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#53892

Date: January 03, 2024

Subject: DIRT Environmental Solutions Ltd. - Rights Distribution
Option Symbol: DRTTF
New Symbol: DRTF1
Date: 12/11/2023
* * * Update – Broker to Broker Settlement * * *

DIRT Environmental Solutions Ltd. Rights (DESLF) were suspended from trading on a US Market before the open on January 3, 2024. As of January 3, 2024, the DESLF Rights are no longer eligible for Continuous Net Settlement (“CNS”) at the National Securities Clearing Corporation (“NSCC”). The DESLF Rights are expected to expire at 5:00 p.m. Eastern Time on January 5, 2023. The DESLF component of adjusted option DRTF1 will remain part of the DRTF1 deliverable until the Rights have expired. Once the expiration of the Rights has been confirmed, the DESLF component will be removed from the DRTF1 deliverable. This change to the deliverables is expected to be effective on January 8, 2024.

Broker to Broker Settlement

As of January 3, 2024, DIRT Environmental Solutions Ltd. Rights (DESLF) are no longer eligible for Continuous Net Settlement (“CNS”) at the National Securities Clearing Corporation (“NSCC”). As a result, the DESLF component of DRTF1 exercise and assignment activity will be subject to broker to broker settlement as of January 3, 2024.

DIRT Environmental Solutions Ltd. (DRTTF) has declared a Rights distribution to DRTTF Common Shareholders*, as described below:

Rights: Transferable Rights (“Rights”) to purchase 0.81790023 of a DRTTF Common Share per 1 whole Right at an exercise price of CA\$0.35 per share

Price: CA\$0.35 per whole DRTTF share

Distribution Ratio: 1 transferable Right per 1 DRTTF Common Share

Record Date: December 12, 2023

Expiration: 5:00 p.m. Eastern Time on January 5, 2024, unless extended

Depository: Computershare Investor Services, Inc.

Guaranty Period: Unknown

*The Rights are being offered to DRTTF Shareholders in Canada and certain states in the United States defined as Eligible Jurisdictions in the DRTFF Prospectus dated November 21, 2023. Shareholders not resident in Eligible Jurisdictions ("Ineligible Holders") will be sent a letter advising (i) that their Rights will be held by the Subscription Agent, as agent for the benefit of all such Ineligible Holders, and (ii) how Ineligible Holders might establish their ability to participate in the Offering and subscribe for Common Shares.

DIRTT Environmental Solutions Ltd. Rights began trading on the OTC on December 21, 2023 under the trading symbol "DESLF".

Contract Adjustment

Effective Date:	December 11, 2023
Option Symbol:	DRTTF changes to DRTF1
Strike Divisor:	1
Contract Multiplier:	1
New Multiplier:	100 (e.g., a premium of 1.50 yields \$150)
New Deliverable Per Contract:	1) 100 DIRTT Environmental Solutions Ltd. (DRTTF) Common Shares 2) 100 DIRTT Environmental Solutions Ltd. (DESLF) Rights
Settlement Allocation:	DRTTF: 95% DESLF: 5%
CUSIPs:	DRTTF: 25490H106 DESLF: 25490H114

THE ALLOCATION OF THE AGGREGATE STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITIES CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

Settlement

The DRTTF component of the DRTF1 exercise/assignment activity will continue to settle through National Securities Clearing Corporation (NSCC). The DESLF component of the DRTF1 deliverable, will be subject to broker to broker settlement.

NOTE: The DESLF Rights ceased trading on a US Market before the open on January 3, 2024. It is anticipated that the Rights will cease trading at 12:00 p.m. Eastern Time on January 05, 2024 on the Toronto Stock Exchange. The Rights are expected to expire at 5:00 p.m. Eastern Time on January 5, 2024. The Rights component of adjusted option DRTF1 will remain part of the DRTF1 deliverable until the Rights have expired. Once the expiration of the Rights has been confirmed, the Rights component will be removed from the DRTF1 deliverable. This change to the deliverables is expected to be effective on January 8, 2024.

Further Contract Adjustment

When the Rights expire, adjusted DRTF1 options will be further adjusted to no longer call for the delivery of the Rights. **No adjustment will be made to the adjusted contracts to compensate for any in-the-money value the Rights may have at the time of their expiration.**

Exercise Considerations

The Rights were suspended from trading on a US Market before the open on January 3, 2024. The Rights are to be suspended from trading on the Toronto Stock Exchange at 12:00 p.m. Eastern Time on January 5, 2024 and are expected to expire at 5:00 PM Eastern Time on January 5, 2024. Shares not exercised during the Basic Subscription Privilege will be offered, by means of the Additional Subscription Privilege. Call option holders who wish to exercise their adjusted options to obtain the Rights for subsequent exercise, sale or other purposes bear sole responsibility for determining when to exercise their options as well as complying with all terms and conditions of the Rights offering applicable to Rights exercise or delivery.

Delivery Settlement and Protect Provisions

Option contracts which are exercised, will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, exercised calls may be unable to realize the benefit of securities or entitlements **not** associated to the contract deliverable at the time of the option exercise or Option contract maturity.

Except in unusual cases, securities deliverable as a result of equity option exercises and or Option contract maturity are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights offering, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such protect provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

Special Risks

Call Holders/ Put Writers

As a result of the adjustment described above, the Rights will be part of the adjusted DRTF1 options deliverable, but only until the Rights expire, after which time they will be dropped from the deliverable of the option contract. When the Rights expire and are dropped from the deliverable of the option contract, any value the Rights may have had will no longer be associated with the option contract. As a result, holders of in-the-money calls may be disadvantaged unless they exercise in sufficient time to obtain the Rights. After the Rights expire and are dropped from the deliverable of the option contract, holders of short put positions who are assigned will be required to purchase DRTTF stock *whose value may have been substantially diminished by the Rights distribution.*

Uncovered Short Obligations

Holders of assigned calls or exercised puts who do not possess the underlying security at the time of assignment or exercise are subject to special risk. Suspension of trading of the underlying security, inability to borrow the security, or similar events may preclude the possibility of effecting timely delivery, thereby exposing persons with an obligation to deliver to liability if timely delivery is not effected (See Delivery Settlement and Protect Provisions above).

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.