amalco Redeemable Preferred Shares are redeemed by Amalco within 60 days after the Amalgamation, the Amalco Redeemable Preferred Shares will be deemed to be listed on a designated stock exchange until the earliest time at which such Amalco Redeemable Preferred Shares are so redeemed.

If the Amalco Redeemable Preferred Shares are taxable Canadian property to a Non-Resident Shareholder at the time of the redemption, a capital gain realized on the disposition of such Amalco Redeemable Preferred Shares may be exempt from tax under the applicable income tax convention. In the event that any capital gain realized by a Non-Resident Shareholder on the redemption of the Amalco Redeemable Preferred Shares is not exempt from tax under

the ITA by virtue of an applicable income tax convention, the tax consequences pertaining to capital gains (or capital losses) as described above will generally apply. Non-Resident Shareholders should consult their own tax advisors regarding any Canadian reporting requirements arising from these transactions.

Dissenting Non-Resident Holders

A Non-Resident Shareholder who dissents in respect of the Amalgamation (a "**Non-Resident Dissenter**") will be entitled to receive a payment from Amalco equal to the fair value of such Non-Resident Dissenter's Iron Bridge Shares and will be considered to have disposed of such shares for proceeds of disposition equal to the amount received by the Non-Resident Dissenter, less the amount of any interest awarded by a court (if applicable). The income tax treatment of capital gains and capital losses is discussed above under the heading, " – *Shareholders Not Resident in Canada – Taxable Canadian Property*".

Any interest paid to a Non-Resident Dissenter upon the exercise of dissent rights will not be subject to Canadian withholding tax. Non-Resident Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.

OTHER TAX CONSIDERATIONS

This Information Circular does not address any tax considerations of the Amalgamation other than Canadian federal income tax considerations to Shareholders. Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Amalgamation, including any associated filing requirements, in such jurisdictions. All Shareholders should also consult their own tax advisors regarding relevant provincial, territorial or state tax considerations of the Amalgamation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or otherwise publicly disclosed by Iron Bridge, there were no material interests, direct or indirect, of insiders or any associate or affiliate of such insiders or nominees of Iron Bridge since January 1, 2017, or in any proposed transaction, which has affected or would materially affect Iron Bridge.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, Iron Bridge is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of Iron Bridge's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

RISK FACTORS

Shareholders should review and carefully consider all of the information disclosed in this Information Circular prior to voting their Iron Bridge Shares at the Meeting. The following are risks related specifically to the Amalgamation.

- the Amalgamation Agreement may be terminated in certain circumstances;
- if the Amalgamation is not completed, Iron Bridge's future businesses and operations could be harmed;
- the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Iron Bridge or AcquisitionCo; and
- forward-looking information contained in this Information Circular may prove inaccurate;

In addition, if the Amalgamation is not completed, Iron Bridge will continue to face many of the risks that it currently faces with respect to its business and affairs. For a description of these risk factors see "*Risk Factors*" in the Iron Bridge AIF, which is available on SEDAR at www.sedar.com.

INFORMATION CONCERNING IRON BRIDGE

General

Iron Bridge is a Calgary, Alberta-based crude oil and natural gas company actively engaged in the exploration for, development and production of natural gas, crude oil and natural gas liquids in Western Canada. Iron Bridge's principal area of operations and current focus is located in the Montney light oil fairway at Elmworth (Gold Creek) in West Central Alberta.

Iron Bridge is a reporting issuer in each of the provinces in Canada and the Iron Bridge Shares are currently listed and posted for trading on the TSX under the symbol "IBR".

Iron Bridge is a corporation amalgamated under the ABCA. On September 25, 2018, following the take-up of Iron Bridge Shares pursuant to the Offer, Iron Bridge became a subsidiary of Velvet.

Iron Bridge's head office is located at: 1200, 500-4th Avenue S.W., Calgary, Alberta, Canada T2P 2V6 and its registered office is located at: 46th floor, 525-8th Avenue S.W., Calgary, Alberta, Canada T2P 1G1.

Recent Developments

On September 25, 2018, following the take-up by Velvet of 126,915,362 Iron Bridge Shares pursuant to the Velvet Offer, the Iron Bridge Board was reconstituted to be composed of Messrs. Kenneth Woolner, Harvey Doerr, Vincent Chahley and Ms. Debbie Stein. The senior management of Iron Bridge was also replaced with Messrs. Kenneth Woolner as President and Chief Executive Officer, Chris Theal as Chief Financial Officer, Peter Henry as Vice President, Finance and Jeremy Kwasnecha as Vice President, Operations. Velvet also announced that the deadline for tendering under the Velvet Offer had been extended to October 5, 2018.

On September 25, 2018, Iron Bridge's revolving credit facility with a Canadian chartered bank was repaid and cancelled. Iron Bridge became a restricted subsidiary under Velvet's senior secured bank credit facilities (the "**Velvet Credit Facilities**") and is required to provide an unlimited guarantee under the Velvet Credit Facilities, to be secured by a first charge floating debenture over all assets of Iron Bridge. Iron Bridge is also required to provide an unlimited guarantee of Velvet's senior secured second lien notes, to be secured by a second charge floating debenture over all assets of Iron Bridge.

On October 5, 2018, Velvet announced that it had taken up an additional 16,872,875 Iron Bridge Shares pursuant to the extension of the Velvet Offer.

Effective October 11, 2018, Iron Bridge entered into the Amalgamation Agreement with AcquisitionCo.

Description of Capital Structure

Iron Bridge is authorized to issue an unlimited number of Iron Bridge Shares. The Iron Bridge Shares are entitled to dividends when declared by the Iron Bridge Board subject to the rights, privileges, restrictions and conditions attaching to any other class of shares, to one vote per share at meetings of shareholders of Iron Bridge and, upon liquidation, to receive such assets of Iron Bridge as are distributable to the holders of the Iron Bridge Shares. As at October 11, 2018, there were 163,914,887 Iron Bridge Shares issued and outstanding.

Previous Purchases and Sales

Iron Bridge has not purchased or sold any of its securities (excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights) in the 12 month period prior to the date hereof other than as described below.

On November 14, 2017, Iron Bridge announced its intention to commence a normal course issuer bid (the "**NCIB**"), pursuant to which Iron Bridge may purchase for cancellation, from time to time, up to a maximum of 12 million Iron

Bridge Shares. Since commencement of its NCIB in November 2017, Iron Bridge has purchased a total of 1.77 million Iron Bridge for cancellation for a total of \$1.17 million.

Trading Price and Volumes

The Iron Bridge Shares are listed for trading on the TSX under the trading symbol "IBR". The following table sets forth the price range and trading volume of the Iron Bridge Shares for the periods indicated, as reported by the TSX.

	Common Shares		
	High	Low	Volume
2018			
January	0.74	0.57	7,123,010
February	0.62	0.52	3,466,140
March	0.59	0.50	3,260,570
April	0.51	0.46	1,840,650
May	0.82	0.46	11,909,890
June	0.80	0.74	5,722,880
July	0.76	0.73	8,625,620
August	0.75	0.69	3,418,110
September	0.85	0.69	18,033,550
October (1 – 10)	0.85	0.84	56,048,360

On October 10, 2018, being the last day on which the Iron Bridge Shares traded prior to the date of this Information Circular, the closing price of the Iron Bridge Shares on the TSX was \$0.84.

Additional Information

Additional information regarding Iron Bridge may be found on SEDAR at www.sedar.com. Financial information in respect of Iron Bridge and its affairs is provided in Iron Bridge's financial statements and related management's discussion and analysis. Copies of Iron Bridge's financial statements and related management's discussion and analysis are available upon request from the Vice President, Finance of Iron Bridge, at Suite 1500, 308 – 4th Avenue SW, Calgary, AB T2P 0H7, Telephone (403) 781-9133.

INFORMATION CONCERNING VELVET

Velvet is a privately-held exploration and production company based in Calgary Alberta focused in the liquids-rich gas and light oil window of the Deep Basin of Alberta. The securities of Velvet are not listed or posted for trading on any exchange and Velvet is not a reporting issuer or the equivalent in any province or territory of Canada.

INFORMATION CONCERNING ACQUISITIONCO

AcquisitionCo is a private company, incorporated under the provisions of the ABCA for the sole purpose of completing the Amalgamation with Iron Bridge. All of the issued and outstanding AcquisitionCo Shares are held by Velvet.

INFORMATION CONCERNING AMALCO

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date.

AcquisitionCo and Iron Bridge have agreed to combine their respective businesses, assets and operations through the implementation of the Amalgamation. Following completion of the Amalgamation, Iron Bridge will be a wholly-owned subsidiary of Velvet, and Velvet will continue its business as an Alberta based liquids rich-gas and light oil focused company operating out of the Deep Basin of Alberta.

MATERIAL CHANGES AND OTHER INFORMATION

Except for the Offer and the take-up of Iron Bridge Shares thereunder and the Amalgamation and as otherwise disclosed publicly by Iron Bridge, there is no information which indicates that any material change has occurred in the affairs of Iron Bridge since the date of the last available published financial statements of Iron Bridge.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Iron Bridge to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax, email or other electronic or oral communication by directors, officers, employees or agents of Iron Bridge who will be specifically remunerated therefor. All costs of the solicitation will be borne by Iron Bridge.

Iron Bridge has not made a decision to engage proxy solicitation agents to encourage the return of completed proxies by Shareholders and to solicit proxies in favour of the matters to be considered at the Meeting. Iron Bridge may however do so, and if it does, the costs in respect of such services would be paid by Iron Bridge.

Appointment of Proxies

Shareholders are entitled to consider and vote upon the Amalgamation Resolution at the Meeting. Accompanying this Information Circular, in the case of registered holders of Iron Bridge Shares, is a form of proxy.

The Persons named in the enclosed form of proxy are directors and/or officers of Iron Bridge. A Shareholder desiring to appoint a Person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the Persons designated in the accompanying form of proxy may do so either by inserting such Person's name in the blank space provided in the appropriate form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy: (i) by mail or by hand delivery to Odyssey Trust Company, 350, 300 – 5th Avenue SW, Calgary, Alberta T2P 3C4; or (ii) by internet at <http://odysseytrust.com/Transfer-Agent/Login> in each case, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. You will require your control number found on your proxy in order to vote by internet. A form of proxy must be received by Odyssey Trust Company at least 48 hours (excluding Saturdays and holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. Failure to so deposit a form of proxy shall result in its invalidation.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either at the registered office of Iron Bridge at any time up to and including the last Business Day preceding the day of the Meeting or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. The registered office of Iron Bridge is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1.

Only the registered holder of Iron Bridge Shares has the right to revoke a proxy in the manner described above. If you are a Beneficial Shareholder and wish to change your vote, you must arrange for your broker or other intermediary in whose name your Iron Bridge Shares are registered to revoke the voting instructions given on your behalf in accordance with the instructions provided by such broker or other intermediary. It should be noted that the revocation of voting instructions by a Beneficial Shareholder can take several days or even longer to complete and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the voting

instruction form accompanying this Information Circular. See "*Beneficial Shareholders*" below for additional information on the voting procedures applicable to Beneficial Shareholders.

Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Iron Bridge Shares in their own name. Shareholders who do not hold their Iron Bridge Shares in their own name should note that only proxies deposited by Shareholders, whose names appear on the records of Iron Bridge as registered holders of Iron Bridge Shares, can be recognized and acted upon at the Meeting. If Iron Bridge Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those Iron Bridge Shares will not be registered in the Shareholder's name on the records of Iron Bridge. Such Iron Bridge Shares will more likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Iron Bridge Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as a nominee for many Canadian brokerage firms). Iron Bridge Shares held by brokers or their nominees can only be voted (for or against resolutions) upon instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting securities for their clients. Iron Bridge does not know for whose benefit the securities registered in the names of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their securities in person or by way of proxy.

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions that should be carefully followed by Beneficial Shareholders in order to ensure that their Iron Bridge Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. Beneficial Shareholders are asked to complete and return the voting instruction form to Broadridge by mail or facsimile or to follow specified telephone or internet voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. If a Beneficial Shareholder receives a voting instruction form from Broadridge, it cannot be used as a proxy to vote shares directly at the Meeting as the voting instruction forms must be returned to Broadridge or the telephone or internet procedures completed well in advance of the Meeting in order to have the shares voted.

The form of Broadridge voting instruction form contains more detailed instructions regarding the process for voting through the Broadridge internet and telephone system. **We encourage Beneficial Shareholders to review such instructions carefully and vote in accordance with such instructions or contact broker, dealer bank, trust company or other nominee promptly to provide instructions to vote on their behalf and thereby ensure their vote is recorded through the internet and telephone system.**

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.

Iron Bridge is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders, including Beneficial Shareholders. Iron Bridge will be delivering proxy-related materials to non-objecting Beneficial Shareholders with the assistance of Broadridge and the non-objecting Beneficial Shareholder's intermediary and intends to pay for the costs of an intermediary to deliver proxy related materials to objecting Beneficial Shareholders.

Signature of Proxy

The form of proxy must be executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate

instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Iron Bridge).

Voting of Proxies

The Persons named in the accompanying forms of proxy will vote the Iron Bridge Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, such Iron Bridge Shares will be voted FOR the approval of the Amalgamation Resolution.**

Exercise of Discretion of Proxy

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Information Circular, management of Iron Bridge knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Procedure and Votes Required

Only Shareholders of record as at the October 2, 2018 are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Iron Bridge Shares included in the applicable list of Shareholders prepared as at the Record Date. If a Shareholder transfers Iron Bridge Shares after the Record Date and the transferee of those Iron Bridge Shares, having produced properly endorsed certificates evidencing such Iron Bridge Shares or having otherwise established that the transferee owns such Iron Bridge Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Iron Bridge Shares at the Meeting.

Pursuant to Iron Bridge's by-laws:

- (a) Shareholders will be entitled to one vote in respect of the Amalgamation Resolution for each Iron Bridge Share held;
- (b) the Chairman of the Meeting will be any officer or director of Iron Bridge. The only Persons entitled to attend and speak at the Meeting will be the Shareholders or their authorized representatives, Iron Bridge's directors and officers, and its auditors, Iron Bridge's legal counsel, representatives and legal counsel of other Parties to the Amalgamation and such other Persons permitted to attend by the Chairman of the Meeting;
- (c) the number of votes required to pass the Amalgamation Resolution will be not less than 66 $\frac{2}{3}$ % of the votes cast by Shareholders, either in person or by proxy, at the Meeting;
- (d) the quorum at the Meeting will be at least two or more persons, present or represented by proxy as long as the holder or holders or more than five percent of the shares entitled to vote at the meeting are present in person or represented by proxy; and
- (e) in all other respects, the Meeting will be conducted in accordance with the articles and by-laws of Iron Bridge and the ABCA.

APPENDIX A

AMALGAMATION RESOLUTION

"BE IT RESOLVED, as a special resolution of Shareholders that:

1. the amalgamation (the "**Amalgamation**") under Sections 181, 182 and 183 of the *Business Corporations Act* (Alberta) substantially as set forth in the amalgamation agreement dated October 11, 2018 between Iron Bridge Resources Inc. ("**Iron Bridge**") and Velvet Acquisition Company Ltd. ("**AcquisitionCo**"), (the "**Amalgamation Agreement**") is hereby approved and authorized;
2. the Amalgamation Agreement is hereby confirmed, ratified and approved;
3. notwithstanding that this resolution has been duly passed by the shareholders of Iron Bridge, the board of directors may amend the Amalgamation Agreement or decide not to proceed with the Amalgamation or revoke this resolution at any time prior to the issuance of the certificate giving effect to the Amalgamation without further approval of the shareholders of Iron Bridge; and
4. any one director or officer of Iron Bridge for and on behalf of Iron Bridge be and is hereby authorized to execute and deliver Articles of Amalgamation and all other documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions."

APPENDIX B
AMALGAMATION AGREEMENT

AMALGAMATION AGREEMENT

between

VELVET ACQUISITION COMPANY LTD.

- and -

IRON BRIDGE RESOURCES INC.

October 11, 2018

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SCHEDULE

A - Articles of Amalgamation

AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of the 11th day of October, 2018:

BETWEEN:

VELVET ACQUISITION COMPANY LTD., a body corporate existing under the laws of Alberta ("**AcquisitionCo**")

- and -

IRON BRIDGE RESOURCES INC., a body corporate existing under the laws of Alberta ("**Iron Bridge**")

WHEREAS the Parties (as defined herein) intend to carry out an amalgamation of AcquisitionCo, a wholly-owned subsidiary of Velvet (as defined herein), and Iron Bridge under Section 181 of the *Business Corporations Act* (Alberta), on the terms and subject to the satisfaction or waiver of the conditions set out in this Agreement (as defined herein);

AND WHEREAS Amalco (as defined herein) will become a wholly-owned subsidiary of Velvet;

AND WHEREAS as of the date hereof, Velvet owns approximately 87.7% of the outstanding Iron Bridge Shares (as defined herein);

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed Amalgamation (as defined herein);

NOW THEREFORE this Agreement witnesseth 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 covenant and agree as set out below.

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms have the indicated meanings:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9 as amended, including the regulations promulgated thereunder;

"**AcquisitionCo**" means Velvet Acquisition Company Ltd., a wholly-owned subsidiary of Velvet;

"**AcquisitionCo Board**" means the board of directors of AcquisitionCo;

"**AcquisitionCo Shares**" means the common shares in the capital of AcquisitionCo;

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this amalgamation agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"**Amalco**" means the continuing corporation resulting from the Amalgamation;

"**Amalco Redeemable Preferred Shares**" means the Series A redeemable, retractable preferred shares in the capital of Amalco, having the rights, privileges, restrictions and conditions set out in the Articles of Amalgamation hereof;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamating Corporations**" means AcquisitionCo and Iron Bridge;

"**Amalgamation**" means the amalgamation of Iron Bridge and AcquisitionCo under the provisions of Section 181 of the ABCA, on the terms set out herein;

"**Amalgamation Resolution**" means the special resolution to approve the Amalgamation and to approve and ratify the Amalgamation Agreement to be presented to Shareholders for approval at the Meeting;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation, substantially in the form set out in Schedule A hereto, required under subsection 185(1) of the ABCA to be filed with the Registrar to give effect to the Amalgamation;

"**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;

"**Canadian Securities Authorities**" means the Alberta Securities Commission and other applicable securities commissions and securities regulatory authorities of the provinces and territories of Canada;

"**Canadian Securities Laws**" means the *Securities Act* (Alberta) and other applicable corporate and securities laws in force in Canada, including the rules, regulations, notices, instruments, orders and policies published and/or promulgated thereunder and the rules and policies of the TSX, as such may be amended from time to time prior to the Effective Date;

"**Certificate**" means the certificate of amalgamation to be issued by the Registrar, pursuant to subsection 185(4) of the ABCA, in respect of the Amalgamation;

"**Depository**" means the trust company appointed by AcquisitionCo and Iron Bridge for the purpose of receiving the deposit of certificates formerly representing Iron Bridge Shares;

"**Dissenting Shareholder**" means a registered Shareholder that validly exercises Dissent Rights;

"**Dissent Rights**" means the rights of dissent in relation to the Amalgamation as provided for in Section 191 of the ABCA;

"**Effective Date**" means the date shown on the Certificate;

"**Encumbrances**" means, in the case of property or an asset, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, outstanding demands, burdens, capital leases, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such property or assets, or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing), whether arising by Laws, contract or otherwise, against title to any of such property or assets, or any part thereof or interest therein or capable of becoming any of the foregoing;

"**Excluded Iron Bridge Shares**" means Iron Bridge Shares beneficially owned over which control or direction is exercised by Velvet or any of its affiliates other than Iron Bridge Shares acquired under the Offer or any other Iron Bridge Shares that are required to be excluded from voting on the Amalgamation Resolution pursuant to Canadian Securities Laws;

"Governmental Entity" means: (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the above; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (d) any government-controlled corporation or similar entity; or (e) any stock exchange;

"Information Circular" means the notice of the Meeting to be sent to Shareholders, and the information circular and proxy statement to be prepared in connection with the Meeting, together with all appendices, schedules and exhibits thereto, and any amendments thereto or supplements thereof;

"Iron Bridge" means Iron Bridge Resources Inc. and its Subsidiaries;

"Iron Bridge Board" means the board of directors of Iron Bridge;

"Iron Bridge Filings" means all documents publicly filed by Iron Bridge under the profile of Iron Bridge on the System for Electronic Document Analysis Retrieval (SEDAR) since January 1, 2017;

"Iron Bridge Financial Statements" means the audited consolidated financial statements of Iron Bridge for the years ended December 31, 2017 and 2016, together with the notes thereto and the report of the auditors thereon and the (unaudited) interim financial statements of Iron Bridge for the three and six months ended June 30, 2018 and 2017, together with the notes thereto;

"Iron Bridge Information" means the information to be included in the Information Circular regarding Iron Bridge, including its business, operations and affairs and the matters to be considered at the Meeting;

"Iron Bridge Shares" means the common shares in the capital of Iron Bridge;

"ITA" means the *Income Tax Act* (Canada), and the regulations thereunder from time to time, as amended;

"Law(s)" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law, orders, ordinances, judgments, decrees, guidelines, policies 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 and the term "applicable" with respect to such Laws and in a context that refers to a Person, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or its business, undertaking, property or securities;

"Letter of Transmittal" means the letter of transmittal to be sent to Shareholders (other than Velvet and its affiliates) pursuant to which Shareholders may deliver certificate(s) representing Iron Bridge Shares to the Depositary;

"Material Adverse Change" or **"Material Adverse Effect"** means any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances:

- (a) is or could reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition, liabilities (contingent or otherwise), of Iron Bridge, except any such change, event, occurrence, effect, or circumstance resulting from or arising in connection with:
 - (i) any change affecting the oil and gas services industry as a whole;
 - (ii) any changes in currency exchange, interest or inflation rates or commodity, securities or general economic, financial, or credit market conditions in Canada or elsewhere;
 - (iii) any changes in the market price of crude oil, natural gas or related hydrocarbons;

- (iv) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism);
- (v) any change in applicable Law;
- (vi) any change in Canadian generally accepted accounting principles;
- (vii) any natural disaster;
- (viii) any matters or actions required, permitted, restricted or contemplated by this Agreement or consented to or approved in writing by the other Parties, or, in all such cases, occurring as a direct result thereof;
- (ix) the failure of Iron Bridge to meet any internal or published projections, forecasts or estimates, of revenues, earnings, cash flows, utilization rates or other matters (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred);
- (x) the announcement or performance of this Agreement or consummation of the Amalgamation;
- (xi) any change in the market price or trading volume of any securities of Iron Bridge (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred); or
- (xii) any matter that has been expressly disclosed by Iron Bridge in writing to the other Party,;

provided, however, that with respect to clauses (i) through to and including (v) and (vii); such matter does not have a materially disproportionate effect on Iron Bridge relative to other comparable companies and entities operating in the industries in which Iron Bridge operates. Provided further, for greater certainty, that any change, event, occurrence, effect or circumstance arising from Iron Bridge carrying on its business in the ordinary course shall not be construed to be excluded, pursuant to clauses (viii) or (x) above, from the definition of "Material Adverse Change" or "Material Adverse Effect" by reason Iron Bridge being obligated to carry on its business in the Ordinary Course; or

- (b) prevents or materially impairs or could reasonably be expected to prevent or materially impair the ability of Iron Bridge to consummate the Amalgamation, and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

"Meeting" means the special meeting of Shareholders (including any adjournment or postponement thereof permitted under this Agreement) that is to be convened to consider, and, if deemed advisable, to approve the Amalgamation Resolution;

"Misrepresentation" has the meaning ascribed thereto under the *Securities Act* (Alberta);

"Offer" means the offer by Velvet dated May 29, 2018, as amended, to acquire all of the issued and outstanding Iron Bridge Shares;

"Offer and Circular" means, collectively, the offer to purchase and take-over bid circular of Velvet dated May 29, 2018, as amended by a notice of variation and change dated September 12, 2018 and a notice of extension dated September 24, 2018;

"Ordinary Course" means, with respect to an action taken by Iron Bridge that such action is consistent with the past practices of Iron Bridge and is taken in the ordinary course of the normal day-to-day operations of the business of Iron Bridge;

"Parties" means, collectively, the parties to this Agreement, and **"Party"** shall be construed to mean Iron Bridge or AcquisitionCo;

"Permitted Encumbrances" means (a) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are registered on title and not of such nature as to materially adversely affect the use of the property subject thereto; (b) the regulations and any rights reserved to or vested in any Governmental Entity to levy taxes or to control or regulate any Party's or any of its Subsidiaries' interests in any manner; (c) undetermined or inchoate liens incurred or created in the ordinary course of business as security for a Party's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Date; (d) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Date; (e) liens granted in the ordinary course of business to a Governmental Entity respecting operations pertaining to petroleum and natural gas rights; (f) liens for taxes, assessments and governmental charges that are not due and payable or delinquent; and (g) any encumbrances under a Party's or any of its Subsidiaries' existing credit facilities or other borrowing arrangements disclosed in writing to the other Party;

"Person" includes any individual, partnership, association, body corporate, company, organization, trust, estate, trustee, executor, administrator, legal representative, government (including any Governmental Entity), syndicate or other entity, whether or not having legal status;

"Redeemable Preferred Share Redemption Amount" means \$0.845 in cash per Amalco Redeemable Preferred Share, payable on redemption of the Amalco Redeemable Preferred Shares to be issued by Amalco to Shareholders (other than Dissenting Shareholders, Velvet and its affiliates) in connection with the Amalgamation, as more fully described in this Agreement;

"Registrar" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

"Representatives" means officers, directors, employees, legal and financial advisors, representatives and agents of Iron Bridge or AcquisitionCo, as the context requires;

"Shareholders" means the holders of Iron Bridge Shares;

"Subsidiary" has the meaning ascribed thereto in the ABCA;

"TSX" means the Toronto Stock Exchange;

"Velvet" means Velvet Energy Ltd.;

"Velvet Board" means the board of directors of Velvet; and

"Velvet Information" means the information provided by Velvet to Iron Bridge for inclusion in the Information Circular regarding Velvet and AcquisitionCo, including their respective businesses, operations and affairs.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections and the inclusion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

1.3 **Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 **Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day that is a Business Day in such place.

1.5 **Entire Agreement**

This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof.

1.6 **Currency**

All sums of money referred to in this Agreement are expressed in lawful money of Canada.

1.7 **Disclosure in Writing**

Any reference in this Agreement to disclosure in writing shall, in the case of AcquisitionCo, include disclosure to AcquisitionCo or its Representatives, and shall, in the case of Iron Bridge, include disclosure to Iron Bridge or its Representatives. For certainty, disclosure in writing shall include disclosure in any disclosure letters delivered concurrent with the execution hereof.

1.8 **Knowledge**

Any reference in this Agreement to the knowledge of a Party shall mean, unless otherwise specified, the best of the knowledge, information and belief of such Party's officers after reviewing all relevant records and making all reasonable inquiries, including of their respective direct reports, such knowledge consisting of actual knowledge and not any constructive, implied or imported knowledge.

1.9 **Schedules**

The following schedule attached hereto is incorporated into and form an integral part of this Agreement:

Schedule A - Articles of Amalgamation

ARTICLE 2
THE AMALGAMATION AND THE MEETING

2.1 **Agreement to Amalgamate**

AcquisitionCo and Iron Bridge agree that the Amalgamating Corporations shall amalgamate pursuant to Section 181 of the ABCA as of the Effective Date and continue as one corporation on the terms and subject to the satisfaction or waiver of the conditions set out in this Agreement, including the following:

- (a) Name. The name of Amalco shall be "Iron Bridge Resources Inc." or such other name as may be determined by the Velvet Board.
- (b) Registered Office. The registered office of Amalco shall be located at Suite 2400, 525 –8th Avenue S.W., Calgary, Alberta T2P 1G1.

- (c) Authorized Capital. Amalco shall be authorized to issue an unlimited number of Amalco Shares and an unlimited number of Amalco Redeemable Preferred Shares, which shall have the rights, privileges, restrictions and conditions set out in the Articles of Amalgamation.
- (d) Restrictions on Share Transfers. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles of Amalgamation.
- (e) Number of Directors. The minimum number of directors of Amalco shall be one and the maximum number of directors of Amalco shall be seven.
- (f) Initial Directors. The number of first directors of Amalco shall be three. The first directors of Amalco shall be the individuals whose names and addresses are set out below:

<u>Name</u>	<u>Address</u>
Kenneth Woolner	Suite 2400, 525 –8 th Avenue S.W., Calgary, Alberta T2P 1G1
Chris Theal	Suite 2400, 525 –8 th Avenue S.W., Calgary, Alberta T2P 1G1
Peter Henry	Suite 2400, 525 –8 th Avenue S.W., Calgary, Alberta T2P 1G1

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

- (g) Restrictions on Business. There shall be no restrictions on the business that Amalco may carry on.
- (h) Amalgamation. On the Effective Date:
 - (i) each issued and outstanding Iron Bridge Share (other than Iron Bridge Shares held by Velvet and its affiliates and any Dissenting Shareholders) shall be converted into one Amalco Redeemable Preferred Share;
 - (ii) each issued and outstanding Iron Bridge Share held by Velvet and its affiliates shall be converted into one Amalco Share;
 - (iii) each issued and outstanding Iron Bridge Share held by a Dissenting Shareholder will be cancelled and the Dissenting Shareholder will be entitled to be paid the fair value of such Iron Bridge Share by Amalco in accordance with the ABCA;
 - (iv) each issued and outstanding AcquisitionCo Share shall be converted into one Amalco Share; and
- (i) Redemption. Each Amalco Redeemable Preferred Share will be redeemed by Amalco immediately following the Amalgamation for the Redeemable Preferred Share Redemption Amount.
- (j) Stated Capital. Subject to reduction to effect payments made to Dissenting Shareholders as hereinafter set out and Section 28(4) of the ABCA:
 - (i) upon completion of the Amalgamation:
 - (A) there shall be added to the stated capital account in respect of each Amalco Redeemable Preferred Share an amount equal to \$0.845 per share; and
 - (B) there shall be added to the stated capital account in respect of the Amalco Shares an amount equal to the aggregate paid-up capital of the AcquisitionCo Shares and the Iron Bridge Shares immediately prior to the Amalgamation, less

- (1) the amount of the stated capital added to the Amalco Redeemable Preferred Shares; and
 - (2) the aggregate paid-up capital of the Iron Bridge Shares held by AcquisitionCo immediately prior to the Amalgamation.
- (k) By-Laws. The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of AcquisitionCo.
- (l) Auditors. The Auditors of Amalco shall be PriceWaterhouseCoopersLLP, Chartered Professional Accountants.
- (m) Initial Officers. The initial officers of Amalco shall be the individuals whose names and titles are set out below:

<u>Name</u>	<u>Title</u>
Kenneth Woolner	President and Chief Executive Officer
Chris Theal	Chief Financial Officer and Secretary
Peter Henry	Vice President, Finance
- (n) Share Certificates. Subject to Section 2.2, upon the presentation and surrender by a Shareholder to the Depository of the certificate or certificates representing Iron Bridge Shares held by such Shareholder together with a duly completed Letter of Transmittal, the Depository shall promptly prepare and deliver to such Shareholder a cheque representing the Redeemable Preferred Share Redemption Amount to which the Shareholder is entitled as a result of the Amalgamation and the subsequent redemption of the Amalco Redeemable Preferred Shares. No certificates shall be issued in respect of the Amalco Redeemable Preferred Shares issued pursuant to the Amalgamation and such shares shall be evidenced by the certificates representing Iron Bridge Shares (for greater certainty, other than certificates representing Iron Bridge Shares held by Dissenting Shareholders and Velvet). On the Effective Date, share certificates evidencing Iron Bridge Shares shall cease to represent any claim upon or interest in Iron Bridge other than the right of the holder to receive certificates representing cash as provided for herein.
- (o) Dissenting Shareholders. Iron Bridge Shares held by a Dissenting Shareholder shall not be exchanged for Amalco Redeemable Preferred Shares pursuant to the Amalgamation. However, if a Dissenting Shareholder fails to perfect or effectively withdraws such Dissenting Shareholder's claim under Section 191 of the ABCA or forfeits such Dissenting Shareholder's right to make a claim under Section 191 of the ABCA or if his rights as a Shareholder are otherwise reinstated, such Shareholder's Iron Bridge Shares shall thereupon be deemed to have been converted into Amalco Redeemable Preferred Shares as of the Effective Date in accordance with the Amalgamation and cancelled in accordance with Section 2.1(h)(i).
- (p) Effect of Amalgamation. On the Effective Date:
 - (i) the property (except amounts receivable from any Amalgamation Corporation or shares of any Amalgamation Corporation) of each Amalgamating Corporation will continue to be the property of Amalco;
 - (ii) Amalco will continue to be liable for the obligations (except amounts payable to any Amalgamation Corporation) of each Amalgamating Corporation;
 - (iii) any existing cause of action, claim or liability to prosecution pending by or against either of the Amalgamating Corporations will be unaffected;

- (iv) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco;
- (v) any conviction against, or ruling, order or judgment in favour or against, either of the Amalgamating Corporations may be enforced by or against Amalco; and
- (vi) the Articles of Amalgamation of Amalco shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of Amalco.

2.2 Information Circular and Meeting

At such times as agreed to by AcquisitionCo and Iron Bridge, acting reasonably, and in compliance with applicable Laws:

- (a) AcquisitionCo shall prepare the AcquisitionCo Information for inclusion in the Information Circular and ensure that the AcquisitionCo Information is true and complete in all material respects as of the date of the Information Circular and does not contain any Misrepresentation;
- (b) Iron Bridge shall:
 - (i) prepare the Information Circular, in consultation with Velvet and AcquisitionCo, and cause such circular and the Letters of Transmittal to be mailed to the Shareholders (other than Velvet and its affiliates) in all jurisdictions in accordance with applicable Laws;
 - (ii) convene the Meeting no later than November 30, 2018 or such other date as AcquisitionCo and Iron Bridge may agree in writing; and
 - (iii) ensure that the Information Circular includes the Iron Bridge Information and the determinations of the Iron Bridge Board pursuant to Section 2.6;
 - (iv) ensure that the Iron Bridge Information is true and complete in all material respects as of the date of the Information Circular and does not contain any Misrepresentation; and
- (c) AcquisitionCo and Iron Bridge shall cooperate in the preparation, filing and mailing of the Information Circular. Each of AcquisitionCo and Iron Bridge shall provide the other and their respective Representatives with a reasonable opportunity to review and comment on the Information Circular and any other relevant documentation and shall incorporate all reasonable comments made by AcquisitionCo and Iron Bridge and their respective counsel and the Information Circular shall be reasonably satisfactory to each of AcquisitionCo and Iron Bridge before it is filed or distributed to the Shareholders.

2.3 Effective Date

The Amalgamation shall become effective on the Effective Date.

2.4 Iron Bridge Approval

Iron Bridge represents and warrants to AcquisitionCo that the Iron Bridge Board has determined that the Amalgamation is in the best interests of Iron Bridge and has approved the Amalgamation and the entering into of the

Amalgamation Agreement. The Iron Bridge Board has determined that it will recommend that the Shareholders vote in favour of the Iron Bridge Amalgamation Resolution.

2.5 Withholdings

- (a) Each of the Parties shall be entitled to deduct and withhold from any consideration otherwise payable to Shareholders, such amounts as the applicable Party is required to deduct and withhold from such consideration in accordance with applicable tax laws. Any such amounts will be deducted and withheld from such consideration payable pursuant to the Amalgamation, in accordance with this Agreement and shall be treated for all purposes as having been paid to the Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.
- (b) Each of the Parties or the Depositary, as trustee, shall be authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with its deducting or withholding requirements and such Party shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale to such holder.

2.6 Filing of Articles of Amalgamation

Upon the satisfaction or waiver of the conditions set out herein and provided that this Agreement is not otherwise terminated in accordance with its terms, the Articles of Amalgamation and such other documents as may be required under the ABCA to give effect to the Amalgamation shall be filed with the Registrar.

ARTICLE 3 **COVENANTS**

3.1 Covenants of AcquisitionCo

AcquisitionCo hereby agrees that, from the date hereof until the Effective Date or termination of this Agreement in accordance with its terms, except with the prior written consent of Iron Bridge (such consent not to be unreasonably withheld), and except as otherwise expressly permitted, disclosed in writing or specifically contemplated by this Agreement:

- (a) AcquisitionCo shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;
- (b) AcquisitionCo shall use its reasonable commercial efforts to obtain the consent of third parties, to the extent required, to the Amalgamation and provide evidence of the same to Iron Bridge on or prior to the Effective Date;
- (c) AcquisitionCo shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set out in Sections 5.1 and 5.2 as soon as reasonably practicable to the extent that the satisfaction of the same is within the control of AcquisitionCo;
- (d) AcquisitionCo will assist Iron Bridge in the preparation of the Information Circular and provide to Iron Bridge, in a timely and expeditious manner, all information as Iron Bridge may reasonably request with respect to AcquisitionCo for inclusion in the Information Circular and any amendments or supplements thereto, in each case complying in all material respects with Applicable Canadian Securities Laws on the date of issue thereof and to enable Iron Bridge to meet the standard referred to in subsection 3.2(l) with respect to AcquisitionCo, the Amalgamation and the transactions to be considered at the Meeting;
- (e) AcquisitionCo shall indemnify and save harmless Iron Bridge and the directors, officers and agents of Iron Bridge from and against any and all liabilities, claims, demands, losses, costs, damages and

expenses (excluding any loss of profits or consequential damages) to which Iron Bridge, or any director, officer or agent thereof, may be subject or which Iron Bridge, or any director, officer or agent thereof, may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

- (i) any Misrepresentation or alleged Misrepresentation in the AcquisitionCo Information or in any material filed by AcquisitionCo in relation to the Amalgamation in compliance or intended compliance with any applicable Laws;
 - (ii) AcquisitionCo not complying with any requirement of applicable Laws in connection with the Amalgamation; except that AcquisitionCo shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any Misrepresentation or alleged Misrepresentation based solely on or relating to the Iron Bridge Information included in the Information Circular;
- (f) AcquisitionCo will make all necessary filings and applications under applicable Laws required to be made on the part of AcquisitionCo in connection with the Amalgamation and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (g) to the extent applicable, AcquisitionCo shall vote all Iron Bridge Shares held by it as of the date of the Meeting in favour of the Iron Bridge Amalgamation Resolution at the Meeting;
- (h) AcquisitionCo will cause to be taken all necessary corporate action to permit the issuance of the Amalco Redeemable Preferred Shares to Shareholders (other than Velvet, its affiliates and any Dissenting Shareholder) in connection with the Amalgamation and deposit sufficient funds with the Depositary on or prior to the Effective Date so that Amalco redeem the Amalco Redeemable Preferred Shares for the aggregate Redeemable Preferred Share Redemption Amount;
- (i) AcquisitionCo shall, on the Effective Date, provide to the Depositary an irrevocable direction authorizing and directing the Depositary, subject to the receipt of Letters of Transmittal from the applicable Shareholders (other than Velvet, its affiliates and Dissenting Shareholders), to issue the Amalco Redeemable Preferred Shares issuable under the Amalgamation to such holders in accordance with the terms of the Amalgamation;
- (j) AcquisitionCo shall, on the Effective Date, provide to the Depositary an irrevocable direction authorizing and directing the Depositary, subject to the receipt of the Letters of Transmittal from Shareholders (other than Velvet and its affiliates and Dissenting Shareholders), to deliver the Redeemable Preferred Share Redemption Amount issuable under the Amalgamation to holders of Amalco Redeemable Preferred Shares in accordance with the terms of the Amalgamation; and
- (k) AcquisitionCo shall use commercially reasonable efforts to take all necessary actions to give effect to the Amalgamation.

3.2 Covenants of Iron Bridge

Iron Bridge hereby agrees that, from the date hereof until the Effective Date or termination of this Agreement in accordance with its terms, except with the prior written consent of AcquisitionCo (such consent not to be unreasonably withheld), and except as otherwise expressly permitted, disclosed in writing or specifically contemplated by this Agreement:

- (a) Iron Bridge's business shall be conducted, in all material respects, only in the Ordinary Course, and Iron Bridge shall consult with AcquisitionCo in respect of the ongoing business and affairs of Iron Bridge and keep AcquisitionCo apprised of all material developments relating thereto;

- (b) Iron Bridge shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;
- (c) Iron Bridge shall promptly notify AcquisitionCo in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Iron Bridge threatened, financial or otherwise) in its business, operations, affairs, assets, liabilities (contingent or otherwise), financial condition, capitalization, results of operations, properties, licenses, prospects or cash flows, whether contractual or otherwise, or of any change in any representation or warranty provided by Iron Bridge in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Iron Bridge shall in good faith discuss with AcquisitionCo any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Iron Bridge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to AcquisitionCo pursuant to this provision;
- (d) Iron Bridge shall use its reasonable commercial efforts to obtain the consent of third parties, to the extent required, to the Amalgamation and provide evidence of the same to AcquisitionCo on or prior to the Effective Date;
- (e) Iron Bridge shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set out in Sections 5.1 and 5.3 as soon as reasonably practicable to the extent that the satisfaction of the same is within the control of Iron Bridge;
- (f) Iron Bridge shall allow AcquisitionCo's Representatives to attend the Meeting;
- (g) Iron Bridge will ensure that the Information Circular provides Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matter before them, and will set out the AcquisitionCo Information in the Information Circular in the form approved by AcquisitionCo;
- (h) Iron Bridge shall indemnify and save harmless AcquisitionCo and the directors, officers and agents of AcquisitionCo from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which AcquisitionCo, or any director, officer or agent thereof, may be subject or which AcquisitionCo, or any director, officer or agent thereof, may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any Misrepresentation or alleged Misrepresentation in the Iron Bridge Information or in any material filed by Iron Bridge in relation to the Amalgamation in compliance or intended compliance with any applicable Laws;
 - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation or any alleged Misrepresentation in the Iron Bridge Information or in any material filed by or on behalf of Iron Bridge, in relation to the Amalgamation, in compliance or intended compliance with applicable Canadian Securities Laws, which prevents or restricts the trading in the Iron Bridge Shares; or
 - (iii) Iron Bridge not complying with any requirement of applicable Laws in connection with the Amalgamation;

except that Iron Bridge shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any Misrepresentation or alleged Misrepresentation based solely on or relating to the AcquisitionCo Information included in the Information Circular;

- (i) except for proxies and other non-substantive communications with shareholders, Iron Bridge will furnish promptly to AcquisitionCo or AcquisitionCo's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Iron Bridge in connection with: (i) the Amalgamation; (ii) the Meeting; (iii) any filings under applicable Laws; and (iv) any dealings with Canadian Securities Authorities in connection with the Amalgamation;
- (j) Iron Bridge shall conduct the Meeting in accordance with applicable Laws, the by-laws of Iron Bridge and any instrument governing the Meeting, as applicable;
- (k) AcquisitionCo will cause to be taken all necessary corporate action to permit the issuance of the Amalco Redeemable Preferred Shares to Shareholders (other than Velvet, its affiliates and any Dissenting Shareholder) in connection with the Amalgamation;
- (l) Iron Bridge will make all necessary filings and applications under applicable Laws required to be made on the part of Iron Bridge in connection with the Amalgamation and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (m) Iron Bridge shall promptly advise AcquisitionCo of the number of Iron Bridge Shares for which Iron Bridge receives notices of dissent or written objections in relation to the Amalgamation and provide AcquisitionCo with copies of such notices and written objections; and
- (n) Iron Bridge shall use commercially reasonable efforts to take all necessary actions to give effect to the Amalgamation.

3.3 Mutual Covenants

From the date hereof until the Effective Date, each of the Parties will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions to the Amalgamation hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable Laws to complete the Amalgamation, including using reasonable commercial efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other material contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to complete the Amalgamation;
- (c) to effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Amalgamation, and each of AcquisitionCo and Iron Bridge will use its reasonable commercial efforts to cooperate with each other in connection with the performance by the other of their obligations under this Section 3.3 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as among officers of AcquisitionCo and Iron Bridge; and
- (d) to reasonably cooperate with each other and their respective tax advisors in structuring the Amalgamation in a tax effective manner, and assist the other Party and their tax advisor in making such investigations and inquiries with respect to such Party in that regard as the other Party and its tax advisor shall consider necessary, acting reasonably, provided that such Party shall not be obligated to consent or agree to any structuring that has the effect of reducing or increasing the consideration to be received under the Amalgamation.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Iron Bridge

Iron Bridge represents and warrants to and in favour of AcquisitionCo as follows and acknowledges that AcquisitionCo is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Organization and Qualification. Iron Bridge has been duly amalgamated, and is validly subsisting under the Laws of its jurisdiction of formation and has the requisite power and capacity to own its assets and properties as now owned and to carry on its business as now conducted. Iron Bridge is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary, except where the failure to be so registered or authorized would not, individually or in the aggregate, have a Material Adverse Effect on Iron Bridge.
- (b) Authority Relative to this Agreement. Iron Bridge has the requisite corporate power and capacity to execute this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Iron Bridge of the Amalgamation have been duly authorized by the Iron Bridge Board and, subject to the requisite approval of the Shareholders, no other proceedings on the part of Iron Bridge are necessary to authorize this Agreement or the Amalgamation, other than the approval of the Information Circular by the Iron Bridge Board and matters ancillary thereto and approval by the Shareholders of the Iron Bridge Amalgamation Resolution. This Agreement has been duly executed and delivered by Iron Bridge and constitutes a legal, valid and binding obligation of Iron Bridge enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) Subsidiaries, Joint Ventures and Partnerships. Other than Iron Chain, Iron Bridge has no Subsidiaries, joint ventures or partnerships. There are no rights of first refusal or similar rights restricting the transfer of Iron Bridge Shares contained in shareholders, partnership, joint venture or similar agreements or pursuant to existing financing arrangements.
- (d) Reporting Issuer Status and Public Record. Iron Bridge is a "reporting issuer" in each of the provinces of Canada and is in material compliance with all applicable Canadian Securities Laws therein and the Iron Bridge Shares are listed and posted for trading on the TSX. Iron Bridge is not in default of any material requirement of applicable Canadian Securities Laws in such jurisdictions or any rules or regulations of, or agreement with, the TSX. No delisting, suspension of trading in or cease trade order with respect to Iron Bridge Shares is pending or, to the knowledge of Iron Bridge, threatened or is expected to be implemented or undertaken (other than following the Amalgamation) and to its knowledge and except as otherwise disclosed in writing to the other Parties, Iron Bridge is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. The documents and information comprising Iron Bridge Filings did not at the respective times they were filed with the relevant Canadian Securities Authorities, contain any Misrepresentation, unless such document or information was subsequently corrected or superseded in Iron Bridge Filings prior to the date hereof. Iron Bridge has timely filed with the Canadian Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Iron Bridge with the Canadian Securities Authorities since becoming a "reporting issuer" under Canadian Securities Laws. Iron Bridge has not filed any confidential material change report that, at the date hereof, remains confidential.

- (e) Capitalization. As of the date hereof, the authorized capital of Iron Bridge consists of an unlimited number of Iron Bridge Shares. As of the date hereof, there are issued and outstanding 163,914,887 Iron Bridge Shares and no other shares are issued and outstanding. There are no options, warrants or other rights, plans agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by Iron Bridge of any securities of Iron Bridge (including Iron Bridge Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Iron Bridge (including Iron Bridge Shares). All outstanding Iron Bridge Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights. There are no securities of Iron Bridge outstanding which have the right to vote generally with Shareholders on any matter.
- (f) Absence of Certain Changes or Events. Except for the Amalgamation or any action taken in accordance with this Agreement, since September 23, 2018:
 - (i) Iron Bridge has conducted its business only in the Ordinary Course, other than as disclosed in Iron Bridge Filings;
 - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Iron Bridge has been incurred other than in the Ordinary Course or as disclosed in Iron Bridge Filings;
 - (iii) there has been no Material Adverse Change in respect of Iron Bridge other than as disclosed in Iron Bridge Filings; and
 - (iv) Iron Bridge has not, and to the knowledge of Iron Bridge, no director, officer, employee or auditor of any of Iron Bridge has received or otherwise had or obtained knowledge of any fraud, material complaint, allegation, assertion or claim, whether written or oral, regarding fraud or the accounting or auditing practices, procedures, methodologies or methods of any member of Iron Bridge or its internal accounting controls.

4.2 **Representations and Warranties of AcquisitionCo**

AcquisitionCo represents and warrants to and in favour of Iron Bridge as follows and acknowledges that Iron Bridge is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Organization and Qualification. AcquisitionCo has been duly incorporated and is validly subsisting under the Laws of its jurisdiction of formation and has the requisite power and capacity to own its assets and properties as now owned and to carry on its business as now conducted. AcquisitionCo is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary, except where the failure to be so registered or authorized would not, individually or in the aggregate, have a Material Adverse Effect on AcquisitionCo.
- (b) Authority Relative to this Agreement. AcquisitionCo has the requisite corporate power and capacity to execute this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by AcquisitionCo of the Amalgamation have been duly authorized by board of directors of AcquisitionCo, respectively, and no other proceedings on the part of AcquisitionCo are necessary to authorize this Agreement or the Amalgamation. This Agreement has been duly executed and delivered by AcquisitionCo and constitutes a legal, valid and binding obligation of AcquisitionCo enforceable against each of them, respectively, in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) Capitalization of AcquisitionCo. As of the date hereof, the authorized capital of AcquisitionCo consists of an unlimited number of AcquisitionCo Shares. As of the date hereof, there are issued and outstanding one (1) AcquisitionCo Share and no other shares are issued and outstanding. There are no options, warrants or other rights, plans agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by AcquisitionCo of any securities of AcquisitionCo (including AcquisitionCo Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of AcquisitionCo (including AcquisitionCo Shares). All outstanding AcquisitionCo Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.
- (d) AcquisitionCo Board Approval. The AcquisitionCo Board has unanimously approved the Amalgamation and this Agreement.
- (e) AcquisitionCo Shareholder Approval. Velvet, as the sole shareholder of AcquisitionCo, has approved the Amalgamation and this Agreement.

ARTICLE 5
CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to consummate the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of the Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Amalgamation Resolution shall have been passed by not less than 66 2/3% of the votes cast by Shareholders present in person or represented by proxy at the Meeting and by a majority of the of the votes cast by Shareholders present in person or represented by proxy at the Meeting excluding any votes cast in respect of Excluded Iron Bridge Shares, if any;
- (b) the Articles of Amalgamation to be filed with the Registrar in accordance with the Amalgamation shall be in form and substance satisfactory to each of AcquisitionCo and Iron Bridge, acting reasonably;
- (c) there shall be no action taken under any existing applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Entity, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the Amalgamation; and
- (d) all other required domestic and foreign regulatory, governmental and third party approvals and consents in respect of the completion of the Amalgamation shall have been obtained on terms and conditions satisfactory to AcquisitionCo and Iron Bridge, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory regulatory period.

The conditions set out in this Section 5.1 are for the mutual benefit of the Parties and may be asserted by AcquisitionCo or Iron Bridge regardless of the circumstances and may be waived by AcquisitionCo (on behalf of itself and on behalf

of AcquisitionCo) or Iron Bridge in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Parties may have.

5.2 Conditions to Obligations of Iron Bridge

The obligation of Iron Bridge to consummate the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the material covenants, acts and undertakings of AcquisitionCo to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by AcquisitionCo;
- (b) AcquisitionCo shall have deposited cash or immediately accessible funds greater or equal to the aggregate Redeemable Preferred Share Redemption Amount with the Depository for the Amalco Redeemable Preferred Shares issuable pursuant to the Amalgamation;
- (c) AcquisitionCo shall have furnished Iron Bridge with:
 - (i) a certified copy of the resolutions duly passed by the board of directors of AcquisitionCo approving this Agreement and the Amalgamation; and
 - (ii) a certified copy of the resolution of the sole shareholder of AcquisitionCo approving the Amalgamation; and
- (d) the representations and warranties of AcquisitionCo contained in Section 4.2, shall be true as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak of an earlier date or except as affected by transactions contemplated or permitted by this Agreement) and AcquisitionCo shall have complied with its covenants in this Agreement, except where the failure or failures of such representations and warranties to be so true and correct or the failure to perform such covenants would not, or would not reasonably be expected to have a Material Adverse Effect on AcquisitionCo, or to materially impede or reasonably be expected to materially impede the completion of the Amalgamation, and Iron Bridge shall have received a certificate to that effect dated the Effective Date from an executive officer of AcquisitionCo acting solely on behalf of AcquisitionCo, as applicable, and not in their personal capacity, to the best of their information and belief having made reasonable inquiry, and Iron Bridge will have no knowledge to the contrary.

The conditions described in this Section 5.2 are for the exclusive benefit of Iron Bridge and may be asserted by Iron Bridge regardless of the circumstances or may be waived by Iron Bridge in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Iron Bridge may have.

5.3 Conditions to Obligations of AcquisitionCo

The obligations of AcquisitionCo to consummate the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the material covenants, acts and undertakings of Iron Bridge to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Iron Bridge;
- (b) Iron Bridge shall have furnished AcquisitionCo with:
 - (i) a certified copy of the resolutions duly passed by the Board approving this Agreement and the Amalgamation and directing the submission of the Amalgamation Resolution for approval at the Meeting and recommending that Shareholders vote in favour of the

Amalgamation Resolution and confirming that the Amalgamation is in the best interests of Iron Bridge and the Shareholders; and

- (ii) a certified copy of the Amalgamation Resolution, duly passed at the Meeting;
- (c) the representations and warranties of Iron Bridge contained in Section 4.1 shall be true as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak of an earlier date or except as affected by transactions contemplated or permitted by this Agreement) and Iron Bridge shall have complied with its covenants in this Agreement, except where the failure or failures of such representations and warranties to be so true and correct or the failure to perform such covenants would not, or would not reasonably be expected to have a Material Adverse Effect on Iron Bridge or to materially impede or reasonably be expected to materially impede the completion of the Amalgamation, and AcquisitionCo shall have received a certificate to that effect dated the Effective Date from an executive officer of Iron Bridge acting solely on behalf of Iron Bridge and not in their personal capacity, to the best of their information and belief having made reasonable inquiry, and AcquisitionCo will have no knowledge to the contrary;
- (d) the Iron Bridge Board shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in Section 2.7 in a manner materially adverse to AcquisitionCo or the completion of the Amalgamation;
- (e) there shall not have occurred any Material Adverse Change in respect of Iron Bridge since June 30, 2018;
- (f) immediately prior to the Effective Date, AcquisitionCo shall be satisfied there shall be not more than 163,914,887 Iron Bridge Shares outstanding (and AcquisitionCo shall be satisfied that upon completion of the Amalgamation no person shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued securities of Iron Bridge.

The conditions described in this Section 5.3 are for the exclusive benefit of AcquisitionCo and may be asserted by AcquisitionCo regardless of the circumstances or may be waived by AcquisitionCo (on behalf of itself and on behalf of Subco) in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which AcquisitionCo may have.

5.4 Notice and Effect of Failure to Comply with Conditions

Each of the Parties will give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) constitute a breach of any of its representations or warranties contained herein or which would cause such representations and warranties to be untrue or incorrect on the Effective Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder prior to the Effective Date.

If any of the conditions set out in Sections 5.1, 5.2 or 5.3 hereof shall not be satisfied, complied with, or waived by the Party for whose benefit such conditions are provided, on or before the date required for the performance thereof, then a Party for whose benefit the condition is provided may rescind and terminate this Agreement as provided in subsections 9.1(b)(iv) or (c)(iv) hereof; provided that neither Iron Bridge, nor Subco may rescind and terminate this Agreement pursuant to the conditions contained in Sections 5.1, 5.2 or 5.3 or exercise any termination right arising therefrom if the Party intending to rely thereon had knowledge at the date of this Agreement of any breaches of

covenants, inaccuracies of representations and warranties or other matters which the Party delivering a notice pursuant to this Section 5.4 is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be and unless forthwith, and in any event prior to the filing of the Articles of Amalgamation, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be.

If any such notice is delivered, provided that a Party is proceeding diligently to cure any such matter capable of cure, no Party may terminate this Agreement until the expiration of a period of five (5) Business Days from the date of receipt of such notice (provided that no such cure period shall extend beyond the Outside Date). If such notice has been delivered prior to the date of the Meeting, Iron Bridge may elect to postpone the meeting of its shareholders until the expiry of such period.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of AcquisitionCo and Iron Bridge, Articles of Amalgamation are filed under the ABCA and the Certificate has been issued by the Registrar.

ARTICLE 6 **AMENDMENT**

6.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Date, be amended by mutual written agreement of the Parties, subject to applicable Laws.

Any Party may:

- (a) change the time for performance of any of the obligations or acts of the other Party with consent of the other Party;
- (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 other Party; and
- (d) waive compliance with or modify any conditions precedent herein contained,

provided however that any such extension or waiver shall be valid only if set out in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

ARTICLE 7 **GENERAL**

7.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto.

7.2 Assignment

No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party.

7.3 Disclosure

The Parties require the prior consent (such consent not to be unreasonably withheld) of the other Party prior to issuing or permitting any director, officer, employee or agent to issue, any news release or other written statement with respect to this Agreement or the Amalgamation. Notwithstanding the foregoing, if any Party is required by law, administrative regulation or stock exchange rules to make any disclosure relating to this Agreement or Amalgamation, such disclosure may be made, but that Party will consult with the other Party as to the wording of such disclosure prior to its being made.

7.4 Costs

Except as contemplated herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with this Agreement and the Amalgamation.

7.5 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

7.6 Further Assurances

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

7.7 Time of Essence

Time shall be of the essence of this Agreement.

7.8 Specific Performance

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or to otherwise obtain specific performance of any such provisions, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

7.9 Third Party Beneficiaries

The provisions of subsections 2.5(a) and (b), Section 3.1(g) and Section 3.2(h) are: (a) intended for the benefit of all present and former directors and officers of Iron Bridge and AcquisitionCo, as and to the extent applicable in

accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and each of Iron Bridge and AcquisitionCo, as the case may be, shall hold the rights and benefits of subsections 2.5(a) and (b), Section 3.1(g) and Section 3.2(h) in trust for and on behalf of the Third Party Beneficiaries and each of Iron Bridge and AcquisitionCo hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

Except as provided in this Section 8.9, this Agreement shall not: (i) confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; (ii) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment; or (iii) other than as may be provided for herein, be construed to establish, amend, or modify any benefit or compensation plan, program, agreement or arrangement.

7.10 Privacy

- (a) For the purposes of this Section 8.10 the following definitions shall apply:
- (i) "**applicable law**" means, in relation to any person, transaction or event, all applicable provisions of applicable Laws by which such person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (ii) "**applicable privacy laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta);
 - (iii) "**authorized authority**" means, in relation to any person, transaction or event, any federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event; and
 - (iv) "**Personal Information**" means information about an individual transferred to a Party by another Party in accordance with this Agreement and/or as a condition of the Amalgamation.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").
- (c) No Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Amalgamation.
- (d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Amalgamation, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Amalgamation.

- (e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access such information in order to complete the Amalgamation.
- (g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the counterparty shall forthwith cease all use of the Personal Information acquired by the counterparty in connection with this Agreement and will return to the Party or, at the Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

7.11 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta in respect of all matters or disputes arising under or in relation to this Agreement.

7.12 **Counterparts**

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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

VELVET ACQUISITION COMPANY LTD.

Per: (signed) "Kenneth Woolner"
Kenneth Woolner
President and Chief Executive Officer

IRON BRIDGE RESOURCES INC.

Per: (signed) "Chris Theal"
Chris Theal
Chief Financial Officer

SCHEDULE A
ARTICLES OF AMALGAMATION

ARTICLES OF AMALGAMATION

Business Corporations Act
(Alberta)

Section 185

1. Name of Amalgamated Corporation: IRON BRIDGE RESOURCES INC.

2. The classes of shares, and any maximum number of shares that the Corporation is authorized to issue:

See Schedule "A" attached hereto

3. Restriction on share transfers, if any:

See Schedule "B" attached hereto

4. Number, or minimum and maximum number of directors:

Minimum of one (1); Maximum of seven (7)

5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):

N/A

6. Other Provisions, if any:

See Schedule "C" attached hereto

7. Name of Amalgamating Corporations:	Corporate Access Number:
Velvet Acquisition Company Ltd.	2021474891
Iron Bridge Resources Inc.	2016490092

_____	_____
Name of Person Authorizing (please print)	Signature
_____	_____
Title (please print)	Date

This information is being collected for purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3rd Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

SCHEDULE "A"

The Corporation is authorized to issue:

- (a) One class of shares, to be designated as "Common Shares", in an unlimited number; and
- (b) One class of shares, to be designated as "Series A Redeemable Retractable Preferred Shares", in an unlimited number;

such shares having attached thereto the following rights, privileges, restrictions and conditions:

COMMON SHARES

The Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

Voting

1. the right to one vote at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;

Dividends

2. subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive any dividend declared by the Corporation; and

Liquidation

3. subject to the prior rights and privileges attaching to any other class of shares of the Corporation, the right to receive the remaining property and assets of the Corporation upon dissolution.

SERIES A REDEEMABLE RETRACTABLE PREFERRED SHARES (the "Series A Preferred Shares")

Voting

1. The holders of the Series A Preferred Shares shall not be entitled (except as expressly provided in the *Business Corporations Act* (Alberta)) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at such meeting.

Dividends

2. The holders of the Series A Preferred Shares shall not be entitled to receive any dividends thereon.

Redemption

3. (a) For the purpose of this Section 3 and Sections 4 and 5 below, the following terms shall be defined as set forth below:

"**ABCA**" means the *Business Corporations Act*, R.S.A. c. B-9 as amended including the regulations promulgated thereunder;

"**AcquisitionCo**" means Velvet Acquisition Company Ltd., a wholly-owned subsidiary of Velvet;

"**Amalco**" means the continuing corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Iron Bridge and AcquisitionCo under section 181 of the ABCA, on the terms and subject to the satisfaction or waiver of the conditions set out in the Amalgamation Agreement;

"**Amalgamation Agreement**" means the amalgamation agreement to be entered into by AcquisitionCo and Iron Bridge in connection with the Amalgamation, which, among other things, describes the terms of, and conditions to, the Amalgamation;

"**Amalgamation Consideration**" means the consideration payable upon redemption of the Series A Preferred Shares, being \$0.845 in cash per Series A Preferred Share;

"**Amalgamation Resolution**" means the special resolution of the Shareholders to approve the Amalgamation and to approve and ratify the Amalgamation Agreement, which is to be presented to Shareholders at the Meeting;

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Calgary, Alberta are not generally open for business;

"**Certificate**" means the certificate of amalgamation to be issued by the Registrar, pursuant to subsection 185(4) of the ABCA, in respect of the Amalgamation;

"**Depository**" means the trust company appointed by Iron Bridge and AcquisitionCo for the purpose of receiving the deposit of certificates formerly representing Iron Bridge Shares;

"**Dissent Rights**" means the rights of dissent in relation to the Amalgamation as provided for in Section 191 of the ABCA;

"**Dissenting Shareholder**" means a registered Iron Bridge Shareholder that validly exercises Dissent Rights;

"**Iron Bridge**" means Iron Bridge Resource Inc., a body corporate formed under the *Business Corporations Act* (Alberta);

"**Iron Bridge Shares**" means the common shares in the capital of Iron Bridge issued and outstanding immediately prior to the Amalgamation;

"**Letter of Transmittal**" means the letter of transmittal to be sent to Shareholders (other than Velvet and its affiliates) pursuant to which Shareholders may deliver certificate(s) representing Iron Bridge Shares to the Depository;

"**Meeting**" means the special meeting of Shareholders (including any adjournment or postponement thereof permitted under the Amalgamation Agreement) that is to be convened to consider and, if deemed advisable, to approve the Amalgamation Resolution;

"**Shareholder**" means a holder of Iron Bridge Shares immediately prior to the Amalgamation; and

"**Velvet**" means Velvet Energy Ltd., a body corporate existing under the laws of Alberta.

- (b) Subject to the requirements of the ABCA, the Corporation shall, immediately following the issuance of the Certificate (the "**Time of Redemption**"), redeem all of the Series A Preferred Shares in accordance with this Section 0. Except as hereinafter provided, no notice of redemption or other act or formality on the part of the Corporation shall be required to call the Series A Preferred Shares for redemption.
- (c) At the Time of Redemption, all Series A Preferred Shares held by Shareholders shall be redeemed and each such Iron Bridge Shareholder shall receive the Amalgamation Consideration payable in respect of Series A Preferred Shares issued to such Shareholder in connection with the Amalgamation without any further action on the part of the holder.
- (d) On or prior to the Time of Redemption, the Corporation shall deliver or cause to be delivered to the Depository, at its principal office in the City of Calgary, by cash, cheque or wire transfer, the aggregate Amalgamation Consideration. Delivery of the aggregate Amalgamation Consideration

in such a manner shall be a full and complete discharge of the Corporation's obligation to deliver the Amalgamation Consideration to the holders of Series A Preferred Shares.

- (e) From and after the Time of Redemption and subject to the receipt of the aggregate Amalgamation Consideration in the manner contemplated by paragraph (d) above: (i) Depositary shall pay and deliver or cause to be paid and delivered to, or to the order of, each former holder of Series A Preferred Shares, by way of cash or cheque, promptly following presentation and surrender by such holder at the principal office of Depositary in the City of Calgary or the City of Toronto, of a duly completed Letter of Transmittal, the Amalgamation Consideration (after deduction for any applicable withholding taxes) payable and deliverable to such holder; and (ii) the holder of the Series A Preferred Shares shall not be entitled to exercise any of the rights of a shareholder in respect thereof and shall be entitled only to receive the Amalgamation Consideration (after deduction for any applicable withholding taxes required by law) therefor, provided that if payment of the Amalgamation Consideration to Depositary for the Series A Preferred Shares is not duly made by or on behalf of the Corporation in accordance with paragraph (d) above, then the rights of such holder in respect of the applicable Series A Preferred Shares shall remain unaffected.
- (f) From the Time of Redemption, the Series A Preferred Shares in respect of which deposit of the Amalgamation Consideration is made to Depositary shall be deemed to be redeemed and cancelled, the Corporation shall be fully and completely discharged from its obligations with respect to the payment of the Amalgamation Consideration to the holders of Series A Preferred Shares, and the rights of the holders of such shares shall be limited to receiving Amalgamation Consideration (after deduction for any applicable withholding taxes) payable to them on presentation and surrender of the certificates for the Series A Preferred Shares and associated Letter of Transmittal as specified above. Subject to the requirements of law with respect to unclaimed property, if applicable, if the Amalgamation Consideration (after deduction for any applicable withholding taxes) has not been fully paid to holders Series A Preferred Shares in accordance with the provisions hereof on or before the last Business Day prior to the third anniversary of the date on which the Time of Redemption occurs, the Amalgamation Consideration shall be forfeited to the Corporation or any successor thereof and holders of Series A Preferred Shares shall cease to have any rights, claims or interests, of any kind, in or to such funds.
- (g) Series A Preferred Shares redeemed in accordance with this Section 3 shall, subject to applicable law, be returned to the authorized but unissued capital of the Corporation.

Liquidation

- 4. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to returns on capital on dissolution attached to all shares of other classes of shares ranking in priority to the Series A Preferred Shares in respect of returns on capital on dissolution (if any), the holders of Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to such holders, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of Common Shares or any other class of shares ranking junior to the Series A Preferred Shares as to such entitlement, an amount equal to the Amalgamation Consideration for each Series A Preferred Share held by them respectively and no more. After payment to the holders of the Series A Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

Stated Capital

- 5. The Corporation shall add to the stated capital account of each Series A Preferred Share issued by the Corporation an amount equal to the Amalgamation Consideration.

Specified Amount

6. The amount of each Series A Preferred Share specified for the purposes of subsection 191(4) of the *Income Tax Act* (Canada) shall be equal to the Amalgamation Consideration.

SCHEDULE "B"

No shares of the Corporation shall be transferred without the approval of the directors, provided that approval of any transfer of shares may be given as aforesaid after the transfer has been effected upon the records of the Corporation, in which event, unless the said approval stipulates otherwise, the said transfer shall be valid and shall take effect as from the date of its very entry upon the books of the Corporation.

SCHEDULE "C"

- a. The number of shareholders of the Corporation, exclusive of:
- i. persons who are in its employment or that of an affiliate; and
 - ii. persons who, having been formerly in its employment or that of an affiliate, were, while in that employment, shareholders of the Corporation and have continued to be shareholders of that Corporation after termination of that employment,
- is limited to not more than 50 persons, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.
- b. Any invitation to the public to subscribe for the securities of the Corporation is prohibited.
- c. The directors of the Corporation may, without authorization of the shareholders:
- i. borrow money on the credit of the Corporation;
 - ii. issue, reissue, sell or pledge debt obligations of the Corporation;
 - iii. subject to the Business Corporations Act (Alberta), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - iv. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- d. The directors may, by resolution, delegate the powers referred to in subsection (c) hereof to a director, a committee of directors or an officer.
- e. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.
- f. Meetings of the shareholders may be held at any place within or outside of Alberta.

APPENDIX C

SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

Shareholders have the right to dissent in respect of the Amalgamation in accordance with Section 191 of the ABCA. Such right to dissent is described in the Information Circular. The full text Section 191 of the ABCA is set forth below.

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if Iron Bridge resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that Iron Bridge may carry on,
 - (b.1) amend its articles under Section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in Section 15.2(1);
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if Iron Bridge resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right he may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by Iron Bridge the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to Iron Bridge a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if Iron Bridge did not send notice to the shareholder of the purpose of the meeting or of his right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by Iron Bridge, or
 - (b) by a shareholder if the shareholder has sent an objection to Iron Bridge under subsection (5)

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), Iron Bridge shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
 - (a) at least 10 days before the date on which the application is returnable, if Iron Bridge is the applicant, or
 - (b) within 10 days after Iron Bridge is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
 - (a) be made on the same terms, and
 - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with Iron Bridge for the purchase of the shareholder's shares by Iron Bridge, in the amount of Iron Bridge's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
 - (a) is not required to give security for costs in respect of an application under subsection (6), and
 - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
 - (a) joining as parties all dissenting shareholders whose shares have not been purchased by Iron Bridge and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
 - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,
 - (c) the payment to the shareholder of all or part of the sum offered by Iron Bridge for the shares,
 - (d) the deposit of the share certificates with the Court or with Iron Bridge or its transfer agent,
 - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
 - (f) the service of documents, and
 - (g) the burden of proof on the parties.

- (13) On an application under subsection (6), the Court shall make an order
- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
 - (b) giving judgment in that amount against Iron Bridge and in favour of each of those dissenting shareholders,
 - (c) fixing the time within which Iron Bridge must pay that amount to a shareholder, and
 - (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On:

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between Iron Bridge and the dissenting shareholder as to the payment to be made by Iron Bridge for the shareholder's shares, whether by the acceptance of Iron Bridge's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13);

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between Iron Bridge and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) Iron Bridge may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, Iron Bridge shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and Iron Bridge as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to Iron Bridge within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case Iron Bridge is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a

claimant against Iron Bridge, to be paid as soon as Iron Bridge is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Iron Bridge but in priority to its shareholders.

- (20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- (a) Iron Bridge is or would after the payment be unable to pay its liabilities as they become due, or
 - (b) the realizable value of Iron Bridge's assets would by reason of the payment be less than the aggregate of its liabilities.