Execution Copy

AGENCY AGREEMENT

March 22, 2019

Chemistree Technology Inc.
Suite 810 - 609 Granville St.
Vancouver, BC V6C 2T4

Attention: Karl Kottmeier, Chief Executive Officer

Dear Sir:

The undersigned, Canaccord Genuity Corp. (the "**Agent**"), understands that Chemistree Technology Inc. (the "**Corporation**") is contemplating a public offering of up to $8.2 million of units of the Corporation (the "**Initial Units**") at an issue price (the "**Issue Price**") of $1,000 per Initial Unit. Each Initial Unit shall be comprised of one 10% unsecured convertible debenture of the Corporation in the principal amount of $1,000 (each, a "**Debenture**") and 2,000 common share purchase warrants of the Corporation (each, a "**Warrant**").

The Corporation hereby grants to the Agent an option (the "**Over-Allotment Option**"), which may be exercised by the Agent in whole or in part in the Agent's sole discretion and without obligation, to offer and sell as an agent an additional number of units of the Corporation (the "**Additional Units**", and together with the Initial Units, the "**Units**") equal to up to 15% of the number of Initial Units sold pursuant to the Offering. The Over-Allotment Option shall be exercisable by the Agent, in whole or in part and from time to time, on or before 12:00 p.m. (PST) on the 30th day following the Closing Date (as defined herein). Unless the context otherwise requires, references herein to the "**Units**", "**Debentures**" and "**Warrants**" assume the exercise of the Over-Allotment Option and include all Additional Units issuable thereunder. The Units, Debentures and Warrants are collectively hereinafter referred to as the "**Offered Securities**" and the offer and sale of the Initial Units and the Additional Units, if any, is collectively referred to as the "**Offering**".

The Agent understands that the Corporation: (i) has prepared and filed a Preliminary Prospectus (as defined herein); (ii) has addressed the comments made by the Canadian Securities Regulators (as defined herein) in respect of the Preliminary Prospectus; and (iii) has been cleared by all of the Canadian Securities Regulators to file the Final Prospectus (as defined herein). The Corporation has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus and all other necessary documents in order to qualify the Offered Securities for distribution to the public in each of the Qualifying Jurisdictions (as defined herein), the grant of the Over-Allotment Option (as defined herein) and the issue of the Broker Warrants (as defined herein), and will obtain the Final Receipt (as defined herein) for the Final Prospectus prior to 4:00 p.m. (Vancouver time) on the date hereof (or such later date or time as reasonably agreed to by the Corporation and the Agent).

Each Debenture will be dated as of the Closing Date (as hereinafter defined) and will bear interest at a rate of 10% per annum (on the basis of a 360-day year composed of twelve 30-day months) from the date of issue, payable semi-annually in arrears on the last Business Day (as hereinafter defined) of June and December of each year until the Maturity Date (as hereinafter defined).

The Debentures will be convertible into common shares of the Corporation (each, a "**Debenture Share**") at the option of the holder at any time prior to the close of business on the earlier of: (i) the Business Day prior to the date that is three years following the Closing Date (the "**Maturity Date**"), or (ii) the date specified for redemption upon a Change of Control (as defined herein), at a conversion price per Debenture Share (the "**Conversion Price**"), subject to forced conversion in certain customary events. The

Corporation may force the conversion of all of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the common shares of the Corporation (the "**Common Shares**") be greater than $1.00 for any 10 consecutive trading days.

The Debentures shall be duly and validly created and issued pursuant to, and governed by, a trust indenture (the "**Indenture**") to be entered into by and between Odyssey Trust Company (the "**Trustee**"), in its capacity as debenture trustee thereunder, and the Corporation to be dated as of the Closing Date. The description of the Debentures herein is intended as a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in the Indenture. In case of any inconsistency between the description of the Debentures in this Agreement (as hereinafter defined) and the terms of the Debentures as set forth in the Indenture, the provisions of the Indenture shall govern exclusively.

Each Warrant shall entitle the holder thereof to acquire one common share of the Corporation (each, a "**Warrant Share**") at an exercise price of $0.70 per Warrant Share on or before 5:00 p.m. (Vancouver time) on the date that is three years following the Closing Date, subject to adjustment in certain events. The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the "**Warrant Indenture**") to be entered into between Odyssey Trust Company (the "**Warrant Agent**"), in its capacity as warrant agent thereunder, and the Corporation to be dated as of the Closing Date. The description of the Warrants herein is intended as a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern exclusively.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Corporation hereby appoints the Agent, as the Corporation's exclusive agent and bookrunner, to effect the sale on a "best efforts" agency basis without underwriter liability, of the Units to be issued and sold pursuant to the Offering and the Agent agrees to arrange for purchasers of the Units in the Qualifying Jurisdictions (as hereinafter defined) and in those jurisdictions outside Canada where the Units may lawfully be sold pursuant to the terms and conditions hereof.

The Agent also understands that the Corporation is proposing to issue and sell, on a private placement basis, concurrently with the Offering, an aggregate of up to 1,400 Units (the "**Private Placement Units**") at the Offering Price for aggregate gross proceeds of $1,400,000 (the "**Concurrent Private Placement**") pursuant to the terms of subscription agreements to be dated as of the Closing Date between the purchasers of such Private Placement Units and the Corporation, it being understood that the Agent shall not be acting as agent in respect of the Concurrent Private Placement.

Offers and sales of Units in the United States (as defined herein) or to or for the account or benefit of a U.S. Person (as defined herein) or a person in the United States may only be made on a private placement basis in compliance with this Agreement, the U.S. Placement Memorandum (as hereinafter defined) and Schedule "A" hereto which is incorporated into and forms part of this Agreement.

In consideration of the services to be rendered by the Agent hereunder, the Agent will receive a commission (the "**Agent's Commission**") equal to 7.0% of the gross proceeds raised in the Offering (including the Over-Allotment Option). The obligation of the Corporation to pay the Agent's Commission shall arise at the Closing Time (as hereinafter defined) and the Agent's Commission shall be fully earned by the Agent at that time. The Company shall also pay the Agent a corporate finance fee of $150,000 at the Closing Time (the "**Corporate Finance Fee**"), as of which $75,000 shall be payable in cash and

$75,000 shall be payable in Common Shares (as hereinafter defined) at the Conversion Price (the "**Corporate Finance Fee Shares**").

As additional consideration for the services to be rendered by the Agent hereunder, the Agent shall be issued that number of broker warrants (the "**Broker Warrants**") exercisable at any time prior to the date that is thirty-six months following the Closing Date to acquire that number of units (the "**Broker Units**") equal to 7.0% of the number of Debenture Shares that would be issued assuming conversion of 100% of the Debentures at the initial Conversion Price, at an exercise price of $0.50 per Broker Unit. Each Broker Unit will consist of one Common Share (each, a "**Broker Unit Share**") and one-half of one Common Share purchase warrant of the Corporation (each whole warrant, a "**Broker Unit Warrant**"). Each Broker Unit Warrant will be exercisable to acquire one Common Share (each, a "**Broker Warrant Share**") at any time up to 36 months following the Closing Date at an exercise price of $0.70 per Broker Warrant Share, subject to adjustment in certain events. In addition, in consideration for certain fiscal advisory services, the Corporation shall pay the Agent a fiscal advisory fee of $28,000 and 28,000 Broker Warrants (the "**Fiscal Advisory Fee**").

The Agent shall be entitled to appoint, at its sole expense, other registered dealers ("**Selling Firms**") acceptable to the Corporation to assist in the Offering, and the Agent shall determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of the Agent.

The parties acknowledge that the Offered Securities, the Warrant Shares, the Broker Warrants, the Broker Unit Shares, the Broker Unit Warrants and the Broker Warrant Shares have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) and may not be offered or sold in the United States (as hereinafter defined) or to, or for the account or benefit of, U.S. Persons (as hereinafter defined) or persons in the United States, nor may the Broker Warrants, Broker Unit Warrants or the Warrants be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws in the manner specified in this Agreement, the U.S. Placement Memorandum and Schedule "A" hereto which is incorporated into and forms part of this Agreement. All actions to be undertaken by the Agent in the United States in connection with the matters contemplated herein will be undertaken through the U.S. Affiliate (as defined in Schedule "A" hereto).

This Agreement is conditional upon and subject to the additional terms and conditions set forth below.

TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Corporation and the Agent:

1. Interpretation.

(a) Unless expressly provided otherwise, where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

"**Accredited Investor**" means an accredited investor meeting one or more of the criteria in Rule 501(a) of Regulation D;

"**Additional Units**" has the meaning ascribed thereto on the first page of this Agreement;

"**affiliate**", "**associate**" and "**distribution**" have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Agent**" shall have the meaning ascribed thereto on the face page of this Agreement;

"**Agent's Commission**" shall have the meaning ascribed thereto on the third page of this Agreement;

"**Agreement**" means this Agency Agreement, as it may be amended, restated or supplemented from time to time;

"**Alternative Transaction**" shall have the meaning ascribed thereto in Section 8 of this Agreement;

"**Annual Financial Material**" means (i) the Annual Financial Statements, and (ii) the Corporation's management's discussion and analysis for the 12 month period ended June 30, 2018;

"**Annual Financial Statements**" means the Corporation's audited consolidated annual financial statements as at and for the years ended June 30, 2018 and June 30, 2017, together with the related notes thereto and the independent auditors' reports thereon;

"**Anti-Money Laundering Laws**" has the meaning ascribed thereto in Section 9(tt) of this Agreement;

"**Applicable Laws**" means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, guidelines, or the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof, of any Governmental Authority, including for certainty with respect to all Environmental Laws;

"**Authorizations**" means any regulatory licences, approvals, permits, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under Applicable Laws;

"**Broker Securities**" means, collectively, the Broker Warrants, the Broker Units, the Broker Unit Shares, the Broker Unit Warrants and the Broker Warrant Shares;

"**Broker Units**" has the meaning ascribed thereto on the third page of this Agreement;

"**Broker Unit Share**" has the meaning ascribed thereto on the third page of this Agreement;

"**Broker Unit Warrant**" has the meaning ascribed thereto on the third page of this Agreement;

"**Broker Warrant Certificates**" means the certificates representing the Broker Warrants and containing the terms thereof;

"**Broker Warrants**" shall have the meaning ascribed thereto on the third page of this Agreement;

"**Broker Warrant Share**" has the meaning ascribed thereto on the third page of this Agreement;

"**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in the Province of British Columbia;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions, and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other regulatory instruments of the Canadian Securities Regulators, including the rules and policies of the CSE;

"**Canadian Securities Regulators**" means, collectively, the securities commissions or similar regulatory authorities in the Qualifying Jurisdictions;

"**CFPOA**" has the meaning ascribed thereto in Section 9(vv) of this Agreement;

"**Change of Control**" has the meaning ascribed thereto in the Indenture;

"**Claims**" has the meaning ascribed thereto in Section 17(a) of this Agreement;

"**Closing**" means the completion of the issuance and sale of the Units pursuant to the Offering in accordance with the provisions of this Agreement;

"**Closing Date**" means March 29, 2019 or such other date as the Corporation and the Agent may agree, but in any event no later than the date that is 42 days after the Final Receipt is obtained for the Final Prospectus;

"**Closing Time**" means 8:00 a.m. (EST) on the Closing Date, or such other time on the Closing Date as the Agent and the Corporation may agree, or, with regards to the Over-Allotment Option, no later than 12:00 p.m. (PST) on the 30th day following the Closing Date;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Concurrent Private Placement**" has the meaning ascribed thereto on the second page of this Agreement;

"**Contaminant**" means and includes, without limitation, any pollutants, contaminants, chemicals, industrial, toxic or hazardous wastes, materials or substances or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Laws;

"**Conversion Price**" shall have the meaning ascribed thereto on the face page of this Agreement;

"**Corporate Finance Fee**" shall have the meaning ascribed thereto on the third page of this Agreement;

"**Corporation**" shall have the meaning ascribed thereto on the face page of this Agreement;

"**Corporation's Auditors**" means Davidson & Company LLP, Charlton & Company or such firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**Debentures**" shall have the meaning ascribed thereto on the face page of this Agreement;

"**Disclosure Documents**" means, collectively, all of the documentation which has been filed by or on behalf of the Corporation with the relevant Securities Regulators pursuant to the requirements of applicable Securities Laws, including, but not limited to, all press releases, material change reports (excluding any confidential material change report), management's discussion and analysis and financial statements of the Corporation;

"**Distribution Period**" means the period commencing on the date of this Agreement and ending on the date on which all of the Offered Securities have been sold by the Agent to the public or the date on which the Agent has ceased distributing the Offered Securities;

"**Documents Incorporated by Reference**" means all financial statements, management's discussion and analysis, management information circulars, annual information forms, material change reports, business acquisition reports, marketing materials or other documents issued by the Corporation, whether before or after the date of this Agreement, that are required or deemed by applicable Canadian Securities Laws to be incorporated by reference into the Prospectus or any Supplementary Material;

"**Eligible Issuer**" means an issuer which meets the criteria and has complied with the requirements of National Instrument 44-101 so as to allow it to offer securities using a short form prospectus in the Qualifying Jurisdictions under National Instrument 44-101;

"**Engagement Letter**" means the letter agreement dated as of November 21, 2018 between the Corporation and the Agent relating to the Offering;

"**Environmental Activity**" means and includes, without limitation, any past, present or contemplated activity, event or circumstance in respect of a Contaminant, including, without limitation, the storage, use, holding, collection, purchase, accumulation, generation, manufacture, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater;

"**Environmental Laws**" means any and all applicable international, federal, provincial, state or municipal laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances or official directives that apply in whole or in part to the Corporation or its subsidiaries or its prior or existing operations or properties or assets and all Authorizations relating to the environment, occupational health and safety, or any Environmental Activity;

"**FCPA**" has the meaning ascribed thereto in Section 9(vv) of this Agreement;

"**Final Prospectus**" means the (final) short form prospectus of the Corporation dated the date hereof, including all of the Documents Incorporated by Reference, and any Supplementary Material thereto, prepared and filed concurrently with the execution of this Agreement by the Corporation in accordance with the Passport System and National Instrument 44-101 in the Qualifying Jurisdictions in respect of the Offering;

"**Final Receipt**" means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions;

"**Financial Material**" means, collectively, (i) the Annual Financial Material, and (ii) the Interim Financial Material;

"**Financial Statements**" means (i) the Annual Financial Statements, and (ii) the Interim Financial Statements;

"**Fiscal Advisory Fee**" shall have the meaning ascribed thereto on the third page of this Agreement;

"**Governmental Authority**" means, without limitation, any national or federal government, any provincial, state, municipal or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

"**IFRS**" means International Financial Reporting Standards applicable in Canada;

"**including**", "**include**", and "**includes**" mean "including, without limitation", "include, without limitation" and "includes, without limitation", respectively;

"**Indemnified Party**" and "**Indemnified Parties**" have the meaning ascribed thereto in Section 17(a) of this Agreement;

"**Indemnitor**" has the meaning ascribed thereto in Section 17(a) of this Agreement;

"**Indenture**" shall have the meaning ascribed thereto on the second page of this Agreement;

"**Interim Financial Material**" means (i) the Interim Financial Statements, and (ii) the Corporation's management's discussion and analysis for the period ended December 31, 2018;

"**Interim Financial Statements**" means the Corporation's unaudited consolidated condensed interim financial statements for the six-month period ended December 31, 2018 and December 31, 2017, together with the related notes thereto;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy, property or assets;

"**Losses**" has the meaning ascribed thereto in Section 17(a) of this Agreement;

"**marketing materials**" has the meaning ascribed thereto in National Instrument 41-101;

"**Material Adverse Effect**" means any change (including a decision to implement a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that (i) is materially adverse to the business, assets (including intangible assets), liabilities (contingent or otherwise), capitalization, condition (financial or otherwise), results of operations or prospects of the Corporation and its subsidiaries, as a whole, whether or not arising in the ordinary course of business, or (ii) would result in any of the Offering Documents containing a misrepresentation;

"**Material Agreements**" means any and all other contracts, commitments, agreements (written or oral), instruments, leases or other documents or arrangements to which the Corporation or its subsidiaries are a party or to which their properties or assets are otherwise bound, and which are material to the Corporation and its subsidiaries, on a consolidated basis including, but not limited to the Asset Purchase Agreement between Chemistree Washington Ltd. and Elite Holdings Inc. dated May 31, 2018 (the "**Washington APA**");

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Material Properties**" means those properties comprising the Corporation's portfolio of "turn-key" cannabis production facilities;

"**National Instrument 41-101**" means National Instrument 41-101 General Prospectus Requirements;

"**National Instrument 44-101**" means National Instrument 44-101 Short Form Prospectus Distributions;

"**National Instrument 45-102**" means National Instrument 45-102 Resale of Securities;

"**Offered Securities**" has the meaning ascribed thereto on the first page of this Agreement, and for certainty, includes the Debenture Shares and the Warrant Shares, where applicable;

"**Offering**" has the meaning ascribed thereto on the first page of this agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum, the Presentation and any Supplementary Material;

"**Outstanding Warrants**" means those Common Share purchase warrants of the Corporation that are issued and outstanding as of the date hereof which entitle the holders thereof to acquire Common Shares in accordance with the terms and conditions of the governing certificates or indentures evidencing such warrants.

"**Over-Allotment Notice**" has the meaning ascribed thereto in Section 11(b) of this Agreement;

"**Over-Allotment Option**" has the meaning ascribed thereto in the first page of this Agreement;

"**Passport System**" means the system for review of prospectus filings set out in Multilateral Instrument 11-102 - *Passport System* and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* adopted by certain of the Canadian Securities Regulators;

"**person**" shall be broadly interpreted and shall include any individual, corporation, partnership, joint venture, association, trust or other legal entity or any Governmental Authority;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated February 1, 2019, including all of the Documents Incorporated by Reference, and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and National Instrument 44-101 in the Qualifying Jurisdictions in respect of the offering of Units, and for which the Preliminary Receipt has been issued;

"**Preliminary Receipt**" means the receipt dated February 4, 2019, issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions;

"**Premises**" has the meaning ascribed thereto in Section 9(bbb) of this Agreement;

"**Presentation**" means the investor presentation deck prepared by the Corporation in respect of the Offering titled "Corporate Presentation" filed on SEDAR on February 4, 2019;

"**Principal Regulator**" means the British Columbia Securities Commission;

"**Prospectus**" means, collectively, the Preliminary Prospectus and the Final Prospectus, and any Prospectus Amendment thereto;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus required to be prepared and filed by the Corporation pursuant to Canadian Securities Laws;

"**Public Disclosure Record**" means collectively, all of the documents which have been filed on the Corporation's profile on SEDAR by or on behalf of the Corporation pursuant to the requirements of Canadian Securities Laws;

"**Purchasers**" means, collectively, each of the purchasers of the Units pursuant to the Offering including, if applicable, the Agent;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"**Qualifying Jurisdictions**" means, collectively, means all of the provinces of Canada, other than Québec;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Securities Laws**" means collectively and as applicable, Canadian Securities Laws, U.S. Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions;

"**Securities Regulators**" means, collectively, the securities commissions or other securities regulatory authorities in the Selling Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com;

"**Selling Firm**" has the meaning ascribed thereto on the third page of this Agreement;

"**Selling Jurisdictions**" means, collectively, all of the Qualifying Jurisdictions, the United States and such other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Agent;

"**Standard Listing Conditions**" means the customary post-closing listing conditions imposed by the CSE;

"**Subsidiaries**" means American CHM Investments Inc., a Delaware corporation, Chemistree Washington Ltd., a Washington corporation, and CHM Desert, LLC, a California limited liability company, and "**Subsidiary**" means any one of them, as applicable;

"**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (British Columbia);

"**Supplementary Material**" means, collectively, any Prospectus Amendment, any amendment or supplemental prospectus or ancillary materials (in both the English and French language) that may be filed by or on behalf of the Corporation under the Canadian Securities Laws relating to the Offering and any supplement to the U.S. Placement Memorandum;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations made thereunder;

"**Transaction Documents**" means, collectively, this Agreement, the Indenture, the Warrant Indenture and the certificates, if any, representing the Debentures, Warrants and Broker Securities;

"**Trustee**" has the meaning ascribed thereto on the second page of this Agreement;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**Units**" has the meaning ascribed thereto on the first page of this Agreement and for certainty includes any Additional Units;

"**U.S. Affiliate**" of the Agent means the U.S. registered broker-deal affiliate of the Agent;

"**U.S. Exchange Act**" means the United States Exchange Act of 1934, as amended;

"**U.S. Person**" means a "U.S. person" as that term is defined in Regulation S;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum delivered together with the applicable Prospectus to offerees and Purchasers of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, including any Supplementary Material thereto;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Securities Laws**" means all applicable securities laws in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC, and any applicable state securities laws;

"**Warrants**" has the meaning ascribed thereto on the first page of this Agreement and for certainty includes any Additional Warrants;

"**Warrant Agent**" means Odyssey Trust Company as warrant agent under the Warrant Indenture;

"**Warrant Certificates**" means the certificates representing the Warrants and the Broker Warrants;

"**Warrant Indenture**" means the warrant indenture pursuant to which the Warrants and the Broker Warrants will be created and issued dated as of the Closing Date and entered into between the Corporation and the Warrant Agent; and

"**Warrant Shares**" has the meaning ascribed thereto on the second page of this Agreement

(b) **Prospectus Defined Terms.** Capitalized terms used but not defined herein have the meanings ascribed to them in the Final Prospectus.

(c) **Divisions and Headings.** The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, paragraphs and other subdivisions are to sections, paragraphs and other subdivisions of this Agreement.

(d) **Number and Gender.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

(e) **Currency.** Any reference in this Agreement to $ shall refer to the lawful currency of Canada, unless otherwise specified.

(f) **Schedules.** The following schedule is attached to this Agreement, which schedule is deemed to be incorporated into and form part of this Agreement:

(g) **Knowledge.** In this Agreement, "to the knowledge of" or "to its knowledge" and other similar phrases mean, unless otherwise expressly stated, a statement of the declarant's knowledge of the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances; and "to the knowledge of the Corporation" and other similar phrases mean, unless otherwise expressly stated, a statement as to the knowledge of each of the Chief Executive Officer and Chief Financial Officer of the Corporation about the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by officers of similar sized companies.

2. Attributes of the Securities. The Offered Securities to be issued and sold by the Corporation hereunder shall be duly and validly issued by the Corporation and, such Offered Securities along with the Over-Allotment Option and the Broker Securities, shall have rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

3. The Offering.

(a) The sale of the Offered Securities to the Purchasers shall be effected in a manner that is in compliance with applicable Securities Laws and upon the terms and conditions set out in the Prospectus and in this Agreement. The Agent will use its best efforts to arrange for Purchasers for the Units in the Qualifying Jurisdictions an in those Selling Jurisdictions outside Canada as may be agreed upon by the Agent and the Corporation, acting reasonably, in connection with the Offering; provided, however, it is understood that the Agent is under no obligation to purchase any of the Units.

(b) Each Purchaser resident in a Qualifying Jurisdiction shall purchase the Offered Securities pursuant to the Final Prospectus. Each Purchaser in the United States shall purchase the Offered Securities pursuant to the U.S. Placement Memorandum and in accordance with Schedule "A" to this Agreement. Each other Purchaser shall purchase the Offered Securities in accordance with such procedures as the Corporation and the Agent may mutually agree, acting reasonably, in order to fully comply with applicable Securities Laws and the Corporation hereby agrees to comply with all Securities Laws, including as to the filing of any notices or forms, on a timely basis in connection with the distribution of the Offered Securities so that the distribution of the Offered Securities in the Selling Jurisdictions outside of Canada and the United States may lawfully occur so as not to require registration or filing of a prospectus with respect thereto or compliance by the Corporation with regulatory requirements (including any continuous disclosure obligations) under the laws of, or subject the Corporation (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority under applicable Securities Laws in, such Selling Jurisdictions outside of Canada and the United States.

(c) The Corporation agrees that the Agent shall have the right to invite one or more Selling Firms to form a selling group to participate in the soliciting of offers to purchase the Offered Securities. The Agent shall have the exclusive right to control all compensation arrangements between the members of the selling group (comprised of such Selling Firms) and the Agent. The Corporation grants all of the rights and benefits of this Agreement to any Selling Firm so appointed by the Agent and appoints the Agent as trustee of such rights

and benefits for such Selling Firms, and the Agent hereby accepts such trust and agrees to hold such rights and benefits for and on behalf of such Selling Firms. The Agent shall use its commercially reasonable efforts to ensure such Selling Firm agrees with the Agent to comply with the covenants and obligations given by the Agent herein.

4. Distribution and Certain Obligations of the Agent. The Agent hereby covenants to and agrees with the Corporation that (and, in the case of the Agent, will use commercially reasonable efforts to cause the Selling Firms to):

(a) the Agent will offer for sale and sell the Offered Securities in the Qualifying Jurisdictions, in accordance with applicable Canadian Securities Laws, and effect such distribution upon the terms and conditions set out in the Prospectus and this Agreement;

(b) the Agent will offer for sale and sell the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States as U.S. placement agent pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act, and, if previously agreed to by the Corporation and the Agent, in other international Selling Jurisdictions, in accordance with applicable Securities Laws in such other international Selling Jurisdictions and on a private placement basis. Any offer for sale or sale of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States will be made pursuant to the U.S. Placement Memorandum and in accordance with Schedule "A" to this Agreement;

(c) the Agent will, upon the Corporation obtaining a Final Receipt for the Final Prospectus, deliver one copy of the Final Prospectus (together with any Prospectus Amendment thereto) to all Purchasers resident in the Qualifying Jurisdictions and one copy of the Final Prospectus, as may be required by applicable Securities Laws, to all Purchasers in the Selling Jurisdictions outside of Canada and the United States. The Agent shall be entitled to assume that the Offered Securities, the Over-Allotment Option and the Broker Securities are qualified for distribution in any Qualifying Jurisdiction as stated in the Final Prospectus where the Final Receipt for the Final Prospectus has been obtained, unless otherwise notified in writing; and

(d) the Agent will (i) use all commercially reasonable efforts to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Agent and has ceased distribution of the Offered Securities and, within thirty (30) days after completion of the distribution, provide the Corporation with a written breakdown of the number of Offered Securities distributed (A) in each of the Qualifying Jurisdictions, and (B) in any other Selling Jurisdictions.

5. Representations and Warranties of the Agent. The Agent hereby represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon each of such representations and warranties in entering into the transactions contemplated hereby, as follows:

(a) the Agent is, and will remain, until the completion of the Offering, appropriately registered under applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder;

(b) the Agent has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein;

(c) this Agreement has been duly authorized, executed and delivered by the Agent and constitutes a legal, valid and binding obligation of the Agent enforceable against the Agent in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, except as limited by the application of equitable principles when equitable remedies are sought and except as rights to indemnity, contribution and waiver of contribution may be limited by Applicable Laws;

(d) the Broker Securities have not been and will not be registered under the U.S. Securities Act, and the Broker Securities may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Broker Securities, as the case may be, the Agent represents and warrants that it is acquiring the Broker Securities, as principal for its own account and not for the benefit of any other person. Furthermore, in connection with the issuance of the Broker Securities, as the case may be, the Agent represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Broker Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, and (ii) this Agreement was executed and delivered outside the United States. The Agent agrees that it will not engage in any "Directed Selling Efforts", as defined in Schedule "A" with respect to any Broker Securities.

The representations and warranties of the Agent contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall not survive the completion of the transactions contemplated under this Agreement but shall terminate on the completion of the distribution of the Units.

6. Deliveries on Filing and Related Matters.

(a) In connection with the Preliminary Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Corporation:

(i) prepared and filed the Preliminary Prospectus pursuant to the Passport System and National Instrument 44-101, and took all other steps and proceedings that may be necessary in connection therewith and received the Preliminary Receipt;

(ii) delivered or caused to be delivered to the Agent a copy of the Preliminary Prospectus manually signed and certified on behalf of the Corporation, by the persons and in the form as required by Securities Laws;

(iii) delivered or caused to be delivered to the Agent a copy of any Supplementary Material; and

(iv) delivered or caused to be delivered to the Agent a copy of the preliminary U.S. Placement Memorandum.

(b) In connection with the Final Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Corporation:

(i) has satisfied all comments of the Canadian Securities Regulators with respect to the Preliminary Prospectus, has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus pursuant to the Passport

System and National Instrument 44-101, will obtain the Final Receipt for the Final Prospectus prior to 5:00 p.m. (Vancouver time) on the date hereof (or such later date or time as reasonably agreed to by the Corporation and the Canadian Agent) and will take all other steps and proceedings that may be necessary in order to qualify the Offered Securities, the Over-Allotment Option and the Broker Warrants for distribution pursuant to the Final Prospectus in each of the Qualifying Jurisdictions prior to 5:00 p.m. (Vancouver time) on the date hereof (or such later date or time as reasonably agreed to by the Corporation and the Agent);

(ii) will deliver or cause to be delivered to the Agent a copy of the Final Prospectus manually signed and certified on behalf of the Corporation, by the persons and in the form as required by Canadian Securities Laws;

(iii) will deliver or cause to be delivered to the Agent a copy of any Supplementary Material (other than any document already filed publicly with a Canadian Securities Regulator);

(iv) will deliver or cause to be delivered to the Agent a copy of the U.S. Placement Memorandum;

(v) will cause the Corporation's Auditors to deliver a "long-form" comfort letter, dated the date of the Final Prospectus, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent and the directors of the Corporation, with respect to the verification of financial and accounting information and other numerical data of a financial nature contained in the Final Prospectus, and matters involving changes or developments since the respective dates as of which specified financial information is given therein, which letter shall be based on a review by the Corporation's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter and which letter shall be in addition to the Corporation's Auditors' consent letter;

(vi) will deliver to the Agent and its counsel, copies of all correspondence, if any, indicating that the application for the listing and posting for trading on the CSE of the Offered Securities and the Broker Securities, has been conditionally approved, subject only to satisfaction by the Corporation of the Standard Listing Conditions; and

(vii) will deliver to the Agent, without charge, as soon as practicable but in any event by the next Business Day after the Final Receipt is obtained (and will thereafter deliver from time to time), as many commercial copies of the Final Prospectus (and any Supplementary Material) and the final U.S. Placement Memorandum as the Agent may reasonably request for the purposes contemplated hereunder and contemplated by applicable Securities Laws and each such delivery of the Final Prospectus and the final U.S. Placement Memorandum (and any Supplementary Material) shall constitute the consent of the Corporation to the use of such documents by the Agent and each Selling Firm in connection with the distribution of the Offered Securities, the Over-Allotment Option and the Broker Securities, subject to the Agent and each Selling Firm complying with the provisions of applicable Securities Laws and the provisions of this Agreement.

(c) Prior to or concurrently with the filing of any Prospectus Amendment to the Final Prospectus with the Canadian Securities Regulators, the Corporation will deliver to the Agent documents similar to those referred to in Sections 6(b)(ii) to (b)(vii) inclusive.

(d) Prior to the filing of any Offering Document and prior to the completion of the Distribution Period, the Corporation shall allow the Agent to participate fully in the preparation of the Offering Documents (other than material filed prior to the date hereof and incorporated by reference therein) and shall allow the Agent to conduct all due diligence investigation of the Corporation which the Agent may reasonably require in order to fulfil their obligations as agents and in order to enable them to responsibly execute the certificates required to be executed by them at the end of each of the Offering Documents, as applicable. The Corporation shall make available to the Agent and their counsel, on a timely basis, all documents and information necessary to complete such due diligence investigation of the Corporation, and without limiting the scope of the due diligence investigation the Agent may conduct, the Corporation shall participate and cause the Corporation's Auditors and counsel to participate in one or more due diligence sessions to be held prior to the filing of any Offering Document and prior to the completion of the Distribution Period.

(e) Each delivery of the Offering Documents by the Corporation shall constitute the representation and warranty of the Corporation to the Agent that (except for information and statements relating solely to the Agent and provided by the Agent in writing specifically for use in the applicable Offering Document), as at their respective dates (or their respective dates of filing, if filed after their respective dates):

(i) all information and statements contained in the Offering Documents, are true and correct in all material respects and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering, the Offered Securities, the Over-Allotment Option and the Broker Securities as required by applicable Canadian Securities Laws;

(ii) the Offering Documents do not contain an untrue statement of material fact and no material fact or information has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made or disclosed; and

(iii) the Offering Documents fully comply with the requirements of applicable Securities Laws.

(f) During and prior to the completion of the Distribution Period, the Corporation will, to the satisfaction of counsel to the Agent, acting reasonably, promptly take or cause to be taken all steps and proceedings that may be required from time to time under the Canadian Securities Laws to qualify the Offered Securities for sale to the public and the grant of the Over-Allotment Option and issuance of the Broker Warrants in each of the Qualifying Jurisdictions or, in the event that they have, for any reason, ceased to be so qualified, to again so qualify them.

(g) During and prior to the completion of the Distribution Period, the Corporation will (i) provide the Agent with the opportunity to review any press release issued by the Corporation and, at the Agent's request, will include a reference to the Agent and its role in any such release or communication, and shall ensure that any press release complies with applicable law; and (ii) provide copies of any other material public disclosure documents to

the Agent and provide a reasonable opportunity to the Agent to review the same. In addition, any press release announcing or otherwise referring to the Offering disseminated outside the United States shall comply with the requirements of Rule 135e under the U.S. Securities Act and shall include (i) an appropriate notation as follows: "*Not for distribution to U.S. news wire services, or for release, publication, distribution or dissemination directly or indirectly, in whole or in part, in the United States.*" and (ii) the following (or similar) disclosure:

> "The securities referred to in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent such registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements."

(h) In connection with marketing materials:

(i) as applicable, each of the Corporation and the Agent has approved in writing the Presentation, the Corporation has filed the Presentation with the Canadian Securities Regulators and the Corporation has incorporated by reference into the Final Prospectus the Presentation, all in accordance with Canadian Securities Laws;

(ii) during and prior to the completion of the Distribution Period, the Corporation and the Agent will not provide any potential investor of Offered Securities with any marketing materials except for marketing materials that comply with Canadian Securities Laws which have been approved in writing by each of the Corporation and the Agent; and

(iii) during and prior to the completion of the Distribution Period, in addition to the Presentation, the Corporation will cooperate with and assist, acting reasonably, the Agent in preparing and approving in writing any other marketing materials to be used by the Agent in connection with the Offering and will file with and deliver to the Canadian Securities Regulators such materials in accordance with Canadian Securities Laws.

7. Material Changes.

(a) During and prior to the completion of the Distribution Period, the Corporation shall promptly inform the Agent in writing of the full particulars of:

(i) any material change (actual, anticipated, contemplated or threatened) of the Corporation (on a consolidated basis);

(ii) any material fact which has arisen or has been discovered and would have been required to have been stated in any Offering Document had the fact arisen or been discovered on, or prior to, the date of such document; and

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents or any event or state of facts that has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with the Securities Laws.

(b) The Corporation shall promptly notify the Agent in writing with full particulars of any such actual, anticipated, contemplated, threatened or prospective change referred to in Section 7(a). The Corporation shall comply with Sections 6.5 and 6.6 of National Instrument 41-101, and the Corporation shall prepare and file promptly and, in any event, within the applicable time limitation periods with the Canadian Securities Regulators any Supplementary Material or material change report which may be required under Canadian Securities Laws and shall comply with all other applicable filing requirements and other requirements under Canadian Securities Laws, including any requirements necessary to qualify the distribution of the Offered Securities, the Over-Allotment Option and the Broker Securities, and shall deliver to the Agent as soon as practicable thereafter their reasonable requirements of conformed or commercial copies of any such Supplementary Material. The Corporation shall not file any such new or amended disclosure documentation or material change report without first obtaining the written approval of the form and content thereof by the Agent, which approval shall not be unreasonably withheld; provided that the Corporation will not be required to file a registration statement or otherwise register or qualify the Offered Securities, the Over-Allotment Option or the Broker Securities for sale or distribution outside of the Qualifying Jurisdictions.

(c) In addition to the provisions of Sections 7(a) and 7(b), the Corporation shall in good faith discuss with the Agent any change, event or fact contemplated in the preceding two paragraphs which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under Section 7(a) and/or 7(b).

(d) If during the Distribution Period there shall be any change in applicable Canadian Securities Laws which, in the opinion of the Agent, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agent, the Corporation shall, to the satisfaction of the Agent, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Canadian Securities Regulators where such filing is required.

8. Covenants of the Corporation. The Corporation hereby covenants to and agrees with the Agent, and acknowledges that the Agent is relying upon each of such covenants and agreements in entering into the transactions contemplated hereby, as follows:

(a) *Notification of Filings*. The Corporation will advise the Agent, promptly after receiving notice thereof, of the time when the Final Prospectus or any Supplementary Material has been filed and, as applicable, the Final Receipt therefor has been obtained and will provide evidence reasonably satisfactory to the Agent of each such filing and copies of such receipts.

(b) *Advise of Orders Suspending Use of Prospectus*. The Corporation will advise the Agent, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the issuance by any Canadian Securities Regulators of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;

(ii) the suspension of the qualification for distribution of the Offered Securities in any of the Qualifying Provinces or the institution, threatening or contemplation of any proceeding for any such purposes; or

(iii) any requests made by any Canadian Securities Regulators for amending or supplementing the Preliminary Prospectus or the Final Prospectus or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.

(c) *Maintain Reporting Issuer Status*. The Corporation will use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of British Columbia, Alberta, and Ontario, and following the issuance of the Final Receipt, in each of the Qualifying Jurisdictions, to at least the date that is 36 months following the Closing Date, provided that the foregoing requirement shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the CSE and is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.

(d) *Maintain Stock Exchange Listing*. The Corporation will use its commercially reasonable best efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the CSE or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, for a period of at least 36 months following the Closing Date, provided the foregoing requirement shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be so listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the CSE and is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.

(e) *Validly Issued Securities*. The Corporation will ensure at the Closing Time that the (i) Debentures and Warrants comprising the Units have been duly and validly created and issued, and (ii) the Broker Warrants have been duly and validly created and issued. The Corporation will ensure that upon their issuance in accordance with the terms of the Broker Warrants and payment therefor, the Broker Units shall be duly and validly issued as Broker Unit Warrants and Broker Unit Shares. The Corporation will ensure that upon their issuance in accordance with their terms and payment therefor the Warrant Shares, the Debenture Shares, the Broker Unit Shares and the Broker Warrant Shares shall be duly and validly issued as fully paid and non-assessable Common Shares.

(f) *Debentures and Warrants*. The Corporation will ensure that, at the Closing Time, the Debentures shall have attributes corresponding in all material respects to the description thereof set forth in the Indenture and will ensure that, at the Closing Time, the Warrants

shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Warrant Indenture.

(g) *Use of Proceeds*. The Corporation will use the net proceeds of the Offering in the manner specified in the Final Prospectus under the heading "Use of Proceeds".

(h) *Consents and Approvals*. The Corporation will make or obtain, as applicable, at or prior to the Closing Time, all consents, approvals, permits, authorizations and filings as may be required by the Corporation for the consummation of the transactions contemplated herein (i) under Securities Laws, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws, including "blue sky laws" in the United States and the rules and policies of the CSE; or (ii) as may be otherwise required by the Corporation, including under any Material Agreement.

(i) *Closing Conditions*. The Corporation will have, at or prior to the Closing Time, fulfilled or caused to be fulfilled, each of the conditions set out in Section 12.

(j) *Transaction Documents*. The Corporation will duly execute and deliver the Transaction Documents, to which it is a party, at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation.

(k) *Common Shares*. The Corporation shall ensure that, at all times prior to the expiry of the Debentures, Warrants, Broker Warrants and Broker Unit Warrants, a sufficient number of Debenture Shares, Warrant Shares, Broker Unit Shares and Broker Warrant Shares are allotted and reserved for issuance upon the due exercise of the Debentures, Warrants, Broker Warrants and Broker Unit Warrants, in each case, in accordance with their terms.

(l) *Right of First Refusal*. Upon Closing, the Corporation shall grant the Agent the exclusive right and opportunity to lead manage any subsequent brokered offering of securities of the Corporation in Canada, by private placement or public offering, or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer, for a period of one (1) year following the Closing Date, with a minimum of 70% of any syndicate to be formed in respect thereof. Should the Corporation receive a specific offer in connection with a subsequent brokered financing in Canada or advisory transaction from another broker or dealer during that period, the Corporation shall immediately advise the Agent of the terms and conditions thereof and the Agent shall have five (5) Business Days to exercise its right of first refusal to act as lead manager or as financial advisor, as the case may be, on the same terms and conditions as contemplated therein.

(m) *Stand-Still*. The Corporation will not, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Conversion Price; (ii) the exercise of the Outstanding

Warrants; (iii) obligations of the Corporation in respect of existing agreements; or (iv) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business.

(n) *Lock-Up*. To the extent not previously provided to the Agent, shall cause each of its senior officers and directors, and each of such senior officer's and director's affiliates, to deliver to the Agent an undertaking in favour of the Agent pursuant to which each will agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld, other than in order to accept a bona fide take-over bid made to all securityholders of the Corporation or similar business combination transaction.

(o) *Alternative Transaction*. If the Offering is not completed because of an Alternative Transaction which is entered into by the Corporation or any of its shareholders during the term of this Agreement or within 12 months after the date hereof, the Corporation shall pay to the Agent a fee equal to 50% of the maximum Agents' Commission contemplated herein (assuming the completion of an offering of $8.2 million) together with all of the Agent's expenses and disbursements incurred to the date of such agreement or transaction. Payment hereunder shall be made upon the earlier of the closing date of the Alternative Transaction or the date that is 60 days after an agreement relating thereto is entered into. For purposes hereof, an "Alternative Transaction" means any transaction by the Corporation or its shareholders which prevents the completion of the Offering, including the issuance of equity securities of the Corporation in excess of 5% of the total value or number of securities currently outstanding on a fully-diluted basis or a business transaction involving the control of the Corporation or any material subsidiary thereof, including a merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture, sale of all or substantially all of the assets, exchange of assets or similar transactions.

9. Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to the Agent, and acknowledges that the Agent is relying upon each of such representations and warranties in entering into the transactions contemplated hereby, as follows:

(a) *Good Standing of the Corporation*. The Corporation (i) is a valid and subsisting corporation duly incorporated and existing under the *Business Corporations Act* (British Columbia), is current and up-to-date with its annual corporate filing and in good standing under the laws of its jurisdiction of incorporation, (ii) has all requisite corporate power and capacity to carry on its business as now conducted or proposed to be conducted and to own, lease and operate its properties and assets, and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Securities, to grant the Over-Allotment Option, to issue the Broker Securities, to execute, deliver and file, as applicable, the Offering Documents, to execute and deliver the Transaction Documents and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof.

(b) *Good Standing of Subsidiaries.* The Corporation's only subsidiaries are listed in the table below, which table is true, complete and accurate in all respects. Each of the Subsidiaries (i) is a valid and subsisting corporation duly incorporated and existing under their laws of

formation, is current and up-to-date with all material corporate filings and in good standing under the laws of its jurisdiction of incorporation, (ii) has all requisite corporate power and capacity to carry on its business as now conducted or proposed to be conducted and to own, lease and operate its properties and assets, and (iii) is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect. All of the issued and outstanding shares in the capital of the Subsidiaries have been duly authorized and validly issued, are fully paid and are directly or indirectly beneficially owned by the Corporation, free and clear of any Liens, and none of the outstanding securities of the Subsidiaries were issued in violation of the pre-emptive or similar rights of any person. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Corporation to sell, transfer or otherwise dispose of any securities of the Subsidiaries or require the Subsidiaries to issue any securities to any person other than the Corporation.

Name	**Jurisdiction of Incorporation**	**Ownership**
American CHM Investments Inc.	Delaware	100%
Chemistree Washington Ltd.	Washington	100%
CHM Desert, LLC	California	100%

(c) *No Other Interests*. Other than the Subsidiaries, the Corporation has no other direct or indirect subsidiaries nor any equity or joint venture interest nor any investment or proposed investment in any person which accounted for, or which is expected to account for, more than 5% of the assets or revenues of the Corporation or would otherwise be material to the business or affairs of the Corporation.

(d) *No Proceedings for Dissolution*. No steps or proceedings have been taken or instituted or are pending or, to the knowledge of the Corporation, are threatened for the dissolution or liquidation of the Corporation or its Subsidiaries.

(e) *Carrying on Business*. Each of the Corporation and its Subsidiaries possesses all Authorizations necessary to carry on the business currently carried on by it, and is in compliance in all material respects with the terms and conditions of all such Authorizations. The Corporation and its Subsidiaries have not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any Authorizations, and which individually or in the aggregate could result in a Material Adverse Effect. All such Authorizations are valid, subsisting and in good standing, and the Corporation and its Subsidiaries have not received any notice of, and the Corporation does not otherwise have knowledge of, the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to, any of the foregoing which, individually or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, could result in a Material Adverse Effect.

(f) *Authorized Share Capital*. The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as at the close of business on March 21,

2019, 34,233,589 Common Shares were issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation.

(g) *Convertible Securities*. No person has any agreement, option, right or privilege (whether at law, pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issue of, or conversion into any of the unissued shares or other securities or convertible obligations of any nature of the Corporation, other than as disclosed in the Public Disclosure Record.

(h) *Voting Control*. There is no agreement or document, including any Material Agreement, to which the Corporation or any of its subsidiaries is a party or by which the Corporation or any of its subsidiaries or any of the properties or assets thereof are bound in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or such subsidiary, as applicable.

(i) *Dividends*. The Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There is not, in the articles of the Corporation or in any Material Agreement, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or the payment of dividends by the Corporation to its securityholders.

(j) *No Pre-Emptive Rights*. The issuance of the Offered Securities is not subject to any pre-emptive right, participation right or other contractual right of a third party to purchase securities or to approve the Corporation's issuance of securities, granted by the Corporation or to which the Corporation is subject.

(k) *Shareholders Rights Plan*. There are no other agreements or arrangements relating to shareholders' rights.

(l) *Common Shares are Listed*. The Common Shares are listed and posted for trading on the CSE, and the Corporation is in material compliance with the rules and policies of the CSE.

(m) *Eligible Issuer and Reporting Issuer Status*. The Corporation is an Eligible Issuer, and is a "reporting issuer" (as that term is defined under Canadian Securities Laws) or the equivalent in each of the provinces of British Columbia, Alberta, and Ontario, and upon receiving the Final Receipt and at the Closing Time, will be a reporting issuer or the equivalent in each of the Qualifying Jurisdictions, not in default of any requirement under Canadian Securities Laws, and not on the lists of defaulting reporting issuers maintained by the Canadian Securities Regulators.

(n) *No Cease Trade*. No Securities Regulator or any similar regulatory authority in any jurisdiction has issued any order, ruling or determination which is currently outstanding preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issuance or sale of securities by the Corporation, including the Offered Securities, and no proceedings for either of such purposes have been instituted or are pending or, to the knowledge of the Corporation, are contemplated or threatened.

(o) *Continuous Disclosure*. The Corporation is in compliance in all material respects with its timely and continuous disclosure obligations under Canadian Securities Laws, including insider reporting obligations, and, without limiting the generality of the foregoing, there has

been no material fact or material change relating to the Corporation which has not been publicly disclosed and the information and statements in the Public Disclosure Record were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information and statements materially misleading, and the Corporation has not filed any confidential material change reports which remain confidential.

(p) *Forward-Looking Information*. With respect to forward-looking information contained in the Prospectus, including for certainty the Documents Incorporated by Reference, the Corporation had a reasonable basis for the forward-looking information at the time the disclosure was made.

(q) *Corporate Actions*. All necessary corporate action has been taken or will have been taken prior to the Closing Time by the Corporation so as to: (i) authorize the execution, delivery and performance of the Transaction Documents; (ii) authorize the execution, delivery and filing, as applicable, of the Offering Documents; (iii) validly create and issue the Debentures; (iv) validly create and issue the Warrants and the Broker Warrants; (v) grant the Over-Allotment Option; (vi) issue and sell the Additional Units upon exercise of the Over-Allotment Option; (vii) validly reserve for issuance and issue and sell the Debenture Shares; (viii) validly reserve for issuance and issue and sell the Warrant Shares; (viii) validly reserve for issuance and issue and sell the Broker Unit Shares and Broker Unit Warrants upon exercise of the Broker Warrants, and (ix) validly reserve for issuance and issue and sell the Broker Warrant Shares.

(r) *Valid and Binding Agreements.* Upon execution and delivery thereof, each of the Transaction Documents will constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, except as limited by the application of equitable principles when equitable remedies are sought and except as rights to indemnity, contribution and waiver of contribution may be limited by Applicable Laws.

(s) *No Breach or Violation*. The Corporation and its Subsidiaries are not currently, and the execution and delivery of the Transaction Documents and the performance of the Corporation's obligations hereunder and thereunder will not conflict with, result in any breach or violation of any of the provisions of, constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would conflict with, result in any breach or violation of, or constitute a default under (i) the articles or notice of articles or any other constating document of the Corporation or its Subsidiaries, (ii) any resolutions passed by the directors (or any committee thereof) or shareholders of the Corporation or its Subsidiaries, (iii) any Applicable Laws, including applicable Securities Laws, (iv) any Material Agreement, or (v) any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or its Subsidiaries or any of the properties or assets thereof, except, in the case of each of clauses (iii), (iv) and (v), where such breach or default would not reasonably be expected to result in a Material Adverse Effect.

(t) *No Consents, Approvals, etc*. The execution and delivery of Transaction Documents, the compliance by the Corporation with the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, including the offering, sale and delivery of the Offered Securities, the grant of the Over-Allotment Option and the

issuance of the Broker Securities, do not and will not require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any Governmental Authority, stock exchange or other person, except (A) such as have been obtained, or (B) such as may be required under Securities Laws and will be obtained by the Closing Time on the Closing Date (or such later date as may be permitted under Securities Laws), including "blue sky laws" in the United States and the rules and policies of the CSE.

(u) *Debentures*. The Debentures to be issued and sold have been, or prior to the Closing Time will be, and created by the Corporation and, upon payment of the issue price therefor, the Debentures will be validly issued.

(v) *Warrants*. The Warrants to be issued and sold have been, or prior to the Closing Time will be, duly and validly authorized and created by the Corporation and, upon payment of the issue price therefor, the Warrants will be validly issued.

(w) *Debenture Shares*. The Debenture Shares issuable upon conversion of the Debentures have been, or prior to the Closing Time will be, duly and validly authorized and allotted for issuance by the Corporation and, upon conversion of the Debentures in accordance with their terms, the Debenture Shares will be validly issued as fully paid and non-assessable Common Shares.

(x) *Warrant Shares*. The Warrant Shares issuable upon exercise of the Warrants have been, or prior to the Closing Time will be, duly and validly authorized and allotted for issuance by the Corporation and, upon exercise of the Warrants in accordance with their terms, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.

(y) *Broker Warrants*. The Broker Warrants to be issued have been, or prior to the Closing Time will be, duly and validly authorized for issuance and created by the Corporation and, upon execution and delivery of the Warrant Indenture by the Corporation, the Broker Warrants will be validly issued.

(z) *Broker Unit Warrants*. The Broker Unit Warrants to be issued have been, or prior to the Closing Time will be, duly and validly authorized for issuance and created by the Corporation and, upon execution and delivery of the Warrant Indenture by the Corporation, the Broker Unit Warrants will be validly issued.

(aa) *Broker Units Shares*. The Broker Unit Shares issuable upon exercise of the Broker Warrants have been, or prior to the Closing Time will be, duly and validly authorized, created and allotted for issuance, as applicable, by the Corporation and, upon exercise of the Broker Warrants in accordance with their terms, the Broker Unit Shares will be validly issued as fully paid and non-assessable Common Shares.

(bb) *Broker Warrant Shares*. The Broker Warrant Shares issuable upon exercise of the Broker Unit Warrants have been, or prior to the Closing Time will be, duly and validly authorized, created and allotted for *issuance*, as applicable, by the Corporation and, upon exercise of the Broker Unit Warrants in accordance with their terms, the Broker Warrant Shares will be validly issued as fully paid and non-assessable Common Shares

(cc) *Forms of Certificate*. The forms of the certificates representing the Debentures, the Common Shares, the Warrants, and the Broker Warrants have been, or prior to the Closing Time will be, duly approved by the Corporation and comply with applicable corporate laws and Canadian Securities Laws, including the rules and policies of the CSE.

(dd) *Transfer Agent*. Computershare Trust Company of Canada, at its principal transfer office in the City of Vancouver, has been duly appointed as registrar and transfer agent in respect of the Common Shares.

(ee) *Warrant Agent and Trustee*. Odyssey Trust Company has been duly appointed as warrant agent in respect of the Warrants, Broker Warrants and the Broker Unit Warrants, and as Trustee, in respect of the Debentures.

(ff) *Minute Books*. The minute books of the Corporation and the Subsidiaries made available to counsel for the Agent in connection with their due diligence investigation of the Corporation are all of the minute books of the Corporation and the Subsidiaries, are complete and accurate in all material respects, and contain copies of all constating documents and resolutions passed by and any other proceedings of their shareholders, directors and committees of the board of directors since their respective dates of incorporation, all of which constating documents and resolutions have been duly passed. No meeting, resolution or proceeding of any such shareholders, directors or committees of the board of directors of the Corporation or any of the Subsidiaries has been held or passed that has not been reflected in such minute books.

(gg) *Eligibility for Investment*. The statements set forth in the Prospectus under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" are accurate, subject to the limitations and qualifications set out therein.

(hh) *Due Diligence*. All written information which has been prepared by the Corporation relating to the Corporation and its Subsidiaries and their business, properties and liabilities and either publicly disclosed or provided or made available to the Agent, including all financial, marketing, sales and operational information made available to the Agent, is as of the date of such information true and correct in all material respects taken as a whole and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made.

(ii) *Industry Information*. The statistical, industry-related and market-related data in the Prospectus, the Financial Statements and the Documents Incorporated by Reference are based on or derived from sources which the Corporation reasonably and in good faith believes are reliable and accurate, and such data agree with the sources from which they are derived.

(jj) *Financial Statements*. The Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods (except as disclosed in such financial statements), present fairly and correctly the financial position of the Corporation (on a consolidated basis) as at the dates thereof and the results of the operations and cash flows of the Corporation (on a consolidated basis) for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation (on a consolidated basis) and there has been no change in the accounting policies or practices of the Corporation since December 31, 2018, except as required by IFRS and as disclosed in the Financial Statements.

(kk) *Internal Financial Controls*. The Corporation maintains a system of control over financial reporting sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or a specific authorization of management of the Corporation; (ii) transactions are recorded as necessary to permit the preparation of financial statements

for the Corporation (on a consolidated basis) in conformity with IFRS and to maintain asset accountability; (iii) access to assets of the Corporation and its Subsidiaries is permitted only in accordance with the general or a specific authorization of management of the Corporation; and (iv) the recorded accountability for assets of the Corporation and its Subsidiaries is compared with the existing assets of the Corporation and its Subsidiaries at reasonable intervals and appropriate action is taken with respect to any differences therein.

(ll) *No Off-Balance Sheet Arrangements*. There are no off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or its Subsidiaries whether direct, indirect, absolute, contingent or otherwise which are required to be disclosed or reflected and are not disclosed or reflected in the Financial Statements.

(mm) *Independent Auditors*. The Corporation's Auditors who audited the Annual Financial Statements and who provided their audit report thereon are independent chartered professional accountants in accordance with applicable auditors' rules of professional conduct and are, to the knowledge of the Corporation, a participating audit firm that satisfied the requirements to provide such audit report under Canadian Securities Laws. There has never been a "reportable event" (within the meaning of National Instrument 51-102 respecting Continuous Disclosure Obligations) with the present or former auditors of the Corporation.

(nn) *No Material Changes*. Since December 31, 2018, other than as disclosed in the Prospectus, including for certainty the Documents Incorporated by Reference:

(i) each of the Corporation and its Subsidiaries has carried on its business in the ordinary course and there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, affairs, condition (financial or otherwise), results of operations, prospects, capital or control of the Corporation and its Subsidiaries on a consolidated basis; and

(ii) neither the Corporation nor its Subsidiaries has entered into or has completed any transaction or proposed transaction which, as the case may be, materially affects, is material to or will materially affect the Corporation and its Subsidiaries on a consolidated basis.

(oo) *Purchases and Sales*. Neither the Corporation nor any subsidiary of the Corporation has approved or has entered into any agreement in respect of (i) except as disclosed in the Prospectus, the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned by the Corporation or any subsidiary of the Corporation, whether by asset sale, transfer of shares or otherwise, (ii) any transaction which would result in the change of control (by sale or transfer of the shares or sale of all or substantially all of the property and assets including, without limitation, the Material Properties) of the Corporation or any subsidiary of the Corporation, or (iii) a proposed or planned disposition of Common Shares or common shares of any subsidiary of the Corporation by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or of the outstanding common shares of any subsidiary of the Corporation.

(pp) *No Significant Acquisitions*. The Corporation has not completed any "significant acquisition" that required, nor is it proposing any "significant acquisitions" that would require, the filing of a business acquisition report under Canadian Securities Laws or the

inclusion of any additional financial statements or *pro forma* financial statements in the Offering Documents pursuant to applicable Canadian Securities Laws.

(qq) *Taxes*. The Corporation and its Subsidiaries have filed all federal, provincial, state and local income tax returns, reports, elections and remittances required to be filed under applicable tax laws and has paid all taxes and other payments due thereunder (except as any extension may have been requested or granted and in any case in which the failure to make such filings or pay such taxes would not result in a Material Adverse Effect), and no material tax deficiency has been determined adversely to the Corporation or its Subsidiaries. There are no material actions, suits, proceedings, investigations or claims now pending, instituted or, to the knowledge of the Corporation, threatened, against the Corporation or its Subsidiaries which could result in a material liability in respect of taxes, charges, penalties, interest, fines, assessments, re-assessments or levies of any Governmental Authority. Each of the Corporation and its Subsidiaries has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefore, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax laws.

(rr) *Compliance with Laws*. Other than in respect of certain United States federal laws relating to the cultivation, distribution, processing or possession of marijuana in the United States and the proceeds or use of proceeds therefrom as disclosed in the Disclosure Documents, there are no Applicable Laws presently in force or proposed to be brought into force (including any threatened or pending change in existing legislation), that the Corporation anticipates it or its Subsidiaries will be unable to comply with, to the extent that compliance is necessary, and which non-compliance could result in a Material Adverse Effect.

(ss) *Cannabis Licenses*. None of Corporation or its Subsidiaries are required to hold a permit, license or other regulatory approvals under the Cannabis Act (Canada) or state cannabis laws in the United States, in order to operate the Company's business as presently conducted.

(tt) *Foreign Private Issuer*. As of the date of this Agreement and at the Closing Time, the Corporation is a "foreign private issuer" as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended.

(uu) *Anti-Money Laundering Laws*. The operations of the Corporation and its Subsidiaries are and have been conducted at all times in compliance with the anti-money laundering and anti-terrorist laws of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court, arbitrator or Governmental Authority involving the Corporation or its Subsidiaries with respect to the Anti-Money Laundering Laws is pending, instituted or, to the knowledge of the Corporation, threatened; provided, however, that the business of the Corporation and its Subsidiaries may be in violation of United States federal laws relating to the cultivation, processing, possession or distribution of marijuana and the proceeds therefrom.

(vv) *Anti-Bribery Laws*. None of the Corporation or any of its subsidiaries nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or any other person acting on behalf of the Corporation or any of its subsidiaries has (i) violated or is in

violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), as amended (the "**CFPOA**"), or the Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"); (ii) taken any unlawful action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "foreign public official" (as such term is defined in the CFPOA) or any "foreign official" (as such term is defined in the FCPA); (iii) violated or is in violation of any provision of the Bribery Act 2010 of the United Kingdom; (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or (v) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; and the Corporation and its affiliates have instituted and maintain and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with applicable anti-corruption laws and with the representation and warranty contained herein.

(ww) *No Third-Party Breach or Violation*. To the knowledge of the Corporation, no party (other than the Corporation or its Subsidiaries) to any Material Agreement is in breach or violation of any term or provision thereof which would, or would reasonably be expected to result in any Material Adverse Effect.

(xx) *No Actions or Proceedings*. There are no material actions, suits, proceedings, inquiries or investigations existing, pending, instituted or, to the knowledge of the Corporation, threatened, against or which affect the Corporation or its Subsidiaries, or their respective directors or officers, or to which any of the properties or assets thereof are subject, at law or equity, or before or by any Governmental Authority which, either separately or in the aggregate, would reasonably be expected to result in a Material Adverse Effect and, to the knowledge of the Corporation, there is no basis therefor.

(yy) *No Bankruptcy or Winding Up*. Neither the Corporation nor any of its subsidiaries has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any Lien or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it and no steps or proceedings with respect to any of the foregoing have been taken, instituted or, to the knowledge of the Corporation, threatened.

(zz) *Environmental Matters*.

(i) The Corporation and its Subsidiaries are in material compliance with all applicable Environmental Laws, and neither the Corporation nor any such Subsidiary has used, except in material compliance with all Environmental Laws, any property or facility which it owns or leases, or previously owned or leased, to conduct any Environmental Activity, except where such use would not result in a Material Adverse Effect;

(ii) neither the Corporation nor its Subsidiaries, nor, to the knowledge of the Corporation, any of their predecessor companies, have received any notice of any material claim, judicial or administrative proceeding, order or direction, pending, instituted, threatened, concluded or issued against, the Corporation or its

Subsidiaries or any of their properties, assets or operations relating to, or alleging any violation of, any Environmental Laws; the Corporation is not aware of any facts which would reasonably be expected to give rise to any such claim, judicial or administrative proceeding, order or direction and neither the Corporation nor its Subsidiaries, nor any of their properties, assets or operations is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) to the knowledge of the Corporation, there are no liabilities (whether contingent or otherwise) in connection with any Environmental Activity relating to or affecting the Corporation, its Subsidiaries or their properties, assets or operations, and there are no liabilities (whether contingent or otherwise) relating to the restoration or rehabilitation of land, water or any other part of the environment, in each case which would have a Material Adverse Effect; and

(iv) there are no environmental audits, evaluations, assessments, studies or tests, relating to the Corporation, its Subsidiaries or their properties, assets or operations, except for ongoing assessments conducted by or on behalf of the Corporation or its Subsidiaries in the ordinary course.

(aaa) *Intellectual Property*.

(i) Except where the failure of which would not result in a Material Adverse Effect, the Corporation and/or its Subsidiaries own or possess adequate enforceable rights to use all intellectual and industrial property, including patents, patent applications, trademarks, trademark applications, trademark registrations, service marks, service mark applications, service mark registrations, trade names, copyrights, industrial designs, concepts, know how, inventions and trade secrets, used or proposed to be used in the conduct of the business thereof, free and clear of any Liens of any kind or nature. The Corporation and its Subsidiaries are not infringing upon the rights of any other person with respect to any such intellectual and industrial property, and to the knowledge of the Corporation, there are no claims by any other person challenging such rights of the Corporation and its Subsidiaries to such intellectual and industrial property or as to such infringement by the Corporation or its Subsidiaries, and no other person has infringed any such intellectual and industrial property;

(ii) to the extent any intellectual or industrial property owned by the Corporation or its Subsidiaries has been created in whole or in part by current or past employees, consultants or independent contractors, any rights therein of such persons have been irrevocably assigned in writing to the Corporation or its Subsidiaries, and no such person has any claim or asserted any claim in respect of any moral rights in such person’s contribution to such intellectual or industrial property or component thereof; and

(iii) the Corporation and its Subsidiaries have implemented and maintained commercially reasonable measures to protect and maintain the confidentiality of all trade secrets and other confidential proprietary information forming part of

the intellectual and industrial property rights owned or possessed by the Corporation and its Subsidiaries.

(bbb) *Premises*. With respect to each premises of the Corporation and its Subsidiaries which is material to the Corporation (on a consolidated basis) and which the Corporation and/or its Subsidiaries occupy as tenant (the "**Premises**"), the Corporation and/or such Subsidiaries occupy the Premises and have the exclusive right to occupy and use the Premises and each of the leases pursuant to which the Corporation and/or such Subsidiaries occupy the Premises is in good standing and in full force and effect.

(ccc) *Employment Matters*. The Corporation and its Subsidiaries are in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment, pay equity, hours, wages, workers' compensation and occupational health and safety except where such non-compliance would not result in a Material Adverse Effect. The Corporation and its Subsidiaries have not and are not engaged in any unfair labour practice and there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending, instituted or, to the knowledge of the Corporation, threatened, against the Corporation or its Subsidiaries. There is no collective bargaining agreement currently in place or being negotiated by the Corporation or its Subsidiaries, the Corporation and its Subsidiaries have not received any notice of, nor have any knowledge of, any occurrence which would reasonably be expected to lead to a dispute, complaint, grievance or any other unresolved matter. There are no outstanding orders under any employment or human rights legislation in any jurisdiction in which the Corporation or its Subsidiaries carry on business or have employees.

(ddd) *Employee Plans*. Each plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or its Subsidiaries for the benefit of any current or former officer, director, employee or consultant of the Corporation or its Subsidiaries has been maintained and funded in material compliance with the terms thereof and with the requirements prescribed by Applicable Laws and has been publicly disclosed (including any accrued or contingent liability in respect thereof) to the extent required by applicable Securities Laws. All accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any current or former officer, director, employee or consultant of the Corporation or its Subsidiaries have been accurately reflected in the books and records of the Corporation and its Subsidiaries.

(eee) *No Loans*. Except as disclosed in the Offering Documents, neither the Corporation nor any Subsidiary has made any material loans to or guaranteed the material obligations of any other person.

(fff) *Non-Arm's Length Transactions*. Except as described in the Offering Documents, the Corporation and its Subsidiaries do not owe any amount to, have not borrowed any amount from and are not otherwise indebted to, and the Corporation and its Subsidiaries do not have any present loans or other indebtedness made to, any officer, director, employee or security holder of the Corporation or its Subsidiaries, past or present, or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them, except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation and its Subsidiaries. Except as described in the

Offering Documents, the Corporation and its Subsidiaries are not a party to any material contract or agreement or understanding with any officer, director, employee or security holder of the Corporation or any of its Subsidiaries or any other person not dealing at arm's length with the Corporation or any of its Subsidiaries.

(ggg) *Related Parties*. Except as described or disclosed in the Offering Documents, none of the directors, officers or employees of the Corporation or its Subsidiaries, any known holder of more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies, has had any material interest, direct or indirect, in any transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to materially affect the Corporation and its Subsidiaries, on a consolidated basis.

(hhh) *Insurance*. The assets of the Corporation and its Subsidiaries and their businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation and its Subsidiaries have not failed to promptly give any notice or present any material claim thereunder.

(iii) *Fees, Commissions and Proceeds*. Other than as disclosed to the Agent or as otherwise provided by this Agreement, no brokerage, agency or other fiscal advisory or similar fee is payable by the Corporation in connection with the transactions contemplated herein, and other than the Corporation, there is no person that is or will be entitled to demand any of the net proceeds of the Offering.

(jjj) *True and Full Disclosure*. The Corporation has not withheld, and will not withhold from the Agent prior to the Closing Time, any material facts relating to the Corporation, the Subsidiaries or the Offering.

(kkk) *United States Securities Laws*.

(i) None of the Corporation or any of its affiliates or any persons acting on any of their behalf has offered or sold, or will offer or sell, (i) any of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, except for offers and sales made directly by the Corporation in full compliance and reliance on the exemption from registration under the U.S. Securities Act provided by Section 4(a)(2) and/or Rule 506(b) of Regulation D; or (ii) any of the Offered Securities outside the United States or to or for the account or benefit of a U.S. Person or a person in the United States, except for offers and sale made in Offshore Transactions in accordance with Rule 903 of Regulation S; and

(ii) The offering of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States by the Corporation is not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

10. Closing Deliveries.

(a) *Location of Closing*. The closing of the Offering shall be completed at the Closing Time at the offices of Blake, Cassels & Graydon LLP in Vancouver, British Columbia, or at such other place as the Agent and the Corporation may agree.

(b) *Deliveries*. At the Closing Time, subject to the terms and conditions contained in this Agreement, the Corporation shall duly and validly deliver to the Agent (i) the Units in certificated or electronic form, and (ii) the Broker Warrants and Corporate Finance Fee Shares in certificated form, in each case registered as the Agent may notify and direct the Corporation in writing not less than 48 hours prior to the Closing Time, against payment by the Agent to the Corporation, at the direction of the Corporation, in lawful money of Canada by wire transfer or, if permitted by Applicable Law, by certified cheque or bank draft, payable at par in the City of Vancouver, British Columbia of an amount equal to the aggregate purchase price for the Units being issued and sold hereunder less the cash portion of the Corporate Finance Fee, the Fiscal Advisory Fee, the Agent's Commission and all of the applicable taxes, and estimated out of pocket expenses of the Agent payable by the Corporation to the Agent in accordance with Section 18. Any Units or Additional Units sold to Purchasers in the United States or to, or for the account or benefit of, U.S. Persons or persons in the Unites States that are (i) Accredited Investors shall be issued as definitive physical certificates and such certificates shall include the legends required by the U.S. Placement Memorandum and (ii) Qualified Institutional Buyers may be issued as definitive physical certificates or electronic form with CDS Clearing and Depository Services Inc.

11. Closing of the Over-Allotment Option.

(a) *Grant of Over-Allotment Option*. The Corporation hereby grants to the Agent the Over-Allotment Option which may be exercised by the Agent in whole or in part in the Agent's sole discretion and without obligation, to offer and sell the Additional Units as an agent. The Over-Allotment Option is exercisable in whole or in part and from time to time on or before 12:00 p.m. (Vancouver time) for a period of thirty (30) days from and including the Closing Date.

(b) *Written Notice of Exercise*. The Agent may exercise the Over-Allotment Option in whole or in part during the currency thereof by delivering written notice to the Corporation (the "**Over-Allotment Notice**") which notice shall set forth (i) the aggregate number of Additional Units to be issued and sold; and (ii) the Closing Date for the sale of the Additional Units, provided that such Closing Date shall not be a date that is less than two Business Days or more than five Business Days after the date of the Over-Allotment Notice, and in any event not later than the 30th day following the Closing Date of the Offering.

(c) *Closing*. The offer and sale of the Additional Units shall be completed at such times and places as the Agent and the Corporation may agree, and in accordance with Section 10(b), and may occur in multiple tranches or closings.

(d) *Deliveries*. The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 12 relating to conditions of closing) shall apply *mutatis mutandis* to each Closing and the Closing of the issuance of any Additional Units pursuant to any exercise of the Over-Allotment Option.

(e) *Adjustments*. In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Issue Price and to the

number of Additional Units issuable on exercise thereof such that the Agent is entitled to arrange for the sale of the same number and type of securities that the Agent would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or other change.

12. Conditions of Closing. The following are conditions precedent to the obligations of the Agent to complete each Closing and to arrange for the purchase of the Offered Securities at each Closing Time, and which conditions are to be satisfied by the Corporation at or prior to each Closing Time and may be waived in writing in whole or in part by the Agent:

(a) the Corporation will cause its counsel to deliver to the Agent favourable legal opinions dated and delivered on the Closing Date, in form and substance satisfactory to the Agent, acting reasonably (it being understood that such counsel may rely to the extent appropriate in the circumstance: (i) as to matters of fact, on certificates of the Corporation executed on its behalf by a senior officer of the Corporation, on certificates of the Transfer Agent, as to its appointment as such and the issued capital of the Corporation and on certificates of the Warrant Agent and Trustee as to its appointment as such; and (ii) on certificates of public officials), with respect to the following matters (subject to usual and customary assumptions and qualifications):

(i) the Corporation is a corporation existing under *Business Corporations Act* (British Columbia) and has all requisite corporate power and capacity to carry on business and to own, lease and operate properties and assets;

(ii) the Corporation has all necessary corporate capacity, power and authority: (A) to execute and deliver each of the Transaction Documents and to perform its obligations hereunder and thereunder, (B) to issue, sell and deliver the Offered Securities, (C) to grant the Over-Allotment Option, and (D) to create, issue and deliver the Broker Securities;

(iii) the authorized and issued and outstanding share capital of the Corporation;

(iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Transaction Documents and the performance of its obligations hereunder and thereunder, and each of the Transaction Documents has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and subject to other standard assumptions and qualifications, including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by Applicable Law;

(v) the execution and delivery of each of the Transaction Documents and the fulfilment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Offered Securities to be issued and sold by the Corporation at the Closing Time, the grant of the Over-Allotment Option and the creation, issuance and delivery of the Broker Securities do not and will not result in a breach of or a default under, do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or a default under,

and do not and will not conflict with: (A) the constating documents of the Corporation; (B) any resolutions of the shareholders or directors (including of any committee thereof) of the Corporation; or (C) any applicable corporate law or Canadian Securities Laws;

(vi) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Canadian Securities Regulators and the delivery of each of the preliminary and final U.S. Placement Memorandum;

(vii) the Debentures have been duly and validly created and issued and the Debenture Shares have been reserved and authorized and allotted for issuance and upon the payment therefor, and the issue thereof upon conversion of the Debentures in accordance with the provisions of the Indentures the Debentures Shares will be duly and validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(viii) the Warrants have been duly and validly created and issued and the Warrant Shares have been reserved and authorized and allotted for issuance, and upon the payment therefor and the issue thereof upon exercise of the Warrants in accordance with the provisions of the Warrant Indenture, the Warrant Shares will be duly and validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(ix) the Broker Warrants have been duly and validly created and issued;

(x) the Broker Unit Warrants have been duly and validly created and reserved for issuance and the Broker Warrant Shares have been reserved and authorized and allotted for issuance and upon the payment therefor and the issue thereof upon exercise of the Broker Unit Warrants in accordance with the provisions of the Warrant Indenture, the Broker Warrant Shares will be duly and validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(xi) the Broker Unit Shares have been reserved and authorized and allotted for issuance and upon the payment therefor and the issue thereof upon exercise of the Broker Warrants in accordance with the provisions of the Warrant Indenture, the Broker Shares will be duly and validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(xii) the rights, privileges, restrictions and conditions attaching to the Offered Securities, the Over-Allotment Option and the Broker Securities are accurately summarized in all material respects in the Offering Documents;

(xiii) all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits, consents and authorizations of the Canadian Securities Regulators in each of the Qualifying Jurisdictions have been obtained by the Corporation to qualify the distribution to the public of the Offered Securities in each of the Qualifying Jurisdictions through persons who are registered under Canadian Securities Laws and to qualify the grant of the Over-Allotment Option and the issuance of the Broker Warrants to the Agent;

(xiv) the issuance by the Corporation of the Debenture Shares upon the due conversion of the Debentures, the Warrants Shares upon the due exercise of the Warrants, the issuance of the Broker Unit Shares and the Broker Unit Warrants upon the due exercise of the Broker Warrants and the issuance of the Broker Warrant Shares upon exercise of the Broker Unit Warrants is exempt from, or is not subject to, the prospectus and registration requirements of Canadian Securities Laws in the Qualifying Jurisdictions and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained under Canadian Securities Laws of the Qualifying Jurisdictions in connection therewith;

(xv) the Corporation is a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and it is not on the list of defaulting reporting issuers maintained by the Canadian Securities Regulators;

(xvi) subject to the qualifications and assumptions set out therein, the statements set forth in the Final Prospectus under the heading "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations", insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein;

(xvii) Odyssey Trust Company has been appointed as Warrant Agent and Trustee; and

(xviii) such other matters as may reasonably be requested by the Agent no less than 48 hours prior to the Closing Time.

In connection with such opinions, counsel to the Corporation may rely on the opinions of local counsel to the Corporation in the Qualifying Jurisdictions acceptable to counsel to the Agent, acting reasonably, as to certain corporate and securities matters relating to the Corporation and as to the qualification for distribution of the Offered Securities, the grant of the Over-Allotment Option and the issuance of the Broker Securities, or opinions may be given directly by local counsel to the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which counsel to the Corporation is qualified to practise, and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others;

(b) if any Offered Securities are offered and sold pursuant to Schedule "A" to this Agreement, the Corporation will cause a favourable legal opinion to be addressed and delivered to the Agent by the Corporation's United States Securities Law counsel, Burns, Figa & Will, P.C., dated and delivered on the Closing Date, such opinion to be subject to such qualifications and assumptions as the Agent may agree and in form and substance satisfactory to the Agent, acting reasonably, to the effect that no registration of the Debentures and Warrants offered and sold in the United States will be required under the U.S. Securities Act in connection with such offer and sale, provided that the offer and sale of the Debentures and Warrants in the United States is made in accordance with Schedule "A" to this Agreement, it being understood that such counsel need not express its opinion with respect to any resale of any of the Offered Securities or Broker Securities; provided, however that such counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation, the Agent and its U.S. Affiliate or any Selling Firm, and such U.S. purchasers and upon compliance of such Person with the covenants contained in this Agreement, the U.S. Placement Memorandum and in any schedule or exhibit hereto;

(c) the Corporation will cause favourable legal opinions to be delivered to the Agent by the Corporation's counsel, dated and delivered on the Closing Date, regarding the Corporation's Subsidiaries, in form and substance satisfactory to the Agent, acting reasonably, with respect to the following matters:

(i) each Subsidiary having been incorporated and existing under its jurisdiction of incorporation;

(ii) each Subsidiary having all requisite corporate power and capacity to carry on business and to own, lease and operate properties and assets; and

(i) the authorized and issued share capital of each Subsidiary and the ownership thereof;

(d) the Corporation will cause the Corporation's Auditors to deliver to the Agent a comfort letter, dated and delivered on the Closing Date, in form and substance satisfactory to the Agent, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 6(b)(v);

(e) the Corporation will deliver a certificate of the Corporation, addressed to the Agent and dated the Closing Date, and signed on behalf of the Corporation, but without personal liability, by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other senior officers of the Corporation as may be acceptable to the Agent, acting reasonably, in form and substance satisfactory to the Agent, acting reasonably, certifying with respect to: (i) the notice of articles and articles of the Corporation; (ii) the resolutions of the Corporation's board of directors relevant to the issue and sale of the Offered Securities to be issued and sold by the Corporation, the grant of the Over-Allotment Option, the issuance of the Broker Securities and the authorization of the Offering Documents, the Transaction Documents and the other agreements and transactions contemplated herein; and (iii) the incumbency and signatures of signing officers of the Corporation;

(f) the Corporation will deliver a certificate of the Corporation, addressed to the Agent and its counsel and dated the Closing Date, and signed on behalf of the Corporation, but without personal liability, by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other senior officers of the Corporation as may be acceptable to the Agent, acting reasonably, in form and substance satisfactory to the Agent, acting reasonably, certifying, to the best of the knowledge, information and belief of the Persons so signing, after having made due enquiry and after having reviewed the Final Prospectus and any Supplementary Material, that:

(i) the Corporation has complied in all material respects with all the covenants and satisfied all the terms and conditions of this Agreement on its part to be complied with or satisfied, other than conditions which have been waived by the Agent, at or prior to the Closing Time;

(ii) the representations and warranties of the Corporation contained herein are true and correct in all material respects (provided that any representations and warranties that are qualified as to materiality shall be true and correct in all respects) as at the Closing Time, with the same force and effect as if made on and

as at the Closing Time, after giving effect to the transactions contemplated hereby;

(iii) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Corporation or prohibiting the sale of the Offered Securities or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Securities Laws or by any regulatory authority; and

(iv) since the respective dates as of which information is given in the Final Prospectus (A) there has been no material change (actual, anticipated, contemplated, threatened, or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects, capital or control of the Corporation (on a consolidated basis), and (B) no transaction has been entered into by the Corporation or its subsidiaries which is material to the Corporation (on a consolidated basis), other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;

(g) the Corporation will have made and/or obtained all necessary filings, approvals, permits, consents and acceptances to or from, as the case may be, the board of directors, the Securities Regulators, the CSE, and any other applicable person required to be made or obtained by the Corporation in connection with the transactions contemplated by this Agreement, on terms which are acceptable to the Corporation and the Agent, acting reasonably, prior to the Closing Date or such later date as may be permitted under the Securities Laws including "blue sky" laws in the United States, it being understood that the Agent will do all that is reasonably required to assist the Corporation to fulfil this condition;

(h) the Agent will have received a certificate from Computershare Trust Company of Canada with respect to its appointment as transfer agent and registrar of the Common Shares, and the number of Common Shares issued and outstanding as at the end of the Business Day immediately prior to the Closing Date;

(i) the Agent will have received a certificate of compliance or the equivalent in respect of the Corporation and its Subsidiaries issued by the appropriate regulatory authority in the respective jurisdictions in which the Corporation and its Subsidiaries are incorporated, dated within one Business Day prior to the Closing Date;

(j) Odyssey Trust Company will be, as of the Closing Date, duly appointed as Trustee and as Warrant Agent under the Indenture and the Warrant Indenture, respectively;

(k) the Agent will have received a reporting issuer certificate or report for each of the Qualifying Jurisdictions confirming that the Corporation is a reporting issuer not in default of applicable Canadian Securities Laws, dated or retrieved within two (2) Business Days prior to the Closing Date; and

(l) to the extent not previously provided, the Agent shall have received the lock-up undertakings requested by the Agent pursuant to Section 8(n).

13. All Terms to be Conditions. The Corporation agrees that the conditions contained in Section 12 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation. Any breach or failure to comply with any of the conditions contained in Section 12 shall entitle the Agent, at its sole option, to terminate and cancel, without any liability on the part of the Agent and the Purchasers, all of its obligations (and those of any Purchasers arranged by it) under this Agreement, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such conditions without prejudice to the rights of the Agent in respect of any such conditions or any other or subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver or extension must be in writing and signed by the Agent.

14. Termination Events. The Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Purchasers, all of its obligations (and those of any Purchasers arranged by it) under this Agreement, by written notice to that effect given to the Corporation at or prior to the Closing Time, if:

(a) *Due Diligence Out*. The Agent is not satisfied, in its discretion, acting reasonably, with the completion of its due diligence investigations;

(b) *Material Change Out*. There is a material change or a change in a material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed in the Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the opinion of the Agent, acting reasonably, a significant adverse change or effect on the business or affairs of the Corporation (on a consolidated basis) or on the market price or the value of the securities of the Corporation;

(c) *Disaster Out*. (i) There should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the reasonable opinion of the Agent, seriously adversely affects or involves the financial markets in Canada or the U.S. or the business, operations or affairs of the Corporation or its subsidiaries or the market price or value of the securities of the Corporation; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any of its subsidiaries or any one of the officers or directors of the Corporation or its subsidiaries where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, including, without limitation, the CSE or any securities regulatory authority which involves a finding of wrong-doing; or (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Corporation is made or threatened by a securities regulatory authority;

(d) *Breach Out*. The Corporation is in breach of a material term, condition or covenant contained in this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect that the Agent reasonably expects will not be remedied prior to the Closing Time; or

(e) *Market Out*. The state of the financial markets in Canada or the United States is such that, in the reasonable opinion of the Agent, the Offered Securities cannot be profitably marketed.

The Agent shall make reasonable best efforts to give written notice to the Corporation of the occurrence of any of the events referred to in this Section 14, provided that neither the giving nor the failure to give such notice shall in any way affect the entitlement of the Agent to exercise its rights under this Section 14at any time prior to or at the Closing Time.

15. Exercise of Termination Right. If this Agreement is terminated by the Agent pursuant to Section 13 or Section 14, there shall be no further liability on the part of the Agent or of the Corporation to the Agent, except in respect of any liability which may have arisen or may thereafter arise under Sections 17, 18 and 22. The right of the Agent to terminate its obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement.

16. Survival of Representations and Warranties. Subject to Section 5, all representations, warranties, covenants and agreements herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the sale of the Offered Securities and shall continue in full force and effect for the benefit of the Agent and/or the Corporation, as applicable, in accordance with Applicable Law, for a period of two years following the Closing Date, regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Agent with respect thereto. Notwithstanding the foregoing, the provisions contained in this Agreement in any way related to the indemnification of the Agent or the contribution obligations of the Corporation or of the Agent, including without limitation Sections 17 and 22, shall survive the sale of the Offered Securities and shall continue in full force and effect for the benefit of the Agent and/or the Corporation, as applicable, regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Agent with respect thereto, indefinitely without limitation other than any limitation requirements of Applicable Law.

17. Indemnity and Contribution.

(a) The Corporation (the "**Indemnitor**") hereby covenants and agrees to indemnify and hold harmless the Agent and each Selling Firm and each of their respective subsidiaries and affiliates, and each of their respective directors, officers, employees, partners and agents (each being hereinafter referred to as an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), to the full extent lawful, from and against all losses, claims, actions, suits, proceedings, investigations, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), joint or several, (including the reasonable fees and expenses of their respective counsel and other expenses,) (collectively, "**Losses**") that are incurred in investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the "**Claims**") or to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims arise out of or are based upon, directly or indirectly, the performance of services in respect of the Offering under this Agreement or otherwise in connection with the matters referred to in this Agreement, together with any Losses that are incurred in enforcing this indemnity. This indemnity shall cease to apply to an Indemnified Party in respect of Losses incurred by such Indemnified Party where a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted primarily from the fraud, negligence, or wilful misconduct of such Indemnified Party. For greater certainty, the Corporation and the Agent agree that they do not intend that any failure by the Agent to conduct such reasonable investigation as necessary to provide the Agent with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute

"negligence" or "wilful misconduct" for purposes of this Section 17 or otherwise disentitle the Agent from indemnification hereunder

(b) If for any reason (other than a determination as to any of the events referred to immediately above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to (i) such amount paid or payable, minus (ii) the amount of the Commission, the Corporate Finance Fee and the Fiscal Advisory Fee received by the Indemnified Party, if any, under this Agreement. In no event shall the Indemnified Party be required to contribute any amounts in excess of the amount of the Agent's Commission, Corporate Finance Fee and the Fiscal Advisory Fee actually received by the Indemnified Party under this Agreement.

(c) The Indemnitor agrees that in case any Claim shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the matters referred to in this Agreement, the Indemnified Party shall (subject to subsections 17(e) and 17(f) below) have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs of the Indemnified Party (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Corporation as they occur.

(d) The Agent will notify the Corporation promptly in writing after receiving notice of any Claim against the Agent or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, stating the particulars thereof, will provide copies of all relevant documentation to the Corporation and, unless the Indemnitor assumes the defence thereof, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required prejudices the defence of such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had the Agent not so delayed in giving, or failed to give, the notice required hereunder.

(e) The Indemnitor shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Agent. Upon the Indemnitor notifying the Agent in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is not assumed by the Indemnitor, the Indemnified Parties, throughout the course thereof, shall provide copies of all relevant

documentation to the Corporation, shall keep the Corporation advised of the progress thereof and shall discuss with the Corporation all significant actions proposed. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.

(f) Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if: (i) the employment of such counsel has been authorized by the Indemnitor; (ii) the Indemnitor has not assumed the defence and employed counsel therefor within 14 calendar days after receiving notice of such Claim; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within the indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

(g) No admission of liability and no settlement of any Claim shall be made by the Indemnitor without the prior written consent of the Indemnified Parties affected. The Indemnitor hereby acknowledges that the Agent acts as trustees for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

(h) The indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to those of the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, the Agent and any other Indemnified Party.

18. Expenses. Whether or not the Offering is completed, the Corporation shall pay all costs, expenses and fees in connection with the Offering, including all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities and all other matters in connection with the transactions set out in this Agreement, including the fees and expenses payable in connection with the qualification of the Offered Securities for distribution, the fees and expenses of the Corporation's counsel, including of the Corporation's local counsel, the fees and expenses of the Corporation's Auditors, the Trustee and Warrant Agent, the transfer agent and registrar for the Common Shares, and all costs, expenses and fees incurred by the Agent in connection with the Offering, including the reasonable fees and disbursements of legal counsel to the Agent up to a maximum of $100,000, and the reasonable out-of-pocket costs of the Agent, together with all applicable taxes. Any out-of-pocket cost in excess of $10,000 shall require the prior approval of the Corporation. The parties agree that the Agent's counsel may directly enforce the obligation of the Corporation to pay its reasonable fees and disbursements (and all applicable taxes) as if such counsel were a direct party to this Agreement without any requirement for such counsel to proceed against the Agent, and the Agent will hold the benefit of the covenant of the Corporation in trust for such legal counsel. The Agent acknowledges having received a $25,000 advance retainer from the Corporation to cover the Agent's out of pocket expenses, and any of such retainer amount (or any additional retainers provided by the Corporation) in excess of the Agent's

actual expenses will be returned to the Corporation at the earlier of the Closing Time or the termination of this Agreement.

19. **Notices.** Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

(a) if to the Corporation, to:

Chemistree Technology Inc.
Suite 810 - 609 Granville St.
Vancouver, British Columbia
V6C 2T4

Attention: Karl Kottmeier
Email: karl@pemgroup.ca

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

Blake, Cassels & Graydon LLP
595 Burrard Street, Suite 2600
Vancouver, British Columbia
V7X 1L3

Attention: Kathleen Keilty
Email: kathleen.keilty@blakes.com

(b) if to the Agent:

Canaccord Genuity Corp.
609 Granville St., Suite 2200,
Vancouver, British Columbia
V7Y 1H2

Attention: Jamie Brown
Email: jbrown@canaccordgenuity.com

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

DLA Piper (Canada) LLP
100 King St. W., Suite 6000
Toronto, Ontario
M5X 1E2

Attention: Derek Sigel
Email: derek.sigel@dlapiper.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by email to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the

first Business Day following the day on which it is delivered; and (ii) a notice which is sent by email shall be deemed to be given and received on the first Business Day following the day on which it is sent.

20. **Time of the Essence.** Time shall, in all respects, be of the essence hereof.

21. **Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings with respect to the subject matter hereof, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

22. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

24. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agent and their respective successors and permitted assigns.

25. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

26. **Market Stabilization Activities.** In connection with the distribution of the Offered Securities, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Agent at any time.

27. **No Fiduciary Duty.** The Corporation acknowledges that in connection with the Offering: (i) the Agent has acted at arm's length, and owes no fiduciary duties, to the Corporation, (ii) the Agent owes the Corporation only those duties and obligations set forth in this Agreement, and (iii) the Agent may have interests that differ from those of the Corporation. The Corporation waives to the full extent permitted by Applicable Law any claims it may have against the Agent arising from an alleged breach of fiduciary duty in connection with the Offering.

28. **Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

29. **Counterparts and Electronic Copies.** This Agreement may be executed and delivered in any number of counterparts and by facsimile or PDF copy, which taken together shall form one and the same agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

CANACCORD GENUITY CORP.

Per: (signed) "*Jamie Brown*"
Name: Jamie Brown
Title: Vice Chairman, Managing Director, Investment Banking

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

CHEMISTREE TECHNOLOGY INC.

Per: (signed) "*Karl Kottmeier*")
Name: Karl Kottmeier
Title: Chief Executive Officer

SCHEDULE "A"
U.S. OFFERS AND SALES

Definitions

As used in this Schedule "A", the following terms shall have the meanings indicated:

Accredited Investor	means an accredited investor meeting one or more of the criteria in Rule 501(a) of Regulation D;
Directed Selling Efforts	means "directed selling efforts" as that term is defined in Regulation S;
FINRA	means the Financial Industry Regulatory Authority;
Foreign Issuer	means a "foreign issuer" as that term is defined in Regulation S;
Offshore Transaction	means an "offshore transaction" as that term is defined in Regulation S;
Qualified Institutional Buyer Letter	means the qualified institutional buyer investment letter in the form attached as Exhibit "A" to the U.S. Placement Memorandum;
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Regulation S;
U.S. Exchange Act	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
U.S. Affiliate	means any U.S. registered broker-dealer affiliate of any Agent;
U.S. Subscription Agreement	means subscription agreement in the form attached as Exhibit "B" o the U.S. Placement Memorandum.

All other capitalized terms used herein without definition have the meanings ascribed thereto in the Agency Agreement to which this Schedule "A" is attached.

A. Representations, Warranties and Covenants of the Agent

The Agent (on its own behalf and on behalf of its respective U.S. Affiliate) severally, but not jointly or jointly and severally, acknowledge that the Debentures and Warrants comprising the Units and the Debentures Shares and the Warrant Shares, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to any U.S. Person or any person within the United States, except to Qualified Institutional Buyers and/or Accredited Investors pursuant to an available exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws. Accordingly, the Agent (on its own behalf and on behalf of its U.S. Affiliate) severally, but not jointly or jointly and severally, represents, warrants and covenants to the Corporation, as of the date hereof and as of the

Closing Date, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers pursuant to an available exemption from registration under the U.S. Securities Act and applicable exemptions under state securities laws, it has offered and sold, and will offer and sell, the Units forming part of its allotment only in an Offshore Transaction in accordance with Rule 903 of Regulation S, or as provided in this Schedule "A". Accordingly, none of such Agent, its affiliates or any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell or any solicitation of an offer to buy, any Units to any U.S. Person or person in the United States; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or such Agent, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and a non-U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Units.

2. Any offer, sale or solicitation of an offer to buy Units that has been made or will be made by it or its U.S. Affiliate in the United States or to, or for the account or benefit of, U.S. Persons was or will be made only to persons reasonably believed by it and its U.S. Affiliate to be Qualified Institutional Buyers purchasing Units for their own accounts or for the account of one or more Qualified Institutional Buyers with respect to which they exercise sole investment discretion in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units.

4. All offers and sales of the Units in the United States to be completed with the assistance of the Agent will be effected through its U.S. Affiliate as agent for the Corporation, and such U.S. Affiliate is, and shall be on the date of each offer and sale of Units by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales of Units were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Units by it, a member in good standing with FINRA. All offers and sales of Units in the United States by it were made and will be made by its U.S. Affiliate in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA.

5. Offers and sales of the Units by it and its U.S. Affiliate in the United States or to, or for the account or benefit of, a person in the United States or a U.S. Person have not been and will not be made (i) by any form of general solicitation or general advertising as used in Rule 502(c) of Regulation D or (ii) in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. Immediately prior to soliciting offerees in the United States and at the time of completion of each sale to a purchaser in the United States, it, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, was either a Qualified Institutional Buyer and/or Accredited Investor purchasing Units directly from the Corporation.

7. Prior to the completion of any sale of Units in the United States to a Qualified Institutional Buyer, each such Qualified Institutional Buyer will be required to execute and deliver to the Corporation, the Agent and the U.S. Affiliate, including the Qualified Institutional Buyer Letter.

8. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agent with a list of all purchasers of the Units in the United States, together with their addresses (including state of residence), the number of Units purchased and the registration and delivery instructions for the Units.

10. At the Closing, each Agent (together with its U.S. Affiliate) that participated in the offer or sale of Units in the United States will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Units in the United States, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold Units in the United States.

11. None of such Agent, its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

12. All purchasers of the Units in the United States shall be informed that the Debentures and Warrants comprising the Units and the Debenture Shares and the Warrant Shares, have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units are being offered and sold to such purchasers pursuant to an available exemption from the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws.

B. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of the Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Debentures, the Warrants, the Debenture Shares or the Warrant Shares.

2. The Corporation is not, and as a result of the sale of the Units contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.

3. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers in reliance upon an available exemption from registration under the U.S. Securities Act and/or Accredited Investors in reliance upon the exemption from registration afforded by Section 4(a)(2) and/or Rule 506(b) of Regulation D under the U.S. Securities Act, none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, its respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Units to a U.S. Person or a person in the United States; or (ii) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (x) outside the United States or (y) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and is a not a U.S. Person.

4. During the period in which the Units are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Agent, its respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts in the United States with respect to the Units, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Units or that would cause the exemption from registration afforded by Section 4(a)(2) and/or Rule 506(b) under Regulation D of the U.S. Securities Act to be unavailable for offers and sales of Units in the United States in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States in accordance with the Agency Agreement and this Schedule "A".

5. The Corporation has not sold, offered for sale or solicited any offer to buy, during the period beginning six months prior to the start of the Offering and will not sell, offer for sale or solicit any offer to buy during the period ending six months after the completion of the Offering, any of its securities in the United States in a manner that would be integrated with the Offering and would cause the exemption from registration relied upon in the Offering to be unavailable with respect to offers and sales of the Units pursuant to this Schedule "A" or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Units to persons outside of the United States who are not (a) U.S. Persons or (b) acting for the account or benefit of U.S. Persons.

6. The Corporation will not take any action that would cause the exemptions or exclusions provided (i) by Section 4(a)(2) and/or Rule 506(b) under Regulation D of the U.S. Securities Act and applicable state securities laws to be unavailable with respect to offers and sales of the Units by the Agent in accordance with this Schedule "A", or (ii) by Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Units by the Corporation pursuant to this Schedule "A".

7. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Units.

8. None of the Corporation or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the United States Securities and Exchange Commission pursuant to Section 12(j) of the U.S. Exchange Act and any rules and regulations promulgated under the U.S. Exchange Act.

9. With respect to Units, none of the Corporation, any of its predecessors, any affiliated issuer of the Corporation, any director or executive officer of the Corporation, any other officer of the Corporation participating in the Offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter connected with the Corporation in any capacity at the time of sale of the Units is subject to any Disqualification Event. The Corporation is not disqualified from relying on Rule 506 under the U.S. Securities Act for any of the reasons stated in Rule 506(d) in connection with the issuance and sale of the Units. If applicable, the Corporation has furnished to each purchaser, a reasonable time prior to the date hereof, a description in writing of any matters that would have triggered disqualification under Rule 506(d) but which occurred before September 23, 2013, in each case, in compliance with the disclosure requirements of Rule 506(e). The Corporation has not paid and will not pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Agents, the U.S. Affiliate and any selling group member) for solicitation of purchasers of the Units.

Appendix 1
to Schedule "A"
Agent's Certificate

In connection with the private placement in the United States of the units (the "**Units**") of Chemistree Technology Inc. (the "**Corporation**") pursuant to the agency agreement dated as of March 22, 2019 (the "**Agency Agreement**") among the Corporation and the agent named therein, the undersigned does hereby certify as follows:

(i) The U.S. Affiliate is on the date hereof, and was at the time of each offer and sale of Units in the United States made by it, (a) a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state's broker-dealer registration requirements) and (b) a member of and is in good standing with FINRA;

(ii) all offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons were made only through the U.S. Affiliate as agent for the Corporation in accordance with the terms of the Agency Agreement;

(iii) all purchasers of the Units in the United States or who are, or are purchasing for the account or benefit of, U.S. Persons or who were offered the Units in the United States have been informed that the Units, the Debentures, the Warrants, the Debenture Shares and the Warrant Shares have not been and will not be registered under the U.S. Securities Act and such securities are being offered and sold to such purchasers without registration in reliance on exemptions from the registration requirements of the U.S. Securities Act;

(iv) immediately prior to offering, or soliciting any offers to buy, Units to any person in the United States, or to or for the account or benefit of, any U.S. Person, it had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer, and, on the date hereof, it continues to believe that each such offeree or purchaser is a Qualified Institutional Buyer;

(v) prior to any sale of the Units in the United States or to, or for the benefit or account of, a U.S. Person, it caused each purchaser to execute a Qualified Institutional Buyer Letter;

(vi) neither the undersigned nor any of their affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units; and

(vii) all offers and sales of the Units have been conducted by it in accordance with the terms of the Agency Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

[SIGNATURE PAGE FOLLOWS]

DATED this ___ day of _____, 2019.

[**AGENT**]	**[U.S. AFFILIATE]**
By:	By:
_____	_____
Authorized Signing Officer	Authorized Signing Officer